

EXHIBIT "A"

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**MASTER DECLARATION OF  
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS  
FOR PENINSULA LAKES  
INDIAN RIVER HUNDRED, SUSSEX COUNTY, DELAWARE**

RECEIVED  
Jan 07, 2016  
ASSESSMENT DIVISION  
OF SUSSEX COUNTY

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**MASTER DECLARATION OF  
COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS (this "Declaration") is made effective as of the 22nd day of December, 2015 (the "Effective Date"), by PENINSULA LAKES, LLC, a Delaware limited liability company (the "Declarant").

**WHEREAS**, pursuant to the Deed recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware (the "Recorder's Office") at Deed Book 4323, Page 285, Declarant is the legal and equitable owner of those certain lots, pieces or parcels of land bounded and described on **Exhibit "A"**, attached hereto and made a part hereof (the "Property"), being a portion of the real property shown and identified on the Subdivision Plat (Revised) for Peninsula Lakes prepared by Becker Morgan Group, dated April 24, 2015, last revised on April 28, 2015, said plan being recorded in the Recorder's Office at Plat Book 215, Page 28, as such Plat may be subsequently supplemented or amended from time to time by final subdivision plats for up to eighteen (18) additional residential phases of Peninsula Lakes, for a total of up to nineteen (19) residential phases (collectively, as supplemented and amended, the "Master Plan"); which Property is currently designated for the construction of a residential community to be known as "Peninsula Lakes" on the Lots (defined below); and open spaces, storm water management areas, recreational facilities, and improvements and other amenities located within the Property (collectively, with all the Lots, the "Project"); and

**WHEREAS**, Declarant desires to control and restrict both the construction of original structures and improvements on the Property as generally depicted on the Master Plan, as well as any modification to the original residential dwellings and other improvements that shall be built in accordance with and subject to the terms and conditions of those certain design guidelines and procedures, as the same may be established and amended from time to time by the ARC (defined in Section 6.1 below) (the "Design Guidelines"), together with the use to which all dwellings, structures, and improvements in the Project, as more fully described below, are put so as to promote and facilitate the development of a healthful, safe, harmonious, attractive and valuable residential community and for the preservation of the values and amenities in the Project. Towards this end, Declarant desires to subject the Property and Project to certain covenants, restrictions and agreements as hereinafter more particularly set forth, all of which Declarant deems to be for the benefit of the Declarant, and each Owner (defined below) and their respective heirs, personal representatives, successors, assigns, and transferees.

**WITNESSETH:**

**NOW, THEREFORE**, Declarant hereby declares that the Property and Project shall be held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, conditions, restrictions and easements set forth in this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and Project and be binding on all parties having any right, title or interest in all or any portion of the Property and Project, as the Project may be modified from time to time in accordance with Article II hereof, their heirs, personal representatives, successors, transferees and assigns, and which shall inure to the benefit of the Declarant, Association (as

defined below) and each Owner and their respective heirs, personal representatives, successors, transferees and assigns.

## ARTICLE I DEFINITIONS

1.1. "Association" shall mean and refer to the Peninsula Lakes Property Owners Association, Inc., a non-stock Delaware corporation, its successors and assigns.

1.2. "Association Documents" shall mean the Articles of Incorporation and Bylaws of the Association, as amended.

1.3. "Association Member" shall mean every person, group of persons, limited liability company, corporation, partnership, trust or other legal entity, or any combination thereof, who is an Owner of any Lot that is part of the Property.

1.4. "Association Property" shall mean all areas of the Property and Project, other than and expressly excluding the Lots (irrespective as to whether title thereto is vested in the Association), as more particularly bounded and described on Exhibit "A" attached hereto and made a part hereof, together with any and all improvements and Facilities located thereon (and excluding the Lots as they may be added or reconfigured from time to time in accordance with Article II hereof).

1.5. "Bylaws" shall mean the Bylaws for the Association, as they may be amended or restated from time to time.

1.6. "Property Rules and Regulations" shall mean and refer to the rules and regulations promulgated from time to time by the Association pursuant to Section 7.6 of this Declaration and any amendments or supplements thereto.

1.7. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including, without limitation, a reasonable reserve and expenses for the maintenance, repair and/or replacement of the Association Property in accordance with Article IX hereof and all annual and special assessments found to be necessary or appropriate by the Board in accordance with Article V hereof, and such other costs and expenses as may be found to be necessary or appropriate by the Board of Directors of the Association (the "Board") pursuant to this Declaration and the Bylaws and Certificate of Incorporation of the Association.

1.8. "Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing in connection with the Association Property. Such standard may be more specifically determined and set forth by the Board.

1.9. "Declarant" shall be Peninsula Lakes, LLC, a Delaware limited liability company, its successors and assigns, but only to the extent that any of the rights, reservations, easements, interests, exemptions, privileges or powers of the Declarant are specifically assigned or transferred to any such successors or assigns by an instrument in writing.

1.10. "Declarant Control Period" shall mean the period beginning on the date of this Declaration and ending on the earliest of (a) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created on the Property to Owners other than the Declarant or a Participating Builder, or (b) two (2) years after Declarant and all Participating



Builders have ceased to offer Lots for residential purposes for sale in the ordinary course of business, or (c) two (2) years after the Declarant's right to add more Lots for residential purposes on the Property was last exercised.

1.11. "Development Plans" shall mean and refer collectively to the approved site plan and plats for the Property and Project, including the Master Plan, as well as any and all amendments, modifications and extensions thereof as may be made from time to time.

1.12. "Director" shall mean each individual who is a member of the Board of Directors of the Association.

1.13. "DUCIOA" shall mean the Delaware Uniform Common Interest Ownership Act, 25 Del. C. § 81-101 et seq., as amended from time to time.

1.14. "Eligible Mortgage Holder" shall mean a holder, insurer or guarantor of a First Mortgage on a Lot or the Association Property, as applicable, who has submitted a written request for notice from the Association of amendments to this Declaration or the Association Documents, or other significant matters which would affect the interests of the Mortgagee.

1.15. "Emergency" and its various derivations shall mean any event, circumstance or condition created or arising out of the use, operation, or occupancy of any portion of the Property or Project, including, but not limited to, any Lot or the Association Property, which may, in the absence of immediate action by the Declarant, an Owner, or the Association, as applicable, and as otherwise provided under this Declaration (i) pose an immediate threat or irreparable harm to the Declarant, the Association, or any Owner or Association Member, or their respective successors, assigns, tenants, subtenants, agents, officers, directors, employees, agents, contractors, customers, visitors, licensees, invitees, guests, members and concessionaires or other third party or (ii) pose an immediate threat or irreparable harm or significant property damage to any portion of the Property or Project (including, but not limited to, any Lot, the Association Property) or to any property adjacent to the Property or Project or (iii) violate or result in the revocation of any or all authorizations, approvals, certificates or permits or other instruments or documents that are issued by and from any local, county, state or federal agency or body which govern the occupancy, use and operation of the Property or Project (including, but not limited to, any Lot, or Association Property) or (iv) invoke, create or impose civil or criminal liability upon the Declarant, the Association or any Owner or Association Member by any governmental authority or third parties as a result of the acts or omissions of the Declarant, the Association or any Owner or Association Member or (v) as reasonably determined by Declarant.

1.16. "Facilities" shall mean any and all improvements, structures and facilities or other betterments, including, by way of illustration and not limitation, (i) private and public streets, parking areas, sidewalks, active and passive recreational facilities (including, but not limited to, to the extent included in the Development Plans, the "park & ride" parking and pick-up facility, swimming pool, community building, and any trails and pathways), any Irrigation Facilities, entrance features or improvements, and street lighting, (ii) any and all storm water management facilities and utility services (including, but not limited to, any private community sewer system) to the extent that Sussex County, Delaware, or any other governmental agency or third party does not assume responsibility for the maintenance, repair and replacement of the storm water management facilities, including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets,

oil/grit separators and underground facilities, if any, whether such storm water management facilities are located within the Property or not, (iii) any rights-of-way, swales, culvert pipes, entry strips, signage, and entrance features or improvements that are situated within or that are appurtenant to and serve the Property, including, without limitation, any landscaping and other flora and improvements situated thereon, and (iv) any other real and personal property, facilities and equipment, including, but not limited to, any fitness center, clubhouse and pool facilities.

1.17. "Irrigation Facilities" shall mean and refer to any above or below ground infrastructure (including but not limited to wells, equipment, improvements, apparatus, pipes, conduits and sprinkler heads) installed by the Declarant and designed and intended to be used for the purpose of watering the landscaping located on the Property, including, but not limited to, trees, shrubs, lawns, and other vegetation located on the Lots as applicable.

1.18. "Lawn Area" shall mean and refer to any portion of the front, side or rear (if applicable) yard areas of any Lot that contains grass, shrubs, bushes, trees or other planted materials; provided, however, that any portion of a Lot which is enclosed by a wall, fence or other obstruction and which is not readily accessible to the Association as determined by the Board shall not be considered a Lawn Area.

1.19. "Laws" shall mean all statutes, laws, rules, regulations, ordinances and similar enactments or promulgations, by and from any local, county, state or federal agency or body, including, but not limited to, environmental laws and regulations and applicable zoning, subdivision, health and building codes and any and all authorizations, approvals, certificates or permits or other instruments or documents that are issued by and from any local, county, state or federal agency or body which govern the ownership, occupancy, use, or operation (including, but not limited to, any maintenance, repair and or replacement) of all or any portion of the Property or Project, including, but not limited to, the Lots or Association Property.

1.20. "Lot" shall mean any one of, and "Lots" shall mean more than one of, the residential dwelling lots in Peninsula Lakes initially consisting of forty (40) residential dwelling lots in Phase 1 and to consist of up to an aggregate maximum in all phases of six hundred sixty (660) dwelling lots, as such Lots are established from time to time; and shall not include the Association Property, any property dedicated for public use, or other areas of the Property or Project.

1.21. "Mortgagee" shall mean the holder of any recorded mortgage encumbering one or more of the Lots or all or any portion of the Association Property. "Mortgage," as used herein, shall mean any mortgage held by a Mortgagee. "First Mortgage," as used herein, shall mean a Mortgage with priority over all other Mortgages. As used in this Declaration, the term "Mortgagee" shall mean any Mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot or all or any portion of the Association Property. In the event any Mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the

Department of Veterans Affairs ("VA"), then as to such mortgage the expressions "Mortgagee" and "institutional mortgagee" include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Secretary of Veterans Affairs or through other duly authorized agents.

1.22. "Owner" shall mean and refer to the record owner, whether one or more persons, group of persons, association, corporation, limited liability company, partnership, trust or other legal entity, or any combination thereof, of fee simple title to any Lot, including the Declarant, but specifically excluding those having such interest merely as security for the performance of an obligation.

1.23. "Participating Builder" refers to a person or entity other than the Declarant that, in the ordinary course of such person's or entity's business, constructs residential structures on any portion of the Property or Project, including, but not limited to, the Lots, for sale or lease to others, and by way of illustration and not limitation, NVR, Inc., Schell Brothers LLC, and any such builder designated by the Declarant.

1.24. "Project" as used in this Declaration shall mean and refer to the residential community, together with the improvements erected and maintained thereon, to be known as "Peninsula Lakes" consisting of the Lots and Association Property and all Facilities located on any of the foregoing, all to be built on the Property.

1.25. "Property" shall mean and refer to that certain real property described on Exhibit "A" attached hereto and made a part hereof, and if Declarant so chooses to expand the scope of the Project, all of or any portion of the additional real property described in Exhibit "B" attached hereto as a part hereof, that are subjected to this Declaration from time to time by Declarant pursuant to any amendments to this Declaration (the "Expansion Property").

1.26. "Recorder's Office" shall mean and refer to the Office of the Recorder of Deeds in and for Sussex County, Delaware.

1.27. "Utilities" shall mean Tidewater Utilities, Inc., Sussex County, their successors in interest, or such other entities that are or may become responsible for collecting, treating and disposing of sanitary sewer wastewater from, or delivering water or natural gas to, Lots or Association Property and improved areas within the Property.

1.28. "Wastewater Agreement" shall mean and refer to, individually and collectively, any easement agreement entered into from time to time by and between Sussex County, Delaware and Declarant, to be recorded in the Recorder's Office, and any and all other agreements for the Project between Declarant and Sussex County that are binding on Owners other than Declarant with respect to the operation, management, control, repair, maintenance and/or replacement of community waste water system, together with any and all amendments thereto and any replacements thereof, together with any collateral documents, permits, approvals, agreements or easements related thereto.

1.29. "Wastewater Service Line" shall mean the pipe, clean-outs, and fittings that lie between the structure foundation or exterior wall on any Lot and the wastewater collection system owned by the applicable Utilities.

## ARTICLE II

### DECLARANT'S RIGHT TO SUBJECT PROPERTY TO DECLARATION

2.1. Property Subject to this Declaration. The Property shall be a planned community with the name of "Peninsula Lakes" that is held, conveyed, hypothecated, encumbered, sold, leased, rented, used, occupied and improved subject to all of the covenants, conditions and restrictions of this Declaration.

