

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE COMMUNITY OF LOMBARD MEWS**

BACKGROUND

WHEREAS, by a certain Declaration of Covenants, Conditions and Restrictions, dated July 21, 1969 and recorded in the office for the recording of deeds in the County of Philadelphia, Commonwealth of Pennsylvania, in Deed Book JRS 466, Page 5 (the "Declaration"), a true and correct copy of which Declaration is attached hereto as Exhibit A, Philcent Corporation ("Declarant" therein) subdivided the property commonly known as 803-820 Lombard Street, 817-823 South Street and 530-536 South 8th Street (the "Property" or the "Subdivision") and conveyed all the resulting parcels of land to diverse third parties, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges to create the Community of Lombard Mews;

WHEREAS, there is no land in the Subdivision which was not expressly deeded to a specific party;

WHEREAS, all the land in the Community of Lombard Mews was deeded and conveyed to diverse third parties subject to the easements, restrictions covenants and conditions set forth in the Declaration, which easements, restrictions, covenants and conditions run with the land;

WHEREAS, those areas subject to the aforementioned easements are designated in the Declaration as the "Common Area" for the use and enjoyment of the residents of Lombard Mews, and will continue to be so designated herein;

WHEREAS, the Declaration also established the Lombard Mews Owners Association (the "Association"), consisting of every record owner of a fee or undivided fee interest in any one or more of the various parcels created by the Subdivision (the "Unit Owners");

WHEREAS, the Association is presently governed by the Bylaws of the Lombard Mews Owner's Association (the "Bylaws");

WHEREAS, the Declaration and the Bylaws contain certain inconsistent, unclear and/or ambiguous provisions;

WHEREAS, it is the desire of the Unit Owners to restate and amend the Declaration and the Bylaws so as to operate with modernized documents free of internal inconsistencies and ambiguities;

WHEREAS, the following Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Community of Lombard Mews (the "Restated Declaration") shall be adopted

in accordance with the provisions set forth in the Declaration and shall be recorded in the office for the recording of deeds in Philadelphia County; and

WHEREAS, at the time this Restated Declaration is recorded in the office for the recording of deeds in Philadelphia County, it shall have been approved by at least Seventy Five per cent (75%) of the Unit Owners as attested by the President and Secretary of the Board of Directors of the Association.

NOW THEREFORE, the Declaration described above is hereby amended and restated as set forth in this Restated Declaration. Any provision of the Declaration not expressly addressed by this Restated Declaration shall remain in full force and effect.

RESTATED DECLARATION

I

NAME

The name of the Community is Lombard Mews (hereinafter sometimes called “Lombard Mews” the “Mews” or the “Community”).

II

UNITS

The Community of Lombard Mews consists of thirty five (35) separate adjoining parcels of land (the “Units”) each improved with a two to four story residential townhouse (the “Dwelling”). Unit Boundaries are as established in the deed to the Unit. Each Unit shall be conveyed as a separately designated and legally described freehold estate, subject to the terms, covenants, conditions, restrictions and provisions of this Restated Declaration, the Bylaws and the Articles of Incorporation of the Association.

III

DEFINITIONS

As used in this Restated Declaration and the Bylaws, the following terms shall have the meaning ascribed to them below:

(i) “Annual Meeting” means that meeting of the Unit Owners, which shall be called by the President of the Board of Directors and held on the second Monday of January in each year if a business day and, if not, then on the next succeeding business day.

(ii) “Association” means the Lombard Mews Owners Association, its successors and assigns. Each Unit Owner shall be a member of the Association.

(iii) “Articles of Incorporation” means the articles of incorporation of the Association as the same now exists or may be hereafter amended.

(iv) “Board of Directors” means the governing body of the Association, consisting of five (5) natural persons, who are each twenty-one (21) years of age or older and who are Unit Owners in accordance with and subject to this Restated Declaration and the Bylaws. Each member of the Board of Directors shall be entitled to one (1) vote.

(v) “Budget” means the annual budget prepared and adopted by the Board of Directors in accordance with the Bylaws, containing an estimate of the total amount considered necessary by the Board of Directors to pay the costs and expenses associated with the maintenance, management and operation of the Community and reserves for working capital, operations, contingencies and replacements, if any (“Shared Expense Fund”), all as more specifically described in the Bylaws.

(vi) “Bylaws” means the Bylaws of the Lombard Mews Owners Association which provides for the governance of the Association as restated and amended.

(vii) “Buildings” means the permanently enclosed structures constructed or located within the Community, which shall include all outward extensions of such structures.

(viii) “Common Areas” means all real property subject to the easements described in the Declaration, which common areas include, among other things, the brick walkways, stairs, patios, courtyards, sidewalks, exterior half walls, tunnels and other paved surfaces in the Community, as well as the gardens, shrubs and other landscape features exterior to the Dwellings.