2.2. Special Declarant Rights.

(a) The Declarant reserves the following rights for the period from the date of this Declaration through the date thirty (30) years thereafter, some of which rights as identified below Declarant hereby assigns to each Participating Builder (individually and collectively, the "Special Declarant Rights"):

(1) The right of Declarant to complete or make improvements indicated on the Development Plans;

(2) the right of each Participating Builder to maintain sales offices, management offices, storage sheds/trailers, and models on Lots or on the Association Property, to the extent described in the following table:

|  | NUMBER                             | SIZE   | LOCATION  |
|--|------------------------------------|--|---|
| <b>Model Homes</b>                     | One per each Participating Builder | Per home plan approved by the ARC prepared by applicable Participating Builder           | On Lot designated by Declarant  |
| <b>Construction Management Offices</b> | One per each Participating Builder | Trailer of a size determined by Participating Builder that is approved by Declarant      | On Lot or on the portions of the Association Property designated by Declarant   |
| <b>Storage Sheds/ Trailers</b>         | Two per each Participating Builder | Trailer/shed of a size determined by Participating Builder that is approved by Declarant | On Lot or on the portions of the Association Property designated by Declarant   |
| <b>Sales Offices</b>                   | One per each Participating Builder | Per plan approved by Declarant   | Within Model Home, or if no Model Home has been constructed by a Participating Builder, then in a trailer of a size approved by Declarant at a location designated by Declarant |

provided that Declarant may relocate any such facility located on a Lot to any other Lot on the Property acceptable to the applicable Participating Builder from time-to-time;

(3) the right to maintain signs on the Property to advertise the sales of homes as follows: (i) a sign in front of each Participating Builder's model home with a size of up to 24 inches by 18 inches, a brochure box and sign on each Lot available for sale with a size of up to 24 inches by 18 inches, and (ii) other signs on Lots deemed necessary by a Participating Builder; and

(4) the right to conduct sales business and construction activities on the Property; and

(5) the right to use and permit others to use, easements through the Association Property as may reasonably necessary for the purpose of discharging the Declarant's and Participating Builders' obligations under DUCIOA and this Declaration.

2.3. Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by Declarant, any Special Declarant Rights may be exercised by the Declarant or any Participating Builder as assignee thereof for the period of time specified in DUCIOA.

2.4. Development Rights. Declarant reserves the right to further create additional and/or modify Lots and Association Property after the date of this Declaration through the date twenty (20) years thereafter, in the portions of the Expansion Property now or hereafter known as Peninsula Lakes Phases 2 through 19, so that up to a maximum number of six hundred sixty (660) Lots may be created on the Property and the Expansion Property.

### ARTICLE III ASSOCIATION PROPERTY RIGHTS

3.1. Owners' Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement (in common with others entitled thereto) of enjoyment in and to the use of the Association Property which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable and uniform admission and other fees and assessments for the use of the Association Property.

(b) The right of the Association to suspend an Owner's privileges and rights to use the Association Property and/or services provided to Owners (other than the right of an Owner to vote on any matter submitted to a vote of Owners) (i) for any period during which any assessment against such Owner's Lot remains unpaid for more than thirty (30) days after the due date thereof, and (ii) after notice and an opportunity for a hearing, for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; provided, however, that the obligation of such Owner to pay assessments shall continue unabated during such period of suspension of the right to utilize the Association Property.

(c) The right of the Association to dedicate, sell or transfer all or any part of the Association Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association Members. No such dedication, sale or transfer shall be effective without the consent of eighty percent (80%) of the total votes of the Association Members and eighty percent (80%) of the votes allocated to Owners other than the Declarant. Notwithstanding anything contained herein to the contrary, the Declarant shall retain control of the Association Property until such time as the Declarant or a Participating Builder has completed all improvements thereon, or until the end of the Declarant Control

Period, whichever occurs later. Such transfer shall be evidenced by a deed to be recorded in the Recorder's Office and the Association shall not refuse to accept the conveyance of any such Association Property, provided the Association Property complies with all applicable Laws. Declarant shall have a limited irrevocable power of attorney coupled with an interest to consummate any such transfer to the extent necessary pursuant to Article II, Section 12.13 below.

(d) The right of the Association to establish uniform rules and regulations pertaining to the use of the Association Property.

(e) The right of the Association to provide for the exclusive use by specified Owners of certain designated parking spaces within the Association Property.

(f) The right of the Association, in accordance with its Certificate of Incorporation and Bylaws, and with the consent of the Declarant (for so long as the Declarant shall own any portion of the Property) and two-thirds (2/3) of the total votes of the Association Members, to borrow money for the purpose of improving the Association Property in a manner designed to promote the enjoyment and welfare of the Association Members and in aid thereof to mortgage any portion of the Association Property.

(g) The right of the Association to take such steps as are reasonably necessary to protect the Association Property against mortgage default and foreclosures; provided, however, that such steps are in conformity with the other provisions of this Declaration.

(h) The right of the Association, acting by and through the Board, to grant easements, licenses or other rights of use of the Association Property to persons or entities that are not Association Members for such consideration and on such terms and conditions as the Board may from time to time consider appropriate or in the best interest of the Association.

(i) The right of the Association to be the lessee of any portion or all of the Association Property and the right of the Association to enforce the terms of the lease with respect to the Association Property against such property and the Owners and their guests, visitors, licensees, invitees, or lessees.

(j) The right of the Association, acting by and through the Board, to transfer or convey portions of the Association Property for purposes of adjusting the boundary lines of one or more Lots or the Association Property; provided, however, that such transfer or conveyance has been approved, as necessary, by applicable local governmental authorities or agencies, or is otherwise in conformance with applicable Laws.

3.2. Limitations. Notwithstanding any other provision of this Declaration to the contrary, the Association shall have no right to suspend the right of any Association Member to use the Association Property for necessary, ordinary and reasonable vehicular and pedestrian ingress and egress to and from such Owner's Lot, or to suspend any easement, license or other property interest over the Association Property for storm water drainage, electrical energy, water, sanitary sewer, natural gas, telephones, or similar services or utilities to the Lots. The Association Property will be available for the type of active and passive recreational and open space uses contemplated under the Development Plans and the Laws. All Owners shall have the non-exclusive right (in common with others entitled thereto) to access and make reasonable use of the Association Property as described in the approved Development Plans and the Laws both

before and after they are conveyed to the Association, with the exception of those areas as may be reasonably and necessarily restricted for access because of temporary safety reasons in connection with the development of the Property or Project, subject to the terms and provisions of this Declaration. In addition, the rights of the Association, as provided above, are subject to the right of the Declarant, as more fully set forth in Section 8.1 of this Declaration, to grant easements, to utilize reserved rights and easements, and to otherwise utilize the Association Property as it deems appropriate in connection with the development of the Property and Project.

3.3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws and rules and regulations of the Association, such Owner's right of enjoyment to the Association Property to such Owner's family members, guests, visitors, licensees, invitees, or lessees.

#### ARTICLE IV ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1. Association Membership. Every Owner of a Lot upon becoming legal title owner of such Lot shall be a member of the Association provided, however, that any such person or group of persons, association, corporation, limited liability company, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a Member solely on account of such interest. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Upon any Owner ceasing to hold legal title to a Lot, such Owner shall no longer be a member of the Association with respect to such Lot and the successor Owner of such Lot shall become a member of the Association as provided above.

4.2. Association Voting Rights. (a) At all meetings of the Association the Owners of each Lot shall be entitled collectively to cast such vote or votes as provided for by the Certificate of Incorporation for the Association and the Bylaws of the Association, which vote or votes may be cast in person or proxy. Owners shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership.

(b) When more than one (1) person or entity are Owners of any Lot, all such persons and entities shall be Association members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. If only one (1) of several Owners of a Lot is present at a meeting of the Association, that Owner is entitled to cast all the votes allocated to that Lot. If more than one (1) of the Owners of a Lot is present at a meeting of the Association, and any one of multiple Owners of a Lot casts a vote allocated to such Lot without protest being made promptly to the person presiding over the meeting, then there shall be deemed to be majority agreement of the Owners. Additionally, with respect to Lots that have multiple Owners, the vote of a person named in a certificate signed by all of the Owners of the Lot and filed with the Secretary of the Association as entitled to enter the vote of such Lot shall be deemed to be a vote by majority Agreement of the Owners. Such certificate shall be valid until revoked by a subsequent certificate.

(c) Whenever the approval or disapproval of an Owner is required by DUCIOA, this Declaration or the Bylaws, such approval or disapproval shall only be made by the person who would be entitled to cast the vote for the Lot at any meeting of the Association.

(d) Except where a greater number is required by DUCIOA or the Bylaws, a majority of the votes cast in person, by proxy or by ballot at a meeting of Owners where a quorum is present shall determine the outcome of any action of the Association where a vote is taken so long as the number of votes cast in favor comprise at least a majority of the number of votes required for a quorum for that meeting. Votes allocated to a parcel or Lot owned by the Association may not be cast and shall not be calculated either in a quorum or in any percentage of votes needed for any actions by the Owners.

4.3. Proxies. Each Association Member entitled to vote shall, at every meeting of the members, be entitled to vote in person or by proxy, in writing and signed by such member, but no proxy shall be voted after one (1) year from its date, unless it specifically provides for a longer period. Every proxy shall be revocable, at any time, and shall automatically cease upon conveyance of the Lot. Such right to vote shall be subject to the right of the Board to close the transfer books or to fix a record date for voting members as hereinafter provided and if the Board shall not have exercised such right, no vote shall be cast at any election for members of the Board by anyone who shall have accepted membership in the Association within ten (10) days of such election. Only one (1) Association Member vote shall be cast with respect to each Lot. In the event that members who hold title to any Lot either by the entirety, or as joint tenants, or as tenants in common, attempt to cast the vote for such Lot in conflicting ways, such vote shall be recorded as a fractional vote.

## ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

5.1. Creation of the Lien and Personal Obligation for Assessments. There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board to be commenced at the time and in the manner set forth in this Article V. Subject to Section 5.6 hereof, each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments and (ii) special assessments. The annual and special assessments, together with interest, costs, late fees and reasonable attorneys' fees, shall be a charge on the Lot (including all improvements thereon), and shall be a continuing lien pursuant to DUCIOA § 81-316 upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, late fees and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a prior Owner's successors in title unless expressly assumed by such successors.

### 5.2. Purpose of Assessments.

(a) The assessments levied by the Association shall be used exclusively to (i) promote the recreation, health, safety, and welfare of the residents in the Project; (ii) for the improvement, maintenance, repair, and replacement of the Association Property (including without limitation the Facilities); (iii) for the payment of real estate taxes, assessments and utility services for the Association Property; and (iv) for management fees, administration expenses, insurance and all other costs and expenses incurred by the Association in the proper conduct of its activities, including, without limitation, reserves for replacements or contingencies and charges accruing under any cross-easement or other agreement (including,



without limitation, any such agreement for the maintenance of any Association Property). The assessments may also be used for the maintenance, repair and replacement of any property or facilities serving or appurtenant to the Project which the Association is obligated or elects to maintain whether or not such property or facilities are owned by the Association or are located within the Project including, without limitation, any property or facilities which the Association is authorized to maintain pursuant to this Declaration; for grass cutting of each Lawn Area on a Lot; and other maintenance approved by the Board from time to time, if any, to any Lawn Area on a Lot.

(b) Without limiting Section 5.2(a) above, the assessments levied by the Association with respect to the Association Property shall also be used for maintenance, repair and replacement (including reserves) of any and all storm water management facilities to the extent that they are part of the Association Property and Sussex County, Delaware does not assume responsibility for the maintenance, repair and replacement of the storm water management facilities, including, without limitation, drainage pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any, whether such storm water management facilities are located within the Project or not, as long as such storm water management facilities are designed to benefit or serve any portion of the Project, or are required or intended to be maintained by the Association pursuant to any easement, agreement or the direction of any governmental authority or agency. The Association shall not refuse to accept the conveyance of any such facilities from the Declarant. Such storm water management facilities may also benefit property not within the jurisdiction of the Association and the maintenance of such facilities may be set forth in a cross-easement or other agreement, in which event the Association shall maintain the facilities pursuant to such agreement.

### 5.3. Annual Assessments; Budgets.

(a) After the first assessment has been made by the Association, assessments must be made at least annually at an amount sufficient to meet the Common Expenses of the Association. Without limiting the generality of the foregoing, the Association shall, at all times, levy and collect annual assessments in sufficient amounts to (i) maintain the Association Property in accordance with sound property and facility management standards, (ii) establish necessary reserves for the future repair and replacement of any capital improvements compromising the Association Property, and (iii) maintain Lawn Area on any Lot. Such annual assessments shall be based on the budget adopted and ratified annually by the Association as provided in Section 5.3(b) of this Declaration. Upon resolution of the Board, installments of annual assessments may be levied and collected on a monthly, quarterly, semi-annual or annual basis. Any Owner may prepay one or more installments of any annual assessment levied by the Association without premium or penalty.