(ix) “General Shared Elements” means all portions of the Community, including Systems (as hereinafter defined) intended to be used in common by the Unit Owners.

(x) “General Shared Expenses” means expenditures made or liabilities incurred by the Association, together with any allocation to reserves, including without limitation, costs associated with the maintenance, repair and replacement of the Common Areas, the cost of property and liability insurance covering the Common Areas or the officers of the Association or the Board of Directors, but excluding all Limited Shared Expenses.

(xi) “Limited Shared Elements” means those parts of the Community, such as certain decks and party walls, which are allocated to or serve two or more, but not all, Units.

(xii) “Limited Shared Expenses” means expenditures made or financial liabilities incurred by the Association for costs associated with Limited Shared Elements.

(xiii) “Member” means every person or entity who holds membership in the Association. Each Unit Owner shall be a member of the Association.

(xiv) “Monthly Assessment” means an assessment made by the Board of Directors for, and a Unit’s individual share of, the anticipated General Shared Expenses and the anticipated Limited Shared Expenses associated with such Unit’s Limited Shared Elements for each month of the Association’s fiscal year as reflected by the Budget adopted by the Board of Directors for such fiscal year.

(xv) “Operating Account” means a separate operating account established by the Board of Directors.

(xvi) “Rules and Regulations” means such rules and regulations as are promulgated by the Board of Directors with respect to the use of all or any part of the Community, as such may be amended from time to time.

(xvii) “Special Assessment” means an assessment made by the Board of Directors for a Unit’s individual share of expenses which are in addition to the Monthly Assessment.

(xviii) “Systems” means all components of the mechanical, plumbing, electrical, heating, air conditioning, water, sewer, storm water, sprinkler, life safety, communication, telecommunications, security and other utility systems, in or serving the Community, including, but not limited to, water lines, sewer lines, gas pipes, shafts, ducts, electricity conduits and transmission lines, telephone wires and cables, chimney stacks for HVAC and any and all other types of transmission lines for utilities, HVAC or communications media, and any and all cable racks or other devices for the support of all such pipes, conduits, lines, wires, cables and media.

IV

DWELLING BOUNDARIES AND MAINTENANCE RESPONSIBILITIES

A. **DWELLING BOUNDARIES.** The boundaries of each Dwelling extend to the roof and exterior walls of that Dwelling and to the center of any party walls shared with another Dwelling.

B. MAINTENANCE RESPONSIBILITIES/ QUIET ENJOYMENT

(i) Units. No Unit Owner may carry on, or permit any practice to be carried on, within the Community that unreasonably interferes with the quiet enjoyment of the occupants of any other Unit. Each Dwelling shall be maintained and repaired by the Applicable Unit Owner except that such Unit Owner may delegate this duty to a lessee, sublessee or other lawful occupant. Each Unit Owner shall be responsible for maintaining such Dwelling in good order and repair, at the expense of such Unit Owner, including, without limitation, cleaning the interior and exterior of the glass panes of any windows serving such Dwelling, maintenance, repair and replacement of the exterior surfaces of the Dwelling, including the repairing and replacing of the glass panes in any windows therein. In the event that a Unit Owner shall fail to perform any maintenance, repair or replacement required to be performed by such Unit Owner, the Association, after notice to such Unit Owner, shall have the right to perform such maintenance, repair or replacement, the cost and expense of which shall be assessed as a Special Assessment against such Unit Owner. Maintenance, repair and replacement of the exterior half walls not part of a Dwelling including cleaning, repairing and replacement as needed shall be the responsibility of the Association, the cost and expense of which may be assessed against all Unit Owners as a Special Assessment, if need be.

(ii) Dwelling Exteriors. Unit Owners may not change the exterior appearance of such Unit Owner's respective Dwellings, and/or the Limited Shared Elements appurtenant thereto, if any, without prior written permission from the Board of Directors. The Board of Directors' permission may be conditioned upon, among other things, submission of plans and specifications for review by the Board of Directors, architects and/or engineers, and compliance with the Rules and Regulations and all applicable laws.

(iii) General Shared Elements. The General Shared Elements shall be maintained, replaced and repaired by the Association or its designee. The General Shared Elements shall be and are hereby made subject to an Easement in favor of the Association and its agents, employees and contractors, for the purpose of the inspection, upkeep, maintenance, repair and replacement of the General Shared Elements, including, without limitation, the landscaping of the Community.

(iv) Common Areas. All of the Common Areas shall be repaired, maintained and replaced by the Association or its agent, the cost and expense of which shall be assessed against the Unit Owners as a General Shared Expense.