(b) The Board shall prepare a proposed budget of the Association at least sixty (60) days before the beginning of each fiscal year and set a date for a meeting of the Association. After the termination of the Declarant Control Period, the Board shall cause a summary of the proposed budget, and the amount of the assessments to be levied against each Lot for the following year, along with notice of the meeting of the Association Members to consider ratification of the budget not less than fourteen (14) or more than sixty (60) days after

providing such summary, to be delivered to each Owner within thirty (30) days after adoption of the proposed budget. Unless at such meeting a majority of all Owners reject the proposed budget, such proposal budget is ratified as the budget for such fiscal year, whether or not a quorum is present at such meeting of the Association. Notwithstanding the foregoing, however, in the event that the membership disapproves the budget or the Board fails for any reason to determine the budget for any fiscal year of the Association, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding fiscal year shall continue for the succeeding fiscal year.

5.4. Working Capital Contributions; Assessments Upon Conveyances. The Declarant shall establish a working capital fund for the initial and ongoing operation of the Association. Such working capital fund shall be funded by a one-time assessment of Five Hundred Dollars (\$500), and shall be payable by the initial purchaser of each Lot from the Participating Builder at the earlier of settlement or occupancy of such Lot, and thereafter by subsequent purchasers of the Lot for value upon settlement of each sale and conveyance of the Lot. All such working capital funds arising from the foregoing assessments upon each conveyance of a Lot may be used by the Association towards the Common Expenses and to make up any budget deficits. If any annual budget deficit (defined as actual annual Association expenses exceeding Association income adjusted upwards by the amount of any annual assessments that are due and payable from Owners but remain delinquent and unpaid at the end of the applicable fiscal year) remains at the end of the Association's fiscal year for which a budget was approved by the Board during the Declarant Control Period only, after the application of all such working capital funds towards such deficit as provided above, then the Declarant shall make a nonrefundable capital contribution to the working capital fund of the Association in the amount of such remaining budget deficit.

5.5. Special Assessments, Budget Amendments.

(a) In addition to the annual assessments authorized by this Article, the Association may levy, in any assessment year, a special assessment or special assessments applicable to that year only for such purposes as the Board may deem appropriate, including, without limitation, for purposes of funding, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located upon the Association Property and all fixtures and personal property related thereto, and to meet unforeseen or special expenditures as well as any budget deficit. Any such assessment shall require ratification by Association Members under the procedures described in Section 5.3(b) of this Declaration, except that if the Board by unanimous vote determines that any special assessment is required because of conditions which, if not corrected, could constitute an Emergency or reasonably result in a threat to the health or safety of the Association Members or a significant risk of damage to the Association Property, then such special assessment may be approved by the Board without the foregoing vote of the Association Members and may be effective immediately if (i) notice of the emergency assessment is promptly provide to all Owners and (ii) the Board spends the funds paid on account of the emergency assessment solely for the purposes described in the Board vote.

(b) The Association may also levy a special assessment against any Owner to reimburse the Association for costs incurred in bringing the Owner and/or such

Owner's Lot into compliance with the provisions of this Declaration, or the Association Documents and rules and regulations of the Association, or any applicable Laws; provided, that such special assessment may only be levied upon the affirmative vote of a majority of the Board, after notice and an opportunity for a hearing has been provided to the Owner.

(c) Any amendment to a previously approved budget may be approved under the procedures described in Section 5.3(b) of this Declaration; provided, however, that after termination of the Declarant Control Period any amendment to a budget for the then current fiscal year previously approved in accordance with Section 5.3 hereof that (i) would result in an increase in the Common Expenses of the Association in excess of fifteen percent (15%) of the budgeted amount for Common Expenses set forth in the budget for the immediately preceding fiscal year (including any increase in Common Expenses adopted in the budget for the then current fiscal year previously approved in accordance with Section 5.3 hereof), excluding however, any increases attributable to snow removal and other seasonal related expenses which are dictated by weather related factors, cost of utilities, and insurance, or (ii) would result in an increase in the annual assessments payable by the Association Members in excess of thirty percent (30%) of the budgeted amount for annual assessments set forth in the budget for the immediately preceding fiscal year (including any increase in assessments adopted in the budget for the then current fiscal year previously approved in accordance with Section 5.3 hereof), shall be approved by the affirmative vote of Association Members entitled to cast not less than sixty-seven percent (67%) of the votes of Association Members present, in person or by proxy, and voting at any meeting of the Association duly called for this purpose.

5.6. Lot Only Assessment. Despite any provision of this Declaration to the contrary, and regardless of the ownership of such Lot, any Owner of an empty Lot (including but not limited to a Participating Builder) that does not have a home constructed on said Lot, upon the commencement of annual assessments pursuant to Section 5.9 hereof, shall be subject to an annual "Lot-Only Assessment" in the amount of seventy-five dollars (\$75) per year until sixty (60) days after the date a Certificate of Occupancy has been issued for a home on the Lot; thereafter such Lot shall be subject to assessments pursuant to Section 5.9 hereof. The Lot-Only Assessment hereby imposed shall be in lieu of the regular, annual assessment imposed by this Declaration. All other assessment amounts or charges imposed in accordance with this Declaration or other governing document of the Association shall continue to be the obligation of all Owners, including purchasers of an empty Lot who are subject to a Lot-Only Assessment in accordance with this Section 5.6.

5.7. Notice and Quorum. Written notice of any meeting called for the purpose of establishing a special assessment or budget amendment in accordance with Section 5.5 hereof or to approve a budget increase or Special Action in accordance with Section 5.3 or Section 5.13 hereof, shall be sent to all Association Members not less than ten (10) days nor more than sixty (60) days in advance of such meeting in accordance with the Bylaws of the Association. At the first such meeting called, the presence of Association Members or of proxies entitled to cast fifty percent (50%) of the votes of Association Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the 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 ninety (90) days following the preceding meeting. Notwithstanding any contrary provision in this Declaration,

quorum requirements for nomination and election of the first Board consisting of Owners shall be duly satisfied if the meeting is properly noticed in conformance with the provisions of the Bylaws and the Certificate of Incorporation of the Association.

5.8. Uniform Rate of Assessment.

(a) Except as otherwise provided in this Declaration, annual and special assessments and Lot-Only Assessments must be fixed at a uniform rate for all Lots, and may be collected in advance on a quarterly or monthly (as determined by the Board) installment basis in the case of annual assessments, and on a monthly, quarterly, semi-annual, or annual basis, as to other assessments as may be determined by the Board.

(b) In the event that the actions or activities of any Owner causes or results in increased expenses for the Association, the Board may assess such increase in expenses against the Owner and such Owner's Lot, after notice to such Owner and an opportunity for a hearing. For example, and for purposes of illustration only, the Board may assess the amount of any insurance deductible paid by the Association against any Owner and such Owner's Lot if the Association is required to pay such deductible as a result of the misuse or neglect of the Owner. Such assessment shall be a lien against the Owner's Lot and shall be payable and collectible in the same manner as any other assessments required to be paid to the Association; provided, however, that the Declarant shall not be subject to any assessment based on this Section 5.8(b).

5.9. Date of Commencement of Annual Assessments; Due Dates; Lien Docket.

Subject to Section 5.6 hereof, the annual assessments provided for herein shall commence and be payable as to each Lot sixty (60) days after the date a Certificate of Occupancy has been issued for a home on the Lot. The first annual assessment for each Lot shall be adjusted according to the number of months remaining in the calendar year. The Board shall make reasonable efforts to 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. Annual assessments shall be payable in quarterly installments on due dates that are established by the Board. The Association shall keep an assessment lien docket (the "Docket") at the registered office of the Association, which, at the date of recording hereof, is at the Peninsula Lakes Property Owners Association, Inc., c/o YCS&T Services LLC, Rodney Square, 1000 N. King Street, Wilmington, Delaware 19801, or such other location as the Association may determine from time to time. Immediately upon an assessment becoming delinquent as herein above provided, the Treasurer of the Association or the Treasurer's designee shall cause an entry thereof to be made in the Docket, which entry shall disclose the date the entry is made, the names of the Owners of the Lot as shown in the Association's records, the number of the Lot, the amount of the delinquent assessment, and the due date and the assessment period of the delinquent assessment. The Association may also record in the Recorder's Office a statement of lien that contains the information entered into the Docket with respect to such assessment, along with the amount paid for recording the statement and required to be paid for a termination thereof and the signature and notarized statement of an officer of the Association that the amount described in the statement of lien is correct and due and owing. Upon written request of any Owner or any attorney-at-law who certifies to the Association that such person represents an Owner of a Lot, or a prospective purchaser of a Lot or a mortgagee thereof, the Treasurer or the Treasurer's designee shall certify within ten (10) business days after receipt of such request

to the inquiring Owner, attorney-at-law, prospective purchaser, or mortgagee as to the assessment status of the Lot that is the subject of the inquiry, in a written statement in form recordable in the Recorder's Office stating:

(a) Whether the current assessment(s) is paid; and/or

(b) If there are any delinquent assessments or late fees, interest or costs, all of the information entered in the Docket with respect to the Lot which is the subject of the inquiry, together with the per diem interest thereon, to be computed on each delinquent assessment from its respective due date to the date of receipt by the Association of payment thereof in full. Upon receipt by the Association of payment of any delinquent assessment, with late fees, interest and costs, if applicable, as herein above provided, the Treasurer or his designee shall enter in the Docket the date and amount of the payment received, together with the notation "Paid in Full" and, if a statement of lien was recorded in the Recorder's Office with respect to such assessment, provide a termination of such statement in recordable form. A properly executed certificate of the Association setting forth the status of assessments on a Lot shall be binding on the Association as of the date of its issuance.

5.10. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at a rate determined by the Board, up to the lesser of eighteen percent (18%) per annum or the maximum rate of interest permitted under the laws of the State of Delaware. The Association may also charge a reasonable late fee, not to exceed any limit established under applicable Laws, against any Owner (and/or such Owner's Lot) who is more than fifteen (15) days delinquent in the payment of any assessment. Additionally, the entire balance of the unpaid annual assessments for the remainder of the fiscal year may be accelerated at the option of the Board and be declared due, payable and collectible in the same manner as the delinquent portion of such annual assessment. The Association may further suspend an Owner's right to use the Association Property for any period during which any assessment imposed on such Owner remains unpaid for more than thirty (30) days after the due date pursuant to Section 3.1 of this Agreement. By an Owner's acceptance of title to any Lot, each Owner shall be held to vest in the Association the right and power in its own name, to take and prosecute all actions or suits, legal, equitable, or otherwise, which may be, in the opinion of the Association, necessary or advisable for the collection of such assessments. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot (and all improvements thereon). No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Association Property or abandonment of such Owner's Lot. The Owner shall also be obligated to pay all attorneys' fees, court costs and administrative costs incurred in connection with the collection of assessments if not paid when due. This Section shall not be deemed to limit or waive, and shall be without prejudice to, any and all rights, remedies, or recourses as may be available to the Association pursuant to DUCIOA or otherwise for non-payment of assessments.

5.11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any Mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such

assessments as to payments which became due prior to such sale or transfer, except for liens or claims for a pro-rata share of such assessments resulting from a pro-rata reallocation of such assessments to all Lots, including the mortgaged Lot. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No amendment to this Section shall affect the rights of the holder of any Mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment. Except where an Emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of, the Association Property, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Board and by the affirmative vote of Association Members entitled to cast not less than sixty-seven percent (67%) of the votes of all Association Members present, in person or by proxy, and voting at a meeting of the Association duly called for this purpose.

5.12. Reserve Fund Budget and Contribution. The Board shall annually prepare a reserve fund budget which shall take into account the number and nature of the replaceable assets of the Association, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board shall set the required reserve fund contribution in an amount sufficient to meet the projected reserve needs of the Association, as shown on the reserve fund budget, with respect both to amount and timing by the imposition of annual assessments over the period of the budget. The reserve fund contribution shall be fixed by the Board and included within the budget and assessment, as provided in Section 5.3. Such reserve fund contribution shall be payable as part of the general annual assessment, applicable to all Lots (except as otherwise provided in Section 5.6), to the extent such reserve fund will be utilized to replace assets which are determined by the Board to benefit substantially all Owners. Reserves may also be maintained for operating contingencies and insurance deductibles. A separate, interest-bearing reserve fund account shall be established and maintained by the Association. All reserve funds shall be expended only for the purposes collected. A copy of the reserve fund budget shall be distributed to each Owner in the same manner as the operating budget.

5.13. Special Actions. Any provision of this Declaration or the Association Documents to the contrary notwithstanding, after termination of the Declarant Control Period, the Board shall not be authorized to take any "Special Actions" (as defined below) without the affirmative vote of Association Members entitled to cast not less than sixty-seven percent (67%) of the votes of all the Association Members present, in person or by proxy, and voting at a meeting of the Association duly called for this purpose. As used herein, the term "Special Actions" shall mean any and all actions taken by or on behalf of the Association, including, without limitation, commencing or maintaining any litigation, arbitration or similar proceeding, which would reasonably require the expenditure of funds in excess of Ten Thousand Dollars (\$10,000.00) in the aggregate during any fiscal year of the Association; provided, however, that the term "Special Actions" shall not be deemed to include (i) routine assessment collection actions under Article V of this Declaration, (ii) routine actions required to enforce the architectural controls set forth in Article VI of this Declaration, use restrictions set forth in Article VII of this Declaration, or any rules and regulations of the Association adopted by the Board, or (iii) any expenditure made by the Association in accordance with any budget or budget amendment duly adopted in accordance with Article V of this Declaration, or (iv) any special assessment duly adopted in accordance with Article V of this Declaration. Each planned

expenditure of more than Ten Thousand Dollars (\$10,000.00) shall require the prior approval of the Association Members in accordance with this Section. Any meeting of the Association held to approve any Special Actions under this Section shall be subject to the notice and quorum requirements set forth in Article V, Section 5.7 of this Declaration. The Association shall not borrow against or encumber any portion of the Association Property nor use any funds from reserves of the Association to pay for such Special Actions, but the same shall be paid from and limited to the amounts provided in the annual budget for such expenditures for the fiscal year and shall be raised by special assessment levied against the Association Members for such purpose. If such Special Actions are not concluded within one (1) year of the date of such resolution, the continued prosecution of such Special Actions beyond such period must be reaffirmed annually at a special meeting held for such purpose by the percentage vote of the Association as was required to adopt the original resolution. If the continued prosecution of such Special Actions are not reaffirmed, the Special Actions shall be discontinued and the Association shall have no further authority to act as the attorney-in-fact for the Association in the further prosecution or defense of such Special Actions but may, with the affirmative vote of Association Members entitled to cast not less than sixty-seven percent (67%) of the votes of all Association Members present, in person by proxy, and voting at a meeting of the Association duly called for this purpose, act as its attorney-in-fact with respect to any settlement or compromise of such Special Actions; provided the same is completed within six (6) months thereafter. If the Association Members, by resolution approved in accordance with this Section, authorizes the Association to initiate any Special Actions, then the decisions relating to the conduct of the Special Actions shall be made by the Association and its legal counsel, consultants and others engaged or retained by the Association for such purposes.

## ARTICLE VI ARCHITECTURAL CONTROL

6.1. General Provisions. In order to encourage harmonious architectural design and to protect the visual integrity, architectural spirit and long-term property values of the Lots and Association Property, the Declarant has established the Peninsula Lakes Architectural Review and Design Committee (the "ARC"). Subject to Article XIII hereof, no dwelling, structure, improvement, landscaping or other man-made object, including, but not limited to, buildings, tennis courts, basketball courts, children's' recreation equipment or other recreational or sporting facilities, decks, patios, porches, pool houses, below ground swimming pools, greenhouses, tool sheds, ponds, gardens, driveways, paved areas, satellite dishes, radio antennas, communications equipment or facilities, fences, walls, together with all forms or types of landscaping located on any portion of the Lots or Association Property (collectively, the "Improvements") shall be designed, constructed, maintained, altered, extended, added to, removed or otherwise modified without the expressly written consent and approval of the ARC. In addition and subject to Article XIII hereof, no Improvements, once approved by the ARC shall be altered, extended, added to, removed or otherwise modified, nor shall any additional structures of any nature be erected, used or maintained nor shall any exterior change or alteration be made (including, but not limited to, exterior facade color changes or change in grade or drainage) to the Improvements except in accordance with any Design Guidelines adopted by the ARC from time to time and this Declaration, as applicable. Notwithstanding the foregoing and anything contained herein to the contrary, any Improvements marketed or sold by Declarant or by a Participating Builder or their respective assignees may be submitted to the ARC for

approval once, and if approved by the ARC, Improvements on other Lots using plans substantially similar to the approved Improvements shall be deemed to have complied with the Design Guidelines and are presumed to have been pre-approved by the Declarant and the ARC, without the need or obligation to obtain any additional approvals or authorizations from either the Declarant or the ARC (the "Pre-Approval").

6.2. Design Committee. The Declarant has established the ARC which shall consist of three (3) members. The Declarant shall appoint the initial three (3) members of the ARC and their successors until such time as ninety percent (90%) of the Lots that may be created on the Property have been conveyed to Owners other than the Declarant or a Participating Builder, whereupon the Association shall elect all three (3) members. ARC members may be either individuals or any form of entity, including, but not limited to, a corporation, limited liability company, partnership or trust, provided all such members shall be either an Owner, a designee of the Declarant, or an architect licensed in the State of Delaware (individually an "ARC Member" and collectively the "ARC Members"). The regular term of office for each ARC Member shall be one (1) year, measured from the date of such ARC Member's appointment and/or election. Declarant may remove with or without cause any ARC Member appointed by the Declarant at any time by written notice to such appointee. A successor or successors appointed to fill such a vacancy shall serve the remainder of the term of the former ARC Member. Any ARC Member elected by the Association may be removed only in accordance with the Bylaws of the Association. The ARC shall select its own Chairman and he, or in his absence the Vice Chairman, shall be presiding officer at its meetings. The ARC shall meet at least once in each calendar month if there are matters to be reviewed or upon call of the Chairman whenever he deems necessary in order to discharge its obligations and responsibilities hereunder, including rendering any decisions specified in this Article VI or the Design Guidelines. All meetings shall be held at the offices of the Association or at such other reasonable place as may be designated by the Chairman. A majority of the ARC Members shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the ARC Members shall constitute the action of the ARC on any matter before it. The ARC shall operate in accordance with its own rules of procedure, and these rules shall be filed with the Association. The ARC shall be authorized (but not obligated) to retain the services of consulting architects, landscape architects, community planners and/or attorneys to advise and assist the ARC in performing the design review functions herein prescribed. Any such professional must be licensed to practice its profession in the State of Delaware. The ARC shall keep accurate records of its membership and actions and shall from time to time, as warranted, notify all Owners of any change in the membership of the ARC as a result of resignations and replacements of ARC Members. The ARC may establish its own rules for the conduct of its meetings and its decision making process which shall be adopted, promulgated, applied and enforced in a uniform and non-discriminatory manner among the Owners.

6.3. Criteria For Submission, Review and Decisions or Plans.

(a) Any request from an Owner for any Improvements shall be in writing and shall be submitted to the ARC in accordance with and pursuant to the Design Guidelines.



(b) In passing upon any plans and specifications submitted by an Owner, the ARC, in accordance with the provisions of this Declaration and the Design Guidelines, shall consider the aesthetic suitability and harmony of the Improvements to be constructed, to and with that portion of the Lot or Association Property, as applicable, on which it is proposed to be located; the comparability of the height, profile and color scheme with neighboring residences whether existent, under construction, or approved for construction; the impact of the item to be constructed on the environment, including, but not limited to, the preservation of trees and open spaces, and surface water drainage; the effect of the proposed Improvement and its planned usage and purpose, on the outlook of neighboring Lots and Association Property; and the quality of the materials to be used in construction and the proposed method of construction including, but not limited to, the effect of lighting and signage upon neighboring Lots and Association Property. No exterior colors or materials installed or approved by the ARC shall be changed through replacement, repair, redecoration, repainting or otherwise, except upon prior submission to and approval by the ARC, which approval may be withheld in the ARC's reasonable discretion. With respect to Improvements such as, but not limited to, driveways and turnarounds, fences, walls, recreational facilities, barbeques and patios, the ARC shall have the right in its absolute and sole but good faith discretion to prohibit such Improvements altogether if in the opinion of the ARC the construction and use of such Improvements will necessitate the removal of valuable trees, cause drainage problems, or have a detrimental effect on the outlook from or use of neighboring Lots or Association Property.

(c) In the event that repair, replacement or other work on Improvements becomes necessary, or the erection of any additional structures is necessary, then any such work shall, to the extent practicable, be performed so that the condition and appearance is equal to and identical to the condition and appearance of the dwelling, building, structure or improvement as originally constructed, or with respect to additional structures, the construction and appearance is in architectural harmony with the Improvements as originally built and developed under this Declaration.

(d) The ARC reserves the right to approve in advance proposed architects, builders and landscape designers.

6.4. Review Fee. Except for Improvements to be constructed by Declarant or any Participating Builder, any application to the ARC for review shall be accompanied by a reasonable application fee (as determined and published to the Owners from time to time by the ARC) to defray the cost of professional services that the ARC may reasonably incur to properly evaluate the plans and specifications (the "Plans and Specifications") provided by an Owner with respect to the Improvements which such Owner requests approval of pursuant to this Declaration and the Design Guidelines (the "Review Fee"). The ARC may waive the Review Fee on a case by case basis if the application for any such Improvements does not require the ARC to incur any professional fees or services in connection with its review and evaluation of the Plans and Specifications. The Review Fee shall be non-refundable unless the applicant withdraws its application prior to the ARC incurring any professional fees or expenses in connection with its review and evaluation of the application. All Plans and Specifications submitted to the ARC shall be retained by the ARC and shall not be returned to the applicant, unless the ARC elects to do so.

6.5. Review and Decision Process. Within sixty (60) days after the Owner has submitted all the required Plans and Specifications to the ARC, the ARC shall notify the Owner in writing whether such Plans and Specifications are either approved or disapproved. Any disapproval or objections shall be in writing and shall be detailed and shall include an explanation for the basis or reason for such disapproval or objections, together with such reasonable changes, modification or other alterations and recommendations as appropriate or practicable that would render the Plans and Specifications acceptable to the ARC and in compliance with the review and approval criteria established under this Declaration. In the event Declarant fails to approve or disapprove an Owner's submission of the Plans and Specifications in writing within the aforementioned sixty (60) day period, then the ARC's approval shall be conclusively presumed to have been granted, provided, however that the aforesaid presumption shall not be deemed a waiver of the applicable provisions of this Declaration or be deemed to be the prior written approval of the ARC under any specific provision herein. No construction of the Improvements provided for in the submitted Plans and Specifications shall be commenced until the expiration of the aforementioned sixty (60) day period or the receipt of the ARC's written approval of the Plans and Specifications, whichever occurs first.

6.6. Time for Review of Revised Plans and Specifications. In the event the ARC shall disapprove any part of the Plans and Specifications as submitted in accordance with this Article, then the Owner shall have the opportunity to revise its Plans and Specifications to incorporate such changes, modifications, additions or deletions, as applicable, and shall resubmit the revised Plans and Specifications to the ARC, if the Owner so chooses, together with an additional Review Fee and the ARC shall have twenty (20) days within which to review such revised Plans and Specifications and to determine the Owner's compliance with the ARC's designated changes. In the event the ARC fails or neglects to advise the Owner in writing of whether or not such revised Plans and Specifications are in compliance (or non-compliance) within the aforementioned twenty (20) day period, then Declarant's approval shall be conclusively presumed to have been granted subject to the conditions provided for in paragraph (f) above applicable to such presumption. Any disapproval by the ARC of such revised and resubmitted Plans and Specification shall be communicated to the Owner in a written response in accordance with the details required for the ARC's approval as provided in paragraph (f) above.

6.7. Changes in Approved Plans and Specifications. Once the ARC has approved an Owner's Plans and Specifications and the Improvements, then the Owner shall not change, revise or otherwise modify the approved Plans and Specifications or the Improvements without first securing the ARC's written approval in the manner prescribed under this Article. Declarant shall endeavor to review such changes, revisions or other modifications within a shorter period of time than the aforementioned sixty (60) day period but shall not be required to do so.

6.8. Approval for Landscaping Plans. Landscaping shall be approved by the ARC in the same manner as set forth above. In addition to all applicable foregoing guidelines no excavation shall be made, or fill, sand, gravel, crushed stone, brick, asphalt, concrete or the like be placed, set or poured on any portion of the Lots or Association Property, so as to cause any blatant and material change in the appearance of such portion of the Lots or Association Property, as applicable, from the street or from any neighboring portion of the Lots or Association Property, as applicable, unless the ARC shall first have consented in writing. No

fences, walls, hedges or other barriers shall be erected on any portion of the Lots or Association Property, as applicable, without the approval of the ARC, and no existing fences, hedges or barriers shall be removed without the approval of the ARC.

6.9. Dispute Resolution Process. If any Owner or the Declarant believes that either the disapproval of any Plans and Specifications submitted by the Owner to the ARC or the ARC's proposed changes to such Plans and Specifications that may be required for the ARC's approval, or any of the Pre-Approvals are arbitrary and capricious, then any such Owner or the Declarant may, as its sole and exclusive remedy, submit such dispute to final and binding arbitration in accordance with the provisions of the Delaware Uniform Arbitration Act (the "Arbitration Act") and the rules of the American Arbitration Association applicable to such disputes, to the extent such rules are not inconsistent with the Arbitration Act. The fees of such arbitrator and all reasonable costs and expenses incurred by the ARC in defending its decision(s) shall be paid by the Owner or Declarant, as applicable, unless the arbitrator specifically finds and rules that the ARC acted in an arbitrary, capricious and meritless manner, in which event the Owner or Declarant, as applicable, shall not be required to reimburse the ARC for its reasonable costs and expenses. In determining any question, matter, or dispute before such arbitrator, the arbitrator shall apply the provisions of this Declaration without varying therefrom in any respect, and shall not have the power or authority to add, modify, or otherwise change any of the provisions of this Declaration, including, but not limited to, subparagraph (k) below regarding damages. The parties to any such arbitration agree to reasonably cooperate; to obtain the cooperation of their employees, agents and contractors, as applicable; to use reasonable efforts to supply as witnesses such employees, agents and contractors, as applicable; and to produce any relevant documents that may be assessed or required. In no event shall the arbitrator be authorized or empowered to award any damages or costs to the prevailing party except as expressly set forth above and in no event shall the arbitrator award any general, special, consequential or punitive damages whatsoever.