(v) Limited Shared Elements. The cost of maintenance, repair and replacement of Limited Shared Elements shall be the responsibility of the Unit Owner or Owners to which such

Limited Shared Elements are appurtenant. Specific reference is made to that certain Settlement Agreement and Mutual Release dated May 20, 2005, recorded on June 21, 2005 in the office for recording of deeds in the City of Philadelphia as Document No. 51204529, by and among the Lombard Mews Owners Association and Robert Paller, Julie Paller, Rodney Robb, Edith Robb, James Brennan, Anita Robb and Laurie Malia as Unit Owners, Paragraph 8 of which (pertaining to maintenance and repair of certain decks, privacy walls, decking and supporting superstructure) is incorporated herein by reference and made a part hereof. The owners of 810 Lombard Street; 812 Lombard Street, Unit 1; 812 Lombard Street, Unit2, and 814 Lombard Street shall maintain and repair their deck structures, including both the privacy walls and decking as well as the supporting superstructure (including, but not limited to, the ceiling that is underneath the structure). The Association shall maintain and repair the lighting underneath the deck.

(vi) In the event that a Unit Owner shall fail to perform any maintenance, repair or replacement required to be performed by such Unit Owner, the Association, after notice to such Unit Owner, shall have the right to perform such maintenance, repair or replacement, the cost and expense of which shall be assessed as a Special Assessment against such Unit Owner. The Limited Shared Elements are hereby made subject to the following easements in favor of the Association, its agents, employees and contractors, for (i) maintenance, repair or replacement of the Limited Shared Elements and (ii) for correction of emergency conditions in the Limited Shared Elements and/or casualty to the Limited Shared Elements.

(vii) Outside Installations. Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Buildings or in or on the Shared Elements, except as permitted in writing by the Board of Directors.

(viii) Nuisance. No noxious or offensive activity shall be carried on by any person, in on or about the Dwellings or the Common Areas and nothing shall be done therein, either willfully or negligently, which may constitute a nuisance to the other Unit Owners, lessees, sub-lessees, licensees or invitees or other lawful occupants. The result of every act or omission by which covenants contained in the Declaration, this Restated Declaration, the Bylaws or the Restated Bylaws are violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed at law or in equity against a nuisance, either public or private, shall be applicable and may be exercised by any Unit Owner, the Association or its successors in interest.

(ix) Insurance Premiums. Nothing shall be done or kept in any Dwelling or in the Common Areas which will or could increase the rate of insurance payable by the Association, including, without limitation, any use which would increase the fire insurance premiums for the Community, without the prior written consent of the Board of Directors, which consent may be conditioned, among other things, upon the Unit Owner being required to bear the full amount of

such increase. No Unit Owner shall cause or permit anything to be done or kept in such Unit Owner's Unit or in the Shared Elements which could or will violate any law, statute, ordinance rule or regulation of any governmental body or which could or will result in the cancellation of any insurance maintained by the Board of Directors or the Association with respect to the Community.

(x) Damage Caused By Willful Or Negligent Act Or Omission. The Association's cost and expense of any maintenance, replacement or repair of the General Shared Elements or the Limited Shared Elements, not covered by insurance maintained by the Association, and arising out of or caused by the willful or negligent act or omission of a Unit Owner, or such Unit Owner's lessees, sub-lessees, licensees, employees, invitees or other occupants shall be paid for by such Unit Owner or assessed as a Special Assessment against such Unit Owner.

(xi) Rules and Regulations. The Board of Directors shall have the right to promulgate Rules and Regulations governing the use of the Shared Elements and the Common Area. This right shall include the right to assess fines and to suspend use privileges in order to enforce the unmodified provisions of the Declaration, this Restated Declaration, the Bylaws and the Articles of Incorporation.

(xii) Effect of Easements. All easements, rights and restrictions described and mentioned in this Restated Declaration are easements appurtenant to and running with the land and the Property, including, without limitation, the Dwellings and the Common Elements.

V

GENERAL SHARED ELEMENTS

A. The General Shared Elements shall include but not be limited to, the following:

(i) All Systems, other than Systems that benefit one or more, but not all, Dwellings. Any System which benefits one or more, but not all Dwellings, shall be designated as a Limited Shared Element as set forth below.

(ii) The Common Areas.

(iii) All other parts of the Community designated as General Shared Elements.

B. The maintenance and operation of the General Shared Elements shall be conducted by the Association or its designee.

C. No Unit Owner may obstruct the Common Area or the General Shared Elements in any way. No Unit Owner may store or leave anything in or on the Common Area or General

Shared Elements without the prior, written consent of the Board of Directors. The Common Area, the General Shared Elements and the Property as a whole are to be maintained in a clean and sanitary condition. No Unit Owner, employee, lessee, sub-lessee, licensee, invitee or other occupant may place any garbage, trash or rubbish anywhere in the Community other than in such Unit Owner's Dwelling and in or on such other parts of the Common Area as may be designated specifically for such purposes by the Board of Directors.