6.10. Approvals/Disapprovals/Owner Compliance With Governmental Requirements. Neither the ARC, nor the ARC Members, its agents, employees, representatives, and its successors and assigns shall be liable or responsible for any damages to any Owner or to any other person submitting Plans and Specifications to the ARC for approval or to any third party by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval, or failure to approve any Plans and Specifications. Approval by the ARC shall in no way be construed to imply compliance of the Plans and Specifications or any Lots with any federal, state or local laws, regulations or permit requirements; and each Owner and not the ARC or Association shall be solely responsible for such compliance and obtaining all required governmental permits and approvals. Every person who submits Plans and Specifications to the ARC for approval, as provided herein, agrees, by submission of such Plans and Specifications, and every Owner or person claiming by or through the Owner agrees, by acquiring title to any Lot or any interest in any Lot, that it shall not initiate, commence or prosecute any action, claim or suit against the ARC, the ARC Members, its agents, employees or representatives to recover any such damages, including, but not limited to, special, consequential or punitive damages with respect to any approval, denial or failure to approve any Plans and Specifications and such Owner shall indemnify and hold the ARC and the ARC Members harmless from and against any and all such damages.

## ARTICLE VII USE RESTRICTIONS

Subject to Article XIII hereof and in addition to all other covenants contained herein, the use of the Lots and Association Property, is subject to the following:

7.1. Permitted Uses. All buildings located or erected on any Lot shall be used for residential purposes exclusively, and no building shall be erected, altered, placed or permitted to remain on any Lot other than one used for residential purposes, except that a home-based business may be maintained within such a building, provided that (i) such maintenance and use is limited to the person actually residing in such building; (ii) no employees or staff other than a person actually residing in such building are utilized; (iii) no clients or customers of such business visit such building; (iv) the number of persons, other than clients or customers, that shall visit such business and the frequency of such visits shall be kept to a reasonable minimum, as determined in the sole discretion of the Board; (v) such maintenance and use is in strict conformity with the provisions of any applicable Laws; (vi) the person utilizing such business maintains a principal place of business at a location other than such building; (vii) such business uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors and does not cause an increase of Common Expenses that can be solely and directly attributable to the business; and (viii) such business does not involve the use, storage or disposal of any materials that the United States Secretary of Transportation or the State of Delaware, Sussex County or any local governing body designates as hazardous material. Nothing contained in this Article, or elsewhere in this Declaration, shall be construed to prohibit the Declarant or a Participating Builder from using any portion of the Property or the Project, or any improvements thereon, for storage, promotional or display purposes, as "model homes," as sales and/or construction offices, or the like.

7.2. Prohibited Uses and Nuisances. Except for the activities of the Declarant and any Participating Builder during the construction and development of the Property and Project, or except with the prior written approval of the Board and the Declarant, or as may be necessary in connection with reasonable and necessary repairs or maintenance to any building or the Association Property:

(a) No noxious or offensive trade or activity shall be carried out upon any portion of the Property or Project, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or other Owners. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes as well as outdoor speakers and associated equipment installed by any Participating Builders (as approved by the Declarant) as part of the building and improvements constructed on a Lot, shall be located, installed, maintained or replaced upon the exterior of any building or other improvements constructed upon any portion of the Property or Project.

(b) The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited on any portion of the Property or Project or within any building or other improvement located thereon, except that this shall not prohibit the keeping of a reasonable number of dogs, cats, caged birds or other small domestic animals as pets not to exceed four (4) provided (i) they are not kept, bred

or maintained for commercial purposes; (ii) such domestic pets are not a source of annoyance or nuisance to the neighborhood or other Owners; and (iii) such pets are maintained in strict conformance with all Laws. The Board shall have the authority, after a hearing, to determine whether a particular pet is a nuisance or a source of annoyance to other Owners, and such determination shall be conclusive. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by all Laws. Pets shall not be permitted upon the Association Property unless accompanied by a responsible person and unless they are carried or leashed. Pets shall not be permitted upon the Property except as provided in the Property Rules and Regulations. The Board shall have the right to adopt such additional rules and regulations regarding pets as it may from time to time consider necessary or appropriate.

(c) No burning of any trash and no accumulation or storage of litter, lumber, scrap metals, refuse, bulk materials, waste, new or used building materials, or trash of any other kind shall be permitted on any portion of the Property or Project. Firewood shall be neatly stacked in the rear yard areas of the Lots. This subsection (c) shall not be applicable to the Declarant or any Participating Builder during the construction and development of the Property or Project.

(d) Except for parking within garages, and except as herein elsewhere provided, no junk vehicle, commercial van or commercial truck (except pick-up trucks or sport utility vehicles or jeeps), unlicensed or inoperable motor vehicle (which shall include, without limitation, any vehicle that would not pass applicable state inspection criteria), trailer, mobile home, camp truck, house trailer, recreational vehicle, boat or other similar vehicles, machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any dwelling or grounds and except for such equipment and machinery as the Association may require in connection with the maintenance and operation of the Association Property) shall be kept upon the Property, including any Lot or upon the public or private streets within or adjacent to the Property, nor (except for bona fide Emergencies) shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon; provided, however, any trailer, mobile home, camp truck, house trailer, recreational vehicle, boat or other similar vehicles that are either owned, rented or leased by an Owner may be temporarily kept upon the Owner's Lot (but not any adjacent portions of the public or private streets) solely with respect to either cleaning, loading or unloading any of the foregoing described vehicles, or picking up or discharge passengers therefrom for a reasonable period of time not to exceed forty eight (48) hours. This subsection (d) shall not be applicable to the Declarant or any Participating Builder during the construction and development of the Property or Project.

(e) Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection and the evening prior to such days of trash collection. No incinerator shall be kept or maintained upon any portion of the Property or Project. No garbage or trash containers shall be kept on the front yard of any Lot and garbage and trash containers kept or maintained in the side or rear yard of any Lot shall be screened from public view at all times. This subsection (e) shall not be applicable to the Declarant or any Participating Builder during the construction and development of the Property or Project.

(f) No Lot shall be further divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to (i) prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, Declarant, or any other individual or entity for any purpose, or (ii) prohibit minor boundary line adjustments between adjoining Owners or between any Owner and the owner of the Association Property, as applicable, if done in accordance with applicable Laws. Further, the provisions of this subsection shall not be deemed to preclude any Owner from granting an easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, to serve necessary public purposes, or from dedicating or conveying a portion of such Owner's Lot for such purposes.

(g) No tree, hedge or other landscape feature shall be planted or maintained in a location which obstructs sight-lines for vehicular traffic on public streets or on private streets and roadways. Without limiting the generality of the foregoing, no wire or other lawn edging, fencing or other treatment shall be placed or maintained on any portion of the Property or Project which would impede the Association's ability to perform its obligations as set forth in this Declaration, or which would be inharmonious with the aesthetics of the Property and Project.

(h) No decorative lawn ornament, no structure of a temporary character, and no tent, shack, storage shed, barn, pen, kennel, run, stable, or other similar structure or building shall be erected, used or maintained on any portion of the Property or Project at any time. This subsection (h) shall not be applicable to the Declarant or any Participating Builder during the construction and development of their respective Lots.

(i) Except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" and such sales and promotional sign or signs as may be maintained by or with the written consent of the Declarant or the Association, or except as may be expressly permitted pursuant to applicable law, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any portion of the Property or Project; provided, however, that one temporary real estate sign not exceeding twelve inches by eighteen inches (12" x 18") in area may be placed and maintained in the window or otherwise inside of the dwelling erected upon any Lot, in the case of any dwelling placed upon the market for sale or rent. Any such temporary real estate sign shall be removed within five (5) days of the settlement of the sale or rental of such dwelling. The provisions and limitations of this subsection (i) shall not apply to any institutional first mortgagee of any Lot who comes into possession of the Lot by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure. This subsection (i) shall not be applicable to the Declarant or any Participating Builder during the construction and development of their respective Lots.

(j) No water pipe, sewer pipe, gas pipe, drainage pipe, cable or other similar transmission line shall be installed or maintained upon any portion of the Property or Project above the surface of the ground and no wire, cable or other similar transmission line may

be attached to the exterior of any structure on any portion of the Property or Project; provided, however, that such pipes, transmission lines, wires or cables providing utility services to any portion of the Property or Project (including, but not limited to, electricity, telephone, gas, water, sewer and cable television) shall be permitted. Except during periods of actual use, no hose shall be stored or placed in the front or side yard of any dwelling unless screened from public view.

(k) No structure, planting or other material shall be placed or permitted to remain upon any portion of the Property or Project which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard the direction or flow of any drainage channels.

(l) Vegetable gardens shall be maintained only within the rear yard of any Lot, and shall be maintained in a neat and attractive manner. No composting activities of any kind or nature shall be permitted on any portion of the Property or Project, including, but not limited to, natural composting activities. In addition, no Owner shall erect or maintain any composting piles or receptacles or containers on any portion of the Property or Project.

(m) Lawn furniture shall be used and maintained on Lots in rear yards or decks only, unless otherwise determined by the Board, and shall be maintained in a neat and attractive manner.

(n) No equipment or machinery (including, without limitation, equipment or machinery for use in connection with the maintenance of any dwelling) shall be stored in the front, rear or side yard of any Lot.

(o) No Association Member shall make any private, exclusive or proprietary use of any of the Association Property and no Association Member shall engage or direct any employee of the Association on any private business of the Association Member during the hours such employee is employed by the Association, nor shall any Association Member direct, supervise or in any manner attempt to assert control over any employee of the Association.

(p) Any fence constructed upon the Property or Project shall not extend forward of the rear building line of the dwelling on any Lot upon which any such fence is erected and shall be located at minimum of at least three (3) feet from the applicable side and rear yard property lines and shall not otherwise impede or interfere with the proper drainage of any drainage swales or other drainage or storm water related facilities. No fence shall be constructed or maintained upon a Lot until the plans for the same have been approved in writing in accordance with the provisions of Article VI herein. No fence shall be more than four feet (4') in height or such other height as permitted under the applicable codes or ordinances of Sussex County. Such fences shall be constructed of either anodized aluminum or vinyl and shall be either white or tan in color for vinyl or white or black for aluminum and shall be in one of three (3) available styles of fencing that are available to choose from and have otherwise been approved in writing pursuant to Article VI herein. All other types, materials and colors of fencing are specifically prohibited, including but not limited to chain link and split rail. Notwithstanding the foregoing, this subsection (p) shall not apply to fences installed by or on behalf of the Declarant or a Participating Builder during the construction and development of the

Property or Project, which in the sole opinion of the Declarant or Participating Builder, as applicable, shall be required, convenient or incidental to the Declarant's or Participating Builder's, as applicable, construction, development, marketing, leasing and sales activities within the Property or Project.

(q) Bed sheets, plastic sheets, newspapers, plastic storm windows or other similar window treatments shall not be hung or placed in or on any window on any dwelling located on any Lot.

(r) All on-Lot lighting shall be designed and mounted in accordance with the terms of the Design Guidelines and as otherwise provided under this Declaration. Any such lighting shall be generally directed in such a manner to enhance the immediate area around any dwelling on a Lot and shall not be directed toward other dwellings on adjacent Lots or properties surrounding the Property or Project, so as to be a nuisance to adjacent Owners or landowners outside of the Property or Project.

(s) No drying or airing of any clothing or bedding shall be permitted outdoors and within any Lot other than within rear yards, and clothes-hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight when not in use.

(t) No garage or outbuilding properly erected on a Lot shall at any time be used for human habitation, temporarily or permanently, nor shall any structure of a temporary character be used for human habitation. No garage may be altered, modified or changed in any manner which would inhibit or in any way limit its function as a parking area for vehicles without obtaining prior written approval pursuant to Article VI of this Declaration. Notwithstanding the foregoing, any Lot owned by the Declarant or a Participating Builder upon which is situated a dwelling in which the garage has been modified to serve as living area or marketing/sales area shall be exempt from this paragraph and any grantee of the Declarant, and such grantee's successors and assigns, shall also be exempt until such time as the garage is restored or a garage is constructed on such Lot. Except when being used as an entrance or exit, garage doors shall be maintained in a closed position at all times.

(u) No flags and associated poles or other related supports shall be erected, displayed or maintained on any Lot or the Property except for flags suspended on poles or supports no longer than five (5) feet in length which are attached to the front porch or garage of a dwelling unit on such Lot and as otherwise provided pursuant to Section 7.6.