VI

LIMITED SHARED ELEMENTS

- A. Limited Shared Elements are as follows:
- (i) Systems that serve or benefit one or more, but not all, Dwellings.
 - (ii) Utility meters that serve or benefit one or more, but not all, Dwellings.
 - (iii) Patios, balconies, porches, decks, light wells and any other outdoor spaces appurtenant to and only to the benefit of two or more, but not all, Dwellings.
- B. Reference is made to that certain Settlement Agreement and Mutual Release dated May 20, 2005 recorded on June 21, 2005 in the office for recording of deeds in the City of Philadelphia as Document No. 51204529 by and among the Lombard Mews Owners Association and Robert Paller, Julie Paller, Rodney Robb, Edith Robb, James Brenna, Anita Robb and Laurie Malia as Unit Owners, Paragraph 8 of which (pertaining to maintenance and repair of certain decks, privacy walls, decking and supporting superstructure) is incorporated herein by reference and made a part hereof.

VII

BUDGET

ASSESSMENT AND ALLOCATION OF LIABILITY FOR COMMON EXPENSES

A. BUDGET. In accordance with the Bylaws, the Board of Directors shall adopt, prior to the commencement of each fiscal year, a Budget of the Association, and shall distribute a copy of such Budget to the Unit Owners prior to the Annual Meeting.

B. ASSESSMENTS. The Board of Directors shall have the power to impose assessments, in accordance with the Budget, which shall be apportioned among the Unit Owners, which assessments are the personal obligation of the Unit Owner(s) against whom they are assessed and are a lien against the Unit(s). The obligation and the lien for assessment shall also include:

- (i) A late or delinquency charge in an amount set by the Board of Directors;
- (ii) Interest at a rate not to exceed 12% per annum on each assessment or installment not paid when due; and
- (iii) The costs of collection, including court costs, the expenses of sale, expenses incurred or required for the protection and preservation of the Dwelling, and reasonable attorney's fees.

C. OPERATING ACCOUNT. The Board of Directors shall establish one or more Operating Accounts in which shall be deposited all assessments paid to the Association, required for the maintenance, management and operation of the Association and the Community.

D. RESERVE ACCOUNT. The Board of Directors shall establish one or more Reserve Accounts in which shall be deposited all assessments paid to the Association required for reserves, contingencies and capital replacements ("Shared Expense Fund").

VIII

THE ASSOCIATION

A. BOARD OF DIRECTORS.

(i) As more fully set forth in the Bylaws, the administration, operation, regulation and management of the Association shall be managed on behalf of the Members by a Board of Directors consisting of five (5) natural persons, who are each twenty-one (21) years of age or older, and who are Members, in accordance with this Restated Declaration and the Bylaws. Each Director shall be entitled to one (1) vote. Except for willful misconduct or gross negligence, the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise in the performance of their duties.

(ii) The Board of Directors may from time to time promulgate reasonable Rules and Regulations, not in conflict with the provisions of the Declaration, this Restated Declaration, the Bylaws or the Restated Bylaws, concerning the use and enjoyment of the Community, provided that in the event of a conflict between this Restated Declaration and the Rules and Regulations, concerning the use and enjoyment of the Community, this Restated Declaration shall control. Copies of the then current Rules and Regulations and all amendments thereto shall be furnished to all Unit Owners by the Board of Directors promptly after the adoption of such Rules and Regulations or any amendments thereto.

(iii) The Board of Directors shall have the power to impose a per diem assessment, in an amount to be determined by majority vote of the Members in attendance at each Annual Meeting, which amount shall not be less than \$50.00 per day, per violation, upon any Unit Owner, who violates or whose lessee, sub-lessee, licensee, employee, invitee, other occupant or agent violates any provision of the duly published Rules and Regulations, the Bylaws or the Restate Bylaws, the unmodified provisions of the Declaration or this Restated Declaration, and who fails to cure such violation within ten (10) calendar days after receipt of written notice from the Association of such violation, except that if such violation cannot reasonably be completely cured within the ten day notice period, then the said Unit Owner shall be deemed to be in compliance provided that the Unit Owner in good faith begins the cure within the ten day notice period or receives written consent from the Board of Directors to delay the start of such cure.

(iv) In addition to the assessment set forth in sub-paragraph (iii) above, the violation of any Rules and Regulations adopted by the Board of Directors, the breach of any provision contained in the Bylaws, or the breach of any provision of this Restated Declaration or any unmodified provision of the Declaration, by any Unit Owner or such Unit Owner's lessees, sub-lessees, licensees, employees, invitees, or other occupants, of such Unit Owner's Dwelling, shall give the Association and the Board of Directors the right, in addition to any other rights to which they may be entitled, to enjoin, abate or remedy or direct any agent or designee to enjoin, abate or remedy, by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(v) The Board of Directors shall resolve any dispute or disagreement between Unit Owners relating to the Community and any questions regarding the interpretation or application of the provisions of this Restated Declaration, the By-laws, the Rules and Regulations, the unmodified provisions of the Declaration and/or the Articles of Incorporation, and the Board of Directors' determination shall be final and binding on all such Unit Owners. The Board of Directors shall have the authority, but not the obligation, to seek a declaratory judgment or other appropriate judicial relief or order to assist them in carrying out the foregoing responsibilities. All costs of obtaining such judgment, including, without limitation, attorney fees and court costs, shall be borne by the disputants, or, in the absence of disputants, by the Association as a General Common Expense.