(v) Mailboxes shall be installed only in dual configuration (one post with two mailboxes for adjacent Lots), shall be black in color, and the design thereof must be approved by the ARC.

7.3. Satellite Dishes. Installation of antennas, including satellite dishes, shall be governed by this Section and such other additional reasonable rules and regulations regarding the location and screening of any such items that the Board shall impose from time to time. The Federal Communications Commission (the "FCC") adopted a rule effective October 14, 1996 (the "FCC Rule"), preempting certain restrictions concerning the installation, maintenance, and use of direct broadcast satellite, television broadcast, and multipoint distribution service antennas



(collectively, "Antennas"). The requirements set forth in this Section are generally consistent with the FCC Rule; however, because the FCC Rule is subject to change or modification, the Board reserves the right to amend and modify any requirements governing installation, maintenance, and use of Antennas, which may be more restrictive than as set forth herein and which may, in the discretion of the Board, be applied retroactively. Antennas not covered by the FCC Rule, including satellite dishes in excess of one (1) meter in diameter, shall not be installed on the exterior portions of any Lot or dwelling without prior written approval as required by Article VI. Antennas situated entirely within a dwelling, and not visible from the exterior are permitted. Antennas covered by the FCC Rule, including satellite dishes of one (1) meter or less in diameter, are permitted within a Lot, provided such Antennas shall not be visible from the front elevation of the Lot; provided, however, that nothing herein requires installation of such an Antenna in a location from which an acceptable quality signal cannot be received, as certified in writing by a licensed installer or which causes an unreasonable delay or cost increase in such installation.

7.4. Leasing and Transfers. All leases of dwelling units on all Lots shall (i) have an initial term of one (1) year or longer, (ii) contain provisions advising the tenant of his or her obligation to comply with all provisions of this Declaration, the Association Documents and the rules and regulations of the Association, and (iii) provide that the Association shall have the right, in addition to all other rights provided by DUCIOA and any other applicable Laws, to terminate the lease upon default by the tenant in observing any of the provisions of this Declaration, the Association Documents or the rules and regulations of the Association, or of any other document, agreement or instrument governing the dwelling units Property or Project. The Owner(s) of a leased or rented dwelling unit on a Lot shall notify the Association in writing of the Owners' current address. The Owner(s) of a leased or rented dwelling unit on a Lot shall be jointly and severally liable with his tenant(s) to the Association to pay any claim for injury or damage to persons or property caused by any action or omission, including, without limitation, the negligence of the tenant(s). Every lease shall be subordinate to any lien filed by the Association, whether before or after such lease was entered into.

7.5. Parking. Parking within the Lots and Association Property shall be subject to the following restrictions:

(a) The Association shall be entitled to establish supplemental rules concerning parking and traffic control on any portion of the Lots and Association Property, including, without limitation, providing for reserved parking which allows the exclusive use of one or more parking spaces located upon the Association Property by one or more Owners and/or the involuntary removal of any vehicle violating the provisions of this Declaration and/or such rules.

(b) Each Owner shall comply in all respects with such supplemental rules which are not inconsistent with the provisions of this Declaration which the Board may from time to time adopt and promulgate with respect to parking and traffic control within the Lots and Association Property, and the Board is hereby authorized to adopt such rules.

(c) Parking shall be prohibited in the turn-arounds, fire lanes and cul-de-sacs located on the Association Property as provided on the Development Plans.

7.6. Rules and Regulations. The Association shall have the right to adopt rules and regulations in accordance with § 81-320 of DUCIOA governing the use by the Owners of the Association Property and/or Lots, which rules and regulations shall not apply to any Participating Builder and which shall not be inconsistent with the provisions of this Declaration. Such rules and regulations may include the regulation of rentals in the Project and govern specific leasing standards, including, but not limited to, permitted signage or advertising, minimum lease terms and maximum number of occupants permitted to occupy a main dwelling, the display of American flags or other flags (consistent with federal law, § 81-320 of DUCIOA and Section 7.2(u) above, as applicable) and/or the display and placement of political signs (consistent with § 81-320 of DUCIOA). Any rules and regulations adopted by the Association shall be a governing document of the Association.

7.7. Exemptions. None of the restrictions and provisions set forth in Sections 7.2 through 7.7 above shall be applicable (i) to any portion of the Property or Project owned by the Declarant or a Participating Builder or to the activities of the Declarant or a Participating Builder, and their officers, employees, agents and assigns, in their development, marketing, leasing and sales activities within the Property and Project or (ii) to the Association, its officers, employees and agents, in connection with the proper maintenance, repair, replacement and improvement of the Association Property.

7.8. Notice of Special Provisions Regarding the Property and Project.

(a) The Property and Project are located in the vicinity of land used primarily for agricultural purposes on which normal agricultural uses and activities have been afforded the highest priority use status. It can be anticipated that such agricultural uses and activities may in the future involve noise, dust, manure and other odors, the use of agricultural chemicals and nighttime farm operations. The use and enjoyment of the Property and Project is expressly conditioned on acceptance of any annoyance or inconvenience which may result from such normal agricultural uses and activities.

(b) The streets, sidewalks and shared-use path designated on the Development Plans are dedicated to public use. The streets must be improved to the standards required by the Development Plans. Such streets are to be privately maintained by the Association. The State of Delaware assumes no maintenance responsibilities for the future maintenance of the streets. The streets will need to be re-constructed to current state standards in the future if the Declarant, Association or Owners apply to have the streets accepted for state maintenance.

(c) The Property contains regulated wetlands. Activities within these wetlands may require a permit from the U.S. Army Corps of Engineers and/or the State of Delaware.

## ARTICLE VIII DECLARATION OF EASEMENTS AND RIGHTS

8.1. Declaration of Easements and Rights. Subject to Article XIII hereof, the following easements and rights are hereby declared or reserved:

(a) For so long as Declarant owns any Lot or any portion of the Property or Project, Declarant reserves the right to grant easements, both temporary and permanent, to all public authorities and utility companies over all or any portion of the Property or Project, including but not limited to the Utilities.

(b) Each Lot and the Association Property are hereby declared to have an easement, not exceeding one foot (1') in width, over all adjoining Lots and the Association Property for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, roof overhangs, gutters, architectural or other appendages, draining of rainwater from roofs, or any other similar cause, there shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of any Owner if said encroachment occurred due to the willful misconduct of said Owner. In the event a structure on any Lot or the Association Property is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot, and the Association agree that minor encroachments over adjoining Lots or Association Property shall be permitted and that there shall be easements for the maintenance of said encroachments so long as they shall exist.

(c) There is hereby reserved unto the Declarant (and Declarant's successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the real property shown on the Development Plans, and for the benefit of the Declarant and its agents, a non-exclusive, perpetual blanket easement upon, across, over and under the Property and Project (provided such easement does not encroach upon any building within the Property or Project or unreasonably interfere with the use and enjoyment of the Property or Project) for vehicular and pedestrian ingress and egress, curb cuts, slope, and grading easements, as well as for the installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, drainage, storm water detention and/or siltation, gas, natural gas, cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property or Project from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines, service boxes, and other equipment on the Property or Project, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, natural gas lines, and/or Irrigation Facilities, on, above, or below any portion of the Property or Project, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over the Property or Project. There is further reserved unto the Declarant the right to erect entry features, promotional and other similar items within the Property or Project provided they do not unreasonably interfere with the use, operation and enjoyment of the Property or Project. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property or Project in furtherance of the blanket easement created by this subsection. Further, without limiting the generality of the foregoing, the Declarant reserves the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property or Project;

provided, however, that if requested by the Declarant, any party having an interest in the Property or Project shall promptly join in and execute such confirmatory easements and other agreements.

(d) The Association Property is hereby subject to a non-exclusive, perpetual easement and right of passage, for the benefit of the Association Members, for ordinary and reasonable pedestrian ingress and egress over, across and upon any sidewalk, trail or walkway (or the replacement thereof) constructed within the Association Property that may reasonably be deemed to have been constructed or intended for pedestrian use.

(e) An easement is hereby reserved to Declarant to enter the Lot and Association Property during the period of construction and sale of the Lots and Facilities located thereon, and to maintain the Property and perform such operations as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction of the Facilities and for the construction and sale of residences, including, without limitation, an easement for the following purposes: (i) ingress and egress to and from any and all portions of the Property and Project by trucks, construction equipment, construction personnel and the like; (ii) to construct, install, reconstruct, alter, modify, remove and replace the Facilities or any other improvements within the Property and Project; (iii) to excavate, fill and coordinate the height, grade, slope and contour of the Property and Project, and to add and remove soil from the Property; and (iv) for the conduct of all other development, construction, marketing, sales, leasing and related activities as may be deemed necessary or desirable by the Declarant to implement the Development Plans, to comply with requirements imposed by Sussex County, Delaware, or any governmental or quasi-governmental agency or authority having regulatory jurisdiction over the Property or Project, and/or to comply with applicable Laws.

(f) An easement is hereby reserved to Declarant and each Participating Builder to enter the Lot and Association Property for the purpose of carrying out any obligations it may have, or assume, with respect to the curing of any defects in workmanship or materials in such Lot and Association Property or the improvements thereon. There is further reserved unto the Declarant and Declarant's agents a non-exclusive easement over, across and through all of the Property and Project for the purpose of access, the storage of building supplies and materials and equipment and, without any limitation, for any and all purposes reasonably related to the completion of the development, construction, rehabilitation and repair of the Property or Project.

(g) The Declarant reserves a perpetual blanket easement and right on, over and under the Property and Project to establish, maintain, change and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Any provision hereof to the contrary notwithstanding, the Declarant shall have no obligation whatsoever to perform any work or to take any action regarding drainage of surface water within the Property or Project. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action as may be reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable. The Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an Emergency exists which precludes such notice. There is further reserved unto the Declarant the right to grant specific easements, both temporary and permanent, to any person or entity, including all

public authorities and utility companies, over any part of the Property or Project in furtherance of the blanket easement created by this subsection.

(h) The rights and duties of the Association and the Owners with respect to all public and/or private utilities serving and/or benefiting all or any portion of the Property or Project, including, without limitation, water, sewer, gas, natural gas, electricity, cable television, telephones, storm drains, down spouts, yard drains, and all pipes, wires, cables, conduits, transmission lines and other related facilities and equipment (collectively, the "Utilities") shall be governed by the following:

(1) Each Lot is hereby subject to a non-exclusive perpetual easement and right of passage upon, across and under such Lot, for the benefit of the Declarant, Association and Owners of all other Lots for the installation, maintenance, repair, replacement, inspection, operation and use of all Utilities. The Owner of any Lot and the Declarant and Association shall each have the right, and they are hereby granted an easement and right of passage to the extent necessary therefor, to enter upon or have a utility company enter upon any portion of the Property or Project in which the Utilities lie, to inspect, repair, replace and generally maintain such Utilities.

(2) The right granted in subsection (1) above shall be only to the extent necessary to entitle the owner of the property serviced by the Utilities (including the Declarant as the owner of any Lot, and the Association as the owner of the Association Property) to their full and reasonable use and enjoyment of such property, and provided further that anyone exercising such right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

(i) Each Lot is hereby subject to an easement and right of passage upon, across and under such Lot for the drainage and discharge of water from any storm drain, down spout or yard drain situated on another Lot or Association Property and the Owner of such Lot may not alter or obstruct such drainage or flow of water to the detriment of any Lot or Association Property.

(j) The Association shall have an easement to enter any portion of the Property or Project for the performance of its duties hereunder, including, without limitation, fenced, or other similar areas of the Property or Project.

(k) With respect to any step, patio, deck, downspout or yard drain or other similar structure that may benefit any Lot and is constructed by the Declarant or any Participating Builder and that may encroach upon any portion of the Association Property, there is hereby reserved for the benefit of the Lot that such step, patio, deck, downspout, drain or other structure serves, a perpetual easement for the location, maintenance, repair and use of such structure or items within the Association Property, but only to the extent that the Declarant's or Participating Builder's original construction thereof encroaches within the Association Property. The Owner of the Lot benefiting from such easement agrees to maintain such structure or item and to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement granted hereby.

(l) There is hereby created for the benefit of each Lot that is enclosed, in whole or in part, by any wooden, brick, stone or other similar fence and/or wall constructed by the Declarant or any Participating Builder, a perpetual easement to use any portion of the

Association Property that may be located between such fence and/or wall and the record platted lot line for such benefited Lot. The obligation to maintain such portion of the Association Property shall be that of the Owner of the benefited Lot, and the obligation to maintain such portion of the wooden, brick, stone, or other similar fencing as is located within the Association Property, and that encloses the benefited Lot, in whole or in part, shall be that of the Association, as applicable. The Owner of any Lot benefiting from the foregoing easement agrees to indemnify and hold the Association harmless from any loss, liability or damage arising out of or resulting from the use, enjoyment and benefit of the easement rights provided for herein.