(vi) The failure of the Board of Directors or the Association to enforce any of the covenants contained in this Restated Declaration, the unmodified provisions of the Declaration,

the Rules and Regulations or the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(vii) Except in such cases where they are found liable for willful misconduct and/or gross negligence, the members of the Board of Directors shall be indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon them in connection with any proceeding in which they may become involved by reason of being members of the Board of Directors. This right of indemnification shall not be deemed exclusive of any other rights to which the Board members may be entitled as a matter of law or agreement or by vote of the Unit Owners or otherwise. The indemnification expense shall be paid by the Association on behalf of the Unit Owners and shall constitute a General Shared Expense and shall be assessed and collectible as such.

B. MEMBERS OF THE ASSOCIATION.

(i) Membership. Each Unit Owner shall be a Member of the Association. Memberships in the Association shall not be assignable, except by transfer of title, and every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of a Unit. Ownership of a Unit shall be the sole qualification for membership in the Association.

(ii) Transfer of Membership. Any transfer of membership shall be in writing and shall be delivered to the Board of Directors before any purchaser of a Unit may vote. However, the seller of a Unit shall remain liable for all charges and assessments attributable to its Unit through the date that the fee title to the Unit is transferred. In the event that the Unit Owner of any Unit shall fail or refuse to transfer the membership registered in its name to the purchaser of such Unit upon transfer of fee title thereto, the Board of Directors shall have the right to affect such transfer and record the transfer on the books of the Association.

ARTICLE IX

INSURANCE

The Association shall maintain insurance complying with the following requirements, provided that, in the event any type or amount of insurance described below is not available at commercially reasonable rates, then the Board of Directors shall attempt to obtain insurance that is as close as reasonably possible to the type specified below and which is available at commercially reasonable rates:

A. Property and casualty insurance to provide coverage of the Common Areas and the exterior of the Units, exclusive of the improvements and betterments installed in the Dwellings and in any of the Limited Shared Elements appurtenant thereto, and exclusive of fixtures, furniture, furnishings and other personal property of Unit Owners. Any “no other

insurance” clause in such policy shall not prohibit Unit Owners from obtaining insurance on their individual Unit. The property and casualty insurance obtained by the Association shall insure against “all risks” or “special causes loss” of direct physical loss commonly insured against. The amount of such property and casualty insurance shall be equal to the full insurable replacement value of the insured property. Such property and casualty insurance policy may, at the option of the Board of Directors, contain a “deductible” provision in an amount to be determined by the Board of Directors, but such deductible shall not exceed 1% of the applicable coverage limits of the policy. The proceeds of such policy shall be payable to the Association. In the event of damage to, or destruction of, any part of the Common Elements, the Board of Directors shall repair or replace the same or have the same repaired or replaced from the insurance proceeds. If such insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Board of Directors may make a Special Assessment against all Unit Owners to cover the additional cost of repair or replacement, in addition to any other Monthly Assessment made against such Unit Owners.

B. Comprehensive liability insurance, insuring the Association, the Board of Directors, and the Unit Owners against any liability to the public or to the other Unit Owners, their lessees, sub-lessees, invitees, licensees or other lawful occupants, relating in any way to the ownership and/or use of the Shared Elements and Common Area. Such insurance shall include a “severability of interest” endorsement or equivalent coverage, which precludes the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner. Such insurance policy shall include protection against water damage liability, liability for property of others, and such other risks as are customarily covered in similar communities. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Board of Directors to ensure that all insurance coverages remain adequate to meet the needs of the Community.

C. Directors and Officers liability insurance, including coverage for the Association, members of the Board of Directors, officers, committee members and employees, if any.

D. Insurance to satisfy any indemnification obligation of the Association.

E. Such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of votes at a duly called meeting of the Association.

F. All policies must be underwritten by a company licensed to do business in the Commonwealth of Pennsylvania and any company underwriting the property and casualty insurance policy of the Association shall hold a rating of A or better by Best Insurance Reports, or by an equivalent rating bureau should Best Insurance Reports cease to be issued.

G. Exclusive authority to adjust losses under policies hereafter in force shall be vested in the Board of Directors or its authorized representative.

H. The name of the insured under each policy shall be as follows:

Lombard Mews Owners Association, for the use and benefit of all of the individual Unit Owners, the officers of the Lombard Mews Owners Association, and the members of the Board of Directors, and their authorized agents or representatives, as their respective interests may appear.