(m) A mutual right and easement for utility services is hereby established for the benefit of all Owners, and the Association, such that no action which would in any way interfere with utility services being provided to any Owner or the Association within the Property or Project shall be taken by any Owner or the Association. If a Lot contains any utility pipes, ducts, conduits, wires or the like which are for the benefit, in whole or in part, of other Owners of Lots or the Association, then the Owner of such Lot shall promptly, at such Owner's expense, repair any damage to such utilities caused by the Owner, or such Owner's tenants, lessees, agents, guests, invitees, licensees or family members.

(n) The Association and its agents and employees, shall have an irrevocable right and an easement to enter the Lots and the Association Property for purposes of exercising the rights and fulfilling the obligations established by this Declaration.

(o) The Declarant reserves the right to modify or alter the size, number, type and location of the Association Property and the Lots and any other improvements thereon, as it deems necessary or desirable in conjunction with the development of the Property or Project. Without limiting the generality of the foregoing, the Declarant reserves the right to resubdivide all or a portion of the Property or Project, to convey the Association Property, to modify the site plans, to construct the Facilities on the Association Property, and to take whatever other action with respect to the Association Property, Facilities and Lots as the Declarant may deem necessary or desirable.

(p) The Association is hereby granted a non-exclusive easement and right of passage on, through, over, under and across the Lots and Association Property to maintain, repair and replace any Facilities situated within the Lots or Association Property.

(q) All Lot Owners shall be required to use the sewer system, water system, and natural gas systems serving the Project and pay the prevailing service connection fees, rates and charges for sanitary sewage, water and natural gas services as more specifically set forth in the agreement(s) with the Utilities. A current schedule of rates and charges for waste water services for the Lots under the Wastewater Agreement will be maintained at the office of the Association, as applicable, and rates for the Lots may be inspected during normal business hours of the Association.

(r) Non-exclusive easements are hereby reserved unto the Declarant (and its successors and assigns to whom such easements have been specifically assigned in writing) and for the benefit of the Utilities who shall operate the central sewage disposal system, water system, and natural gas system, and shall include the construction, operation and

maintenance, repair and replacement of the central sewage disposal system, water system and natural gas system for the Project and any additional adjacent properties as provided under this Declaration. The foregoing easements shall be broadly construed and shall include any and all of the easement rights granted or reserved under this Declaration as may be reasonably necessary so as to enable the Declarant and the Utilities to undertake and perform all of the obligations and duties imposed under the applicable agreements or as otherwise provided in this Declaration.

(s) There is hereby reserved unto each Participating Builder (and their successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the real property shown on the Development Plans, and for the benefit of the Participating Builder and its agents, a non-exclusive, perpetual blanket easement upon, across, over and under the Lots to which such Participating Builder holds title or held title in the past, and over the Association Property to the extent reasonably necessary (provided such easement does not encroach upon any building within the Property or Project or unreasonably interfere with the use and enjoyment of the Property or Project) for vehicular and pedestrian ingress and egress, curb cuts, slope, and grading easements, as well as for the installation, replacement, repair and maintenance of all utilities serving the dwelling units, including, but not limited to, water, sewer, drainage, storm water detention and/or siltation, natural gas, cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon such Lots from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles, pipes, lines, service boxes, and other equipment on, above and below such Lots and Association Property, including any improvements constructed thereon, and to have construction vehicles, equipment and the like exercise the aforesaid right of ingress and egress over such Lots or Association Property. An easement is hereby granted and reserved unto each Participating Builder to enter the Lots to which Participating Builder holds title or held title in the past and Association Property during the period of construction and sale of the dwelling units to maintain Lots and perform such operations as in the reasonable opinion of Participating Builder may be reasonably required, convenient or incidental to the construction and sale of residences, including, without limitation, an easement for the following purposes: (i) to excavate, fill and coordinate the height, grade, slope and contour of the Lots, and to add and remove soil from the Lots, in accordance with plans approved by Declarant; and (ii) for the conduct of all other development, construction, marketing, sales, leasing and related activities as may be deemed necessary or desirable by the Participating Builders to implement the Development Plans, to comply with requirements imposed by Sussex County, Delaware, or any governmental or quasi-governmental agency or authority having regulatory jurisdiction over the Property or Project, and/or to comply with applicable Laws.

(t) Notwithstanding anything contained in this Declaration to the contrary, for a period of ten (10) years from the recordation of this Declaration, Declarant reserves the right to grant easements to allow adjacent properties to be serviced by the central sewage disposal system that shall service the Project subject to and in compliance with all applicable Laws (the "Additional Sewer Service Users"). Any such Additional Sewer Service Users shall be assessed for their pro rata share of the actual costs and expenses of the operation of the central sewage disposal system including, but not limited to, the maintenance, repair and replacement thereof as originally determined by the Declarant or applicable Utilities.

(u) In the event that any easement right set forth herein is exercised, the person or entity exercising such right shall be responsible for the repair of any damage and liability for any personal injury or property damage arising directly or indirectly from its use or maintenance of the easement area.

8.2. Utilities Lien. The Declarant, for itself and its successors and assigns, and for each Lot within the Property, hereby covenants, and each Owner of any Lot, by acceptance of a deed or other transfer document therefore, hereby covenants and agrees to pay the Utilities user fees periodically billed by the Utilities with respect to each Owner's Lot. No Owner of a Lot may waive or otherwise escape any liability for wastewater, water or natural gas user fees.

8.3. Wastewater Agreement and Wastewater Service Line. The Declarant, for itself and its successors and assigns, and for each Lot within the Property, hereby covenants, and each Owner of any Lot, by acceptance of a deed or other transfer documents therefore, hereby covenants and agrees to maintain and repair the Wastewater Service Line servicing such Lot as applicable; to allow inspection by the applicable Utilities, to remove any blockage in said line, including without limitation blockage beyond clean-outs on the Lot and to remediate any environmental damage caused by breakage, blockage, or leakage thereof; and to pay or cause to be paid the service fees required under the terms of the Wastewater Agreement. No downspout, sump pump or other device collecting rainwater or groundwater shall be connected to the wastewater system; any violation of this prohibition shall authorize and entitle the applicable Utilities to arrange for shut-off of potable water service to the Lot.

8.4. Utilities Exemption for Assessments. As owner of the Wastewater Service Line, the applicable Utilities shall not be liable or responsible for any dues or assessments to Declarant or the Association under this Declaration.

8.5. Association Easements. The Board shall have the right to grant easements, rights-of-way, licenses and similar interests over any part of the Association Property for any lawful purpose which the Board determines, in its sole discretion, to be in the best interests of the Association.

## ARTICLE IX MAINTENANCE

9.1. Owners' Maintenance. Except as otherwise specifically provided in this Declaration, the Owner of each Lot shall keep the Lot, and all improvements therein or thereon, in good order and repair and free of debris in a manner and with such frequency as is consistent with good property management and the Community-Wide Standard, including, without limitation, responsibility for mowing, fertilizing, trimming, pruning and/or otherwise maintaining all or any portion of the grass, shrubs, bushes, trees and other planted materials, and any replacements thereof, as may be located within the Lawn Area. Maintenance of the Lawn Area by the Owner shall be with such frequency and in conformity with such standards as may be established by the Board from time to time. In the event that the Owner of such Lot shall fail to maintain the Lawn Area within such Owner's Lot in a manner consistent with good property management and the Community-Wide Standard, then the Association or its agent shall each have the right to enter upon said Lot to repair, maintain and restore the Lawn Area therein. Whenever entry is not required in an Emergency situation, the Association shall afford the



Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such repair, maintenance or restoration, including reasonable attorney's fees, shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article V hereof. The Owner of any Lot shall be responsible for the maintenance of any Irrigation Facilities located on or under such Owner's Lot and shall be responsible for the payment of any utility bills associated with the use of the Irrigation Facilities on such Owner's Lot. In the event an Owner of any Lot shall fail to maintain such Lot and such improvements, the Association and its agent shall have the right to enter upon said Lot to repair, maintain and restore the Lot and such improvements. The Association shall also have the right to enter the Lots to correct drainage. Whenever entry is not required in an Emergency situation, the Association shall afford the Owner reasonable notice and opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration, including reasonable attorneys' fees, shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article V of this Declaration.

9.2. Association Maintenance. (a) The Association shall maintain, repair and replace the Association Property and shall keep the Association Property in good order at all times and shall arrange for grass cutting and other maintenance approved by the Board from time to time, if any, to the Lawn Area of each Lot. This obligation shall include, without limitation (i) the maintenance, repair and, as necessary, replacement of any private streets and parking areas within the Association Property, (ii) the maintenance, repair and, as necessary, replacement of any landscaping, pathways, sidewalks, trails and walkways that are constructed or installed by, or on behalf of, the Declarant or Participating Builder within the Association Property, provided that the Association shall not be obligated to maintain, repair or replace any landscaping, pathway, sidewalk, trail or walkway leader, or portion thereof, within any Lot (the maintenance, repair and replacement of any such landscaping, pathway, sidewalk, trail or walkway leader shall be the obligation of the Lot Owner, as applicable), and (iii) the removal of accumulated snow and ice from within all private streets and parking areas within the Association Property and from all Association Property pathways, sidewalks, trails, walkways, or portions thereof. Further, the Association shall maintain, repair and replace (i) any rights-of-way, swales, culvert pipes, entry strips, signage, and entrance features or improvements that are situated within or that are appurtenant to and serve the Association Property, including, without limitation, any landscaping and other flora and improvements situated thereon, and (ii) any other real and personal property, facilities and equipment as the Association is obligated or elects to maintain pursuant to this Declaration, or any lease, easement or agreement, or the direction of any governmental authority or agency. The expenses of all such maintenance, repair and replacement of the Association Property and of the exterior of the Lots shall be a Common Expense of the Association, including, but not limited to, reserves for the maintenance, repair and replacement of any such property or improvements. The Association shall also maintain any portion of any Lot that it is obligated or elects to maintain pursuant to this Declaration, any easement or other agreement. If the Board approves grass cutting or other maintenance to any Lawn Area, the Owner of the applicable Lot may opt-out of having the Owner's Lawn Area maintained by the Association; however, in such case the assessments payable to the Association by such Owner shall be unaffected and the Owner shall maintain such Lawn Area pursuant to Section 9.1 above.

(b) The Association shall also have the right to enter any Lot without the consent of the Owner and/or occupant or other governing body thereof, to conduct any Emergency repairs as are necessary and for the maintenance and protection of the Association Property or any Lot that the Association is responsible for under this Declaration. The costs of such repairs shall be collectible from the Owner of such Lot in the same manner as assessments as provided in Article V herein.

(c) The Association shall be responsible for the maintenance, repair and replacement of any of the Association Property which consist of storm water management area or facilities situated within the Association Property to the extent that Sussex County, Delaware or other third party does not assume the responsibility for the maintenance, repair and replacement of any storm water management area or facilities, including, without limitation, drainage pipes, culvert pipes, infiltration trenches, ponds, basins, swales, berms, out-flow control devices, drainage areas, filters, inlets, oil/grit separators and underground facilities, if any, which serve and/or benefit the Property or Project whether or not located within the Association Property if the Association is responsible therefor pursuant to any easement, agreement or the direction of any governmental authority or agency. Such responsibility may be in the form of contributing the Association's share of the maintenance costs of any such storm water management area, facility or equipment pursuant to an easement or agreement which shall be a Common Expense of the Association. The Board may enter into any such easements and/or other agreements as the Board may deem necessary or desirable for purposes of allocating and/or sharing the costs associated with the maintenance of any storm water management areas, facilities and/or equipment which serve and/or benefit the Association Property and the Lots. The Association shall not refuse to accept the conveyance of any such storm water management area, facilities or equipment from the Declarant provided such conveyance is made in compliance with all applicable Laws. Declarant shall have right, title and authority to consummate any such conveyance pursuant to the authority granted and reserved in the irrevocable power of attorney coupled with an interest under Article XII.

9.3. Additional Maintenance Responsibilities. The Association may, in the discretion of the Board, provide additional services and/or assume additional maintenance responsibilities with respect to all or any portion of the Lots or Association Property not referenced in Section 9.2 of this Declaration. In such event, all costs of such services and/or maintenance shall be assessed only against those Owners residing within the portion of the Property or Project receiving the additional services. This assumption of responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service or maintenance then being provided is not consistent with the Community-Wide Standard.

## ARTICLE X INSURANCE

10.1. Required Coverage. The Board, or its duly authorized agent, shall be required to obtain, maintain and pay the premiums, as a Common Expense, upon a policy of hazard insurance covering the Association Property and any property required to be insured by the Association pursuant to any easement or lease agreement (except land, foundation, excavation and other items normally excluded from coverage) including fixtures and building

service equipment, to the extent that they are a part of the Association Property or such other property which the Association may insure, as well as common personal property and supplies.

(a) The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available, shall meet the requirements of DUICOA § 81-313, and shall name the Association as a named insured. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items that are usually excluded from insurance coverage. Unless a higher maximum amount is required pursuant to the law of the State of Delaware, the maximum deductible amount for coverage of the Association Property is the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

(b) Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by the Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Delaware. The policy contract shall provide that no assessment may be made against the Mortgagee, and that any assessment made against others may not become a lien on the mortgaged Lot superior to the First Mortgage.