I. Insurance Maintained By Unit Owners. Each Unit Owner must purchase and maintain insurance to protect, on an “all-risk” basis, any improvements or betterments made to its Dwelling, and its personal property on a 100% replacement cost basis.

J. Each Unit Owner must purchase comprehensive liability insurance, insuring the Unit Owner against any liability arising out of the use of the Dwelling. Such insurance shall include protection against water damage liability, liability for damage to property of others, and such other risks as are customarily covered under such policies of insurance. Coverage limits shall be as determined by the Board of Directors.

K. Each Unit Owner, promptly upon the purchase of a Unit, shall provide proof of insurance to the Board of Directors.

ARTICLE X

MORTGAGES AND MORTGAGEES

A. On and after the effective date of this Restated Declaration, every mortgage placed on any parcel of real estate in the Community shall provide generally, whether or not they so state, that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of this Restated Declaration, the Bylaws, the Rules and Regulations and the Articles of Incorporation.

B. The mortgagee shall have no right to:

(i) Participate in the adjustment of losses with insurers or in the decision as to whether or not or how to repair or restore damage to or destruction of the Property;

(ii) Receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise; or

(iii) Accelerate the mortgage debt or be entitled to exercise any other remedy by virtue of waste or alleged waste or other conditions occurring elsewhere in the Community other than within the Unit encumbered by such mortgage.

C. Every Unit Owner or prospective purchaser of a Unit shall, upon the execution of any mortgage or obligation to be secured by the said Unit, notify the Board of Directors in writing of the name and address of its mortgagee(s).

D. The Board of Directors shall have the right, but not the obligation, to notify a mortgagee of any default in the Unit Owner's obligations under this Restated Declaration, the unmodified provisions of the Declaration, the Bylaws, the Rules and Regulations or the Articles of Incorporation, including, without limitation, failure to pay assessments when due and payable, which failure shall not have been cured within sixty (60) days after such default.

ARTICLE XI

GENERAL PROVISIONS

A. Covenants Running With The Land. The provisions of this Restated Declaration shall at all times hereafter be appurtenant to, affect and bind the Property and are intended to be covenants running with the land. This Restated Declaration shall be recorded in the Department of Records in and for Philadelphia County, Pennsylvania, and when so recorded, every person who owns, occupies or acquires any right, title, estate or interest in or to any Unit or other portion of the Community does and shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Community or any portion thereof.

B. Headings. The headings used in this Restated Declaration are used solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Restated Declaration.

C. Severability. The provisions of this Restated Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision hereof, shall not affect the validity or enforceability of any other provision hereof.

D. Governing Law. This Restated Declaration shall be governed by and construed according to the internal laws of the Commonwealth of Pennsylvania.

E. Notices. All notices or other communications required or permitted to be given by the Association under or in connection with this Restated Declaration shall be in writing, and shall be deemed given when delivered in person to the appropriate Unit or Unit Owner or on the first business day after the notice is delivered to a reputable overnight courier service, with arrangements made for payment of the charges for next business day delivery, return receipt requested at the address maintained in the register of current addresses maintained by the Association.

ADOPTED ON THE _____ DAY OF _____, 2012 BY VOTE OF MEMBERS OF THE LOMBARD MEWS OWNERS ASSOCIATION.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed this Restated Declaration this _____ day of _____, 2012.

SECRETARY

By: _____

Name: _____

PRESIDENT

By: _____

Name: _____

EXHIBIT A
THE DECLARATION
(See attached)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS dated 7/21/1969 and recorded recorded 7/22/1969 in Deed Book JRS 466 page 5.

THIS DECLARATION made on the date hereinafter set forth by Philcent Corporation a Penna. Corp., hereinafter referred to as "Declarant".

W I T N E S S E T H

WHEREAS Declarant is the owner of certain property called LOMBARD MEWS and situate in the City of Philadelphia upon land known as 803-820 Lombard Street, 817-823 South Street and 530-536 South 8th Street, BEING the same premises which Alfred Pollack and Samuel Pollack, Co-Partners, trading as Alfred Pollack and Samuel Pollack Realty Co., Samuel Pollack and Alfred Pollack Realty Company, Alfred and Samuel Pollack Realty Co., a Partnership and Alfred Pollack and Mollie Pollack, his wife and Samuel Pollack and Sonya Pollack, his wife, granted and conveyed unto Philcent Corporation by Deed dated 7/25/1967 and recorded 7/26/1967 in Deed Book CAD 1032 page 375.

AND WHEREAS Declarant will subdivide such property and convey the resulting properties subject to certain protective covenants, conditions, restrictions, reservations liens and charges as hereinafter set forth.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held sold and conveyed subject to the following easements, restrictions, covenants and conditions all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right title or interest in the described properties or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Lombard News Owner's Association its successors and assigns.

SECTION 2. "Properties" shall mean and refer to a portion of the real property hereinbefore described which portion is shown on the survey attached hereto as Exhibit "A" and incorporated herein by this reference and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Common Area" shall mean all real property subject to easements described herein for the common use and enjoyment of the members of the Association as well as ingress egress and regress to the lots.

SECTION 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

SECTION 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

SECTION 6. "Owner" shall mean and refer to the record owner whether one or more persons or entities of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

SECTION 7. "Declarant" shall mean and refer to Philcent Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. Annexation of additional property shall require the assent of two-thirds

(CONTINUED)

DEED BOOK JRS 466 page 5 - continued:

(2/3) of the Class "A" members and two-thirds (2/3) of the Class "B" members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event that two-thirds (2/3) of the Class "A" membership or two-thirds (2/3) of the Class "B" membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

SECTION 2. If within five (5) years of the date of incorporation of this Association, the Declarant should develop additional lands within the area described in Deed Book CAD 1032 page 375, of the records of the City of Philadelphia, such additional lands may be annexed to said Properties without the assent of the Class "A" members; provided however, that the development of the additional lands described in this section shall be in accordance with the general scheme of development of the Properties.

ARTICLE III

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants or record to assessment by the Association including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

The association shall have two classes of voting membership:

Class "A" - Class "A" members shall be all those Owners as defined in Article III with the exception of the Declarant. Class "A" members shall be entitled to one vote for each lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class "B" - The Class "B" member(s) shall be the Declarant. The Class "B" member(s) shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article III, provided that, the Class "B" membership shall cease and be converted to Class "A" membership when the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership.

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DEED BOOK JRS 466 page 5 - continued:

ARTICLE V

PROPERTY RIGHTS

SECTION 1. Members' Easements. Every member shall have a right and easement of enjoyment in and to the Common Area as well as a right and easement of free ingress egress and regress to and for himself, his heirs and assigns his and their tenants and undertenants occupiers or possessors of his lot and such easements shall be appurtenant to and shall pass with the title to every assessed lot.

SECTION 2. Delegation of Use. Any member may delegete in accordance with the By-Laws his rights of enjoyment ingress egress and regress in and to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

SECTION 3. Title to the Common Area. Fee title to the Common Area shall vest in the respective owners of the individual lots which shall be made servient to the dominant interest of the Association and residents of the townhouse dwelling units by easements of enjoyment, ingress, egress and regress. Declarant hereby covenants for itself, its heirs and assigns that it will convey to the Association for the benefit of its members by Deed of Grant prior to the conveyance of the first lot, the rights and easements of enjoyment, ingress and regress in and to the Common Area.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each lot owned within the Properties, hereby covenants and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance is deemed to covenant and agree to pay to the Association: (1) annual assessment or charges and (2) special assessments for capital improvements such assessments to be fixed, established and collected from time to time as hereafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be charged on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Common Area, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

SECTION 3. Basis and Maximum of Annual Assessments. Annual maintenance assessments shall begin upon the tenth conveyance of a lot to an Owner unless sooner begun by a majority vote of the members of the Association. Thereafter until January 1, of the year immediately following the commencement of annual maintenance assessments the maximum annual assessment shall be Fifty Dollars (\$50.00) per lot.

(a) from and after January 1 of the year immediately following the commencement of assessments the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.)

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DEED BOOK JRS 466 page 5 - continued:

for the preceding month of July.

(b) from and after January 1 of the year immediately following the commencement of assessments, the maximum annual assessment may be increased above that established in the By-Laws of the Association by the Consumer Price Index formula by a vote of the members for the next succeeding two (2) years and at the end of each such period of two (2) years, for each succeeding period of two (2) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of current maintenance costs and future needs of the Association the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

SECTION 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

SECTION 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

SECTION 6. Quorum for any Action Authorized under Sections 3 and 4. At the first meeting called as provided in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7. Date of Commencement of Annual Assessments; Due Dates: The annual Assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the first lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment thereon stated to have been paid.

SECTION 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) percent per annum and the Association may bring an action at law against the owner who shall be personally

DEED BOOK JRS 466 page 5 - continued:

obligated to pay the same or the Association may foreclose the lien against the property and interest costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

SECTION 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate only to the lien of any bona fide purchase money mortgage or mortgages and the lien of any local state or federal taxes. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve the owner from his personal obligation to pay such prior assessments nor shall it relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

PARTY WALLS

SECTION 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the properties and placed on the dividing line between the lots shall constitute a party wall and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

SECTION 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

SECTION 3. Descruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

SECTION 4. Weatherproofing. Notwithstanding any other provision of this Article an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