(c) The hazard insurance policy must provide that the insurance carrier shall notify the Association and each Mortgagee named in the mortgagee clause in writing at least ten (10) days before it cancels or substantially changes the Association's coverage. In addition, each Eligible Mortgage Holder shall receive timely written notice of any lapse, material modification or cancellation of any insurance policy covering the Association Property.

(d) All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutions as mortgage investors in the area in which the mortgaged premises are located. The following endorsements are also required: (i) an Inflation Guard Endorsement (if reasonably available); (ii) a Construction Code Endorsement if the Association Property are subject to a construction code provision which would become operative and require changes to undamaged portions of any structures, even when only part of a structure is destroyed by an insured hazard or peril; and (iii) a Steam Boiler and Machinery Coverage Endorsement if any structure within the Association Property has central heating or cooling, which should provide for the insurer's minimum liability per accident per location to be at least equal to the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the structure(s) housing the boiler or machinery.

(e) If the Association Property is located in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE, or V1-30 on a Flood Insurance Rate Map, the Association must maintain a "master" or "blanket" policy of flood insurance on the Association Property. The amount of flood insurance shall be at least equal to the lesser of one hundred percent (100%) of the insurable value of all structures and improvements situated in

such Special Flood Hazard Area or the maximum coverage available under the applicable National Flood Insurance Administration program. Unless a higher deductible amount is required under the laws of the State of Delaware, the maximum deductible amount for flood insurance policies shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy's face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

(f) The Association shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Association Property, public ways and any other areas that are under the Association's supervision that meets the requirements of DUCOIA § 81-313. The policy shall also cover any commercial space owned by the Association, even if such space is leased to others. The policy should provide coverage for bodily injury (including death) and property damage that results from the operation, maintenance or use of the Association Property and any legal liability that results from law suits related to employment contracts in which the Association is a party. Supplemental coverage to protect against additional risks should also be obtained, if required by a Mortgagee. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage, unless higher amounts of coverage are required by a Mortgagee. The liability policy must provide that the insurance carrier shall notify the Association in writing at least ten (10) days before it cancels or substantially modifies the Association's coverage.

10.2. Fidelity Coverage. To the extent reasonably available, blanket fidelity insurance may be maintained by the Board for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Board has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board. Except for fidelity insurance that a management agent obtains for its personnel, all other fidelity insurance policies should name the Association as the insured and should have their premiums paid as a Common Expense by the Association. Fidelity insurance obtained by a management agent shall name the Association as an additional insured. The total amount of fidelity coverage required should be sufficient to cover the maximum funds (including reserve funds) that will be in the custody of the Association or management agent at any time while the fidelity insurance policy is in force, and should at least equal the sum of three (3) months aggregate assessments on all Lots within the Association, plus any reserves. Fidelity insurance policies should contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The fidelity insurance policies should provide that they cannot be canceled or materially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association.

10.3. Repair and Reconstruction of Association Property After Fire or Other Casualty. In the event of damage to or destruction of any portion of the Association Property

covered by insurance payable to the Association as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration thereof; shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as appropriate; and shall otherwise comply with the requirements of DUICOA § 81-313(h). Promptly after a casualty causing damage or destruction of any portion of the Association Property for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Association Property in as good a condition as existed prior to the casualty. Such costs may include, without limitation, professional fees and premiums for such bonds as the Board may desire.

## ARTICLE XI MANAGEMENT

11.1. Management Agent. The Board may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board to perform such duties and services as the Board shall from time to time authorize in writing, including, but not limited to, the following:

(a) to establish (with the approval of the Board) and provide for the collection of the annual maintenance assessments and any other assessments provided for in this Declaration and to provide for the enforcement of liens therefor in a manner consistent with the law and the provisions of this Declaration; and

(b) to provide for the care, upkeep, maintenance and surveillance of the Association Property; and

(c) to designate, hire and dismiss such personnel as may be required for the good working order, maintenance and efficient operation of the Association Property; and

(d) to enforce such rules and regulations and such restrictions or requirements, "house rules" or the like as may be established by the Association regarding the use of the Association Property and the Lots; and

(e) to provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

11.2. Duration of Management Agreement. Any management agreement entered into by the Association shall provide, among other things, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof to the other party. The term of any such management agreement shall not exceed three (3) years; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

Any management agreement entered into prior to expiration of the Declarant Control Period must be terminable, without cause, any time after transfer of control from the

Declarant, on not less than thirty (30) nor more than ninety (90) days notice, and no charge or penalty may be associated with such termination.

## ARTICLE XII GENERAL PROVISIONS

12.1. Association Property Responsibility. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Association Property and any property, real or personal, which the Association is delegated the responsibility for pursuant to any easement or lease agreement, and all improvements thereon (including, without limitation, furnishings and equipment related thereto, private drainage facilities and common landscaped areas), and shall keep the Association Property and such other property in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. The Association shall be obligated to accept title to any real estate or personal property offered or conveyed to the Association by the Declarant. Any such conveyance shall be made in compliance with all applicable Laws and Declarant shall have the right, title and authority to consummate any such conveyance pursuant to the authority granted and reserved in the irrevocable power of attorney coupled with an interest under this Article XII.

12.2. Personal Property and Real Property for Common Use. The Association may acquire, lease, hold, and dispose of tangible and intangible personal property and real property, subject to the requirements of this Declaration. The Board, acting on behalf of the Association, will accept title to any real or personal property, leasehold, or other property interests within the Property or Project offered or conveyed to Association by the Declarant.

12.3. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Association Documents or any lease, easement or other agreement or document affecting the Association, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

12.4. Limitation of Liability. The Association shall not be liable to any Association Member for any failure of any services to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to persons or property caused by the elements or resulting from water which may leak or flow from any portion of the Association Property or other property within the control or supervision of the Association, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any Association Member for loss or damage, by theft or otherwise, of articles which may be stored upon the Association Property or other property within the control or supervision of the Association. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Association Property or other property within the control or supervision of the Association, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any Laws or with the order or directive of any municipal or other governmental authority.

12.5. Enforcement. Except as otherwise expressly provided in this Declaration to the contrary (or as provided under 10 Del. C. § 348, as amended or other applicable Laws), the Declarant, Association, or any Owner, or any Mortgagee of any Lot shall have the right to enforce, by any proceeding at law and/or in equity, all restrictions, conditions, covenants, reservations, easements, liens, charges or other obligations or terms now or hereafter imposed by the provisions of this Declaration, or the Association Documents, or any rule or regulation promulgated by the Association pursuant to its respective authority as provided in this Declaration or the Association Documents. Failure by the Declarant, Association or by any Owner or Mortgagee of any Lot to enforce any covenants or restrictions herein contained or any provision of the Association Documents or rules and regulations of the Association shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or attempted violation or breach of any of the within covenants or restrictions or any provision of the Association Documents cannot be adequately remedied by action at law or exclusively by recovery of damages. If the Declarant, Association, or any Owner or Mortgagee of any Lot, successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Association Documents, the costs of such action, including legal fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner.

Without limiting the generality of the foregoing, and in addition to any other remedies available, the Declarant or Association after reasonable written notice, in writing, provided to the Owner, may enter any Lot or Association Property to remedy any violation of the provisions of this Declaration, or the Association Documents or rules and regulations of the Association; provided, however, that the Declarant or Association may not enter the interior of any dwelling unit on a Lot except in an Emergency. The costs of such action, including reasonable attorneys' fees, shall become a binding, personal obligation of the Owner otherwise responsible for such violation and shall also be a lien upon the Lot of such Owner.

12.6. Fines. In addition to the means for enforcement provided elsewhere in this Declaration, the Declarant and Association shall each have the right to levy fines against an Owner or such Owner's guests, relatives, lessees or invitees, in the manner set forth herein, and such fines shall be collectible in the same manner as any other assessment such that the Declarant or Association, as applicable, shall have a lien against the Lot of such Owner as provided in this Declaration, and the Association Documents and such fine(s) shall also become the binding personal obligation of such Owner.

(a) Except with respect to matters pertaining to the Design Guidelines which shall be within the non-exclusive jurisdiction of the ARC, the Board shall be charged with determining whether there is probable cause that any of the provisions of this Declaration, the Association Documents or the rules and regulations of the Association, regarding the use of the Lots, Association Property, or other Association property, are being or have been violated. In the event that the Board or the ARC, with respect to the Design Guidelines, determines an instance of such probable cause, the Board (or the or the ARC, with respect to Design Guidelines) shall provide written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the Owner, of the specific nature of the alleged violation and of the opportunity for a hearing before the ARC or Board, as

applicable, upon a request made within seven (7) days of the sending of the notice. The notice shall also specify, and it is hereby provided, that each recurrence of the alleged violation or each day during which it continues shall be deemed a separate offense, subject to a separate fine not to exceed a reasonable amount established by the Board or the ARC, as applicable, for each offense. The amount of the fine shall be based upon the costs and inconvenience caused to the Board or the ARC and shall not be a penalty. The notice shall also specify, and it is hereby provided, that in lieu of requesting a hearing, the alleged violator or Owner may respond to the notice within seven (7) days of its sending, acknowledging in writing that the violation occurred as alleged and promising that the violation will thereafter cease and will not recur, and that such acknowledgment and promise, and performance in accordance therewith, shall terminate the enforcement activity of the Board or ARC, as applicable, with regard to such violation.

(b) If a hearing is timely requested, the Board or the ARC, as applicable, shall hold the same, and shall hear any and all defenses to the charges, including any witnesses that the alleged violator, Owner, the Board or the ARC may produce. Any party at the hearing may be represented by counsel.

(c) Subsequent to any hearing, or if no hearing is timely requested and if no acknowledgment and promise is timely made, the Board or the ARC, as applicable, shall determine whether there is sufficient evidence of a violation or violations as provided herein. If the Board or the ARC, as applicable, determines that there is sufficient evidence, it may levy a fine for each violation in the amount provided herein.

(d) A fine pursuant to this Section shall be assessed against the Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is an Owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in this Declaration and the Association Documents. Nothing herein shall be construed to interfere with any right that an Owner may have to obtain from a violator occupying or visiting such Owner's Lot payment of the amount of any fine(s) assessed against that Lot.

(e) Nothing herein shall be construed as a prohibition of or limitation on the right of the Association to pursue any other means of enforcement of the provisions of this Declaration, or the Association Documents or rules and regulations of the Association, including, but not limited to, legal action for damages or any equitable action, including injunctive relief.

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

12.8. Duration and Amendment. All covenants, conditions and restrictions set forth in this Declaration shall run with and bind the land and shall be perpetual unless expressly stated otherwise in this Declaration. In addition to the provisions of Section 12.9, this Declaration may be amended by an instrument signed by, or the affirmative vote of, Association Members entitled to cast not less than sixty-seven (67%) of the total votes of all Association Members and shall require the prior written consent of the Declarant (for so long as the Declarant shall own any portion of the Property or Project); provided, however, that any



amendment that will affect a Participating Builder's Lots shall require the prior written consent of the Participating Builder, its successors and/or assigns so long as the Participating Builder owns any Lot, which consent shall be in the Participating Builder's sole subjective and absolute discretion. Any amendment must be recorded in the Recorder's Office.

12.9. Changes and Modifications by Declarant. The Declarant shall have the right, for a period of twenty (20) years following the date of recordation of this Declaration, without the consent or joinder of the Association Members, any Mortgagee, any Beneficiary or the Association, or any other party, to (i) modify, amend or change any of the provisions of this Declaration, as the Declarant may deem necessary or desirable, and (ii) or if such amendments are:

- (a) required by federal, state, county or local laws; or
- (b) required by any Mortgagee of all or any portion of the Property or Project; or
- (c) required by any title insurance company issuing title insurance to Owners and/or Mortgagees of same; or
- (d) required by the Federal Housing Administration, Department of Housing and Urban Development, Veterans Administration, Farmers Home Administration, Delaware State Housing Authority, Federal National Mortgage Association, Federal Home Loan Mortgage Service Corporation, GNMA or by any like public or private institution acquiring, guaranteeing or insuring mortgages or providing any type of financial assistance with respect to all or any portion of the Property or Project; or
- (e) required to correct errors or technical deficiencies or imperfections or to clarify ambiguities. Declarant also reserves the right to waive or modify any requirement as to any individual Lot or, the Association Property in general necessary to avoid any hardship resulting from unintentional noncompliance with this Declaration.

12.10. Casualty Losses. In the event of substantial damage or destruction to any of the Association Property, the Board shall give prompt written notice of such damage or destruction to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Association Documents shall entitle any Association Member to any priority over the holder of any First Mortgage of record on his Lot with respect to the distribution to such Association Member of any insurance proceeds paid or payable on account of any damage or destruction of any of the Association Property.

12.11. Condemnation or Eminent Domain. In the event any part of the Association Property are made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board shall give prompt written notice of any such proceeding or proposed acquisition to the Eligible Mortgage Holders who hold First Mortgages of record on the Lots. No provision of this Declaration or the Association Documents shall entitle any Association Member to any priority over the holder of any First Mortgage of record on his Lot with respect to the distribution to such

Association Member of the