SECTION 5. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

SECTION 6. Arbitration. In the event of any dispute arising concerning a party wall or under the provisions of this article, each party shall choose one arbitrator and such arbitrators shall choose one additional arbitrator and the decision shall be by a majority of all the arbitrators.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building fence wall or other structure shall be commenced erected or maintained upon the common Area nor shall any exterior addition to or change or alteration of the dwelling units erected upon the lots be made until the plans and specifications showing the nature kind shape height materials and location of the same shall have been

DEED BOOK JRS 466 page 5 - continued:

submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each lot which is subject to assessment hereunder, as follows: front lawn cutting and snow removal from sidewalks front walkways and porches. In the event that the need for maintenance or repair upon the Co-mon Area is caused through the willful or negligent act of an Owner, his family, guests or invitees, the cost of such maintenance of repairs shall be added to and become a part of the assessment to which the Lot of such owner is subject. All maintenance upon the Common Area and sidewalks shall be performed uniformly, never at the special request of any owner and only upon the order of the Board of Directors of the Association or a Maintenance Committee appointed by such Board.

USE RESTRICTIONS

ARTICLE X

No lot shall be used for any purpose other than for the construction thereof of a single family dwelling.

The Common Area shall be for the common use and enjoyment of the members of the Association. Such use and enjoyment shall be restricted to recreational activities not infringing upon the health, safety and welfare of other residents of the Properties or such other activities as may be specially approved by an absolute vote of two-thirds (2/3) of the members of the Association at a meeting specially called for such vote.

ARTICLE XI

EASEMENTS

Simultaneously with the recording of this Declaration of Covenants, Conditions and Restrictions, Declarant shall record a Deed of Grant conveying unto the Association its successors and assigns an easement and right to the free and uninterrupted use and enjoyment of the Common Area together with the right of free ingress, egress and regress to each of the townhouse dwelling units comprising the Lombard Mews Development which Deed of Grant shall be incorporated herein by this reference.

ARTICLE XII

GENERAL PROVISIONS

SECTION 1. Enforcement. The Association or any Owner shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants reservations liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant

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DEED BOOK JRS 466 page 5 - continued:

or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

SECTION 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the association or the owner of any lot subject to this Declaration, their respective legal representative, heirs, successors and assigns for a term of twenty (20) years from the date this Declaration is recorded after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the lot owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be properly recorded in order to be valid and effective.

DEED OF GRANT: Philcent Corporation and Lombard Mews Owners' Association dated 7-21-1969 and recorded 7-22-1969 in Deed Book JRS 466 pg. 32.

THIS INDENTURE, made the 21st day of July A.D. 1969, BETWEEN PHILCENT CORPORATION, a Pennsylvania Corporation of the one part (hereinafter called the Grantor), and LOMBARD MEWS OWNERS' ASSOCIATION, a nonprofit corporation organized and existing under the laws of the Commonwealth of Pennsylvania, of the other part (hereinafter called the Grantee):

WITNESSETH, That the Grantor, for and in consideration of the sum of One Dollar (\$1.00), lawful money of the United States of America, unto it well and truly paid at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain and sell unto the said Grantee, its successors and assigns, its and their members, tenants and undertenants, and occupiers or possessors of the townhouse dwelling units comprising the Lombard Mews Development, the free and uninterrupted use, liberty and privilege of, and passage in and along a certain common area or passageway now existing at grade level between two (2) rows of townhouses presently constructed in the Lombard Mews Development of Grantor, said common area or passageway being all that area bounded in Red and described by survey on the annexed Exhibit "A", which by this reference is incorporated herein and made part of this Deed of Grant as though more fully set forth herein.

TOGETHER with free ingress, egress and regress to and for the said Grantee, its successors and assigns, its and their members, tenants and undertenants, and occupiers or possessors of the townhouse dwelling units comprising the Lombard Mews Development.

TO HAVE AND TO HOLD all and singular the privileges aforesaid to it, the said Grantee, its successors and assigns, its and their members, to and for the only proper use and behoof of it, the said Grantee, its successors and assigns, its and their members, forever, in common with it the said Grantor, its successors and assigns, as aforesaid;

SUBJECT, nevertheless, to any and all public utility easements and consents and to the full amount of all necessary charges and expenses which shall from time to time accrue for maintaining, amending, repairing and cleansing said common area or passageway.

IN WITNESS WHEREOF, the said Grantor has hereunto caused to be executed this Indenture the day and year first above written.

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
: **SS**
COUNTY OF _____ :

ON THIS the ____ day of _____, 2012, before me, the undersigned individual, personally appeared _____, who acknowledged himself to be the **PRESIDENT** of the Lombard Mews Owners Association, a Pennsylvania non-profit corporation, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Notary Public

My commission expires:

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :

: **SS**

COUNTY OF _____ :

ON THIS the _____ day of _____, 2012, before me, the undersigned individual, personally appeared _____, who acknowledged himself to be the **SECRETARY** of the Lombard Mews Owners Association, a Pennsylvania non-profit corporation, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Notary Public

My commission expires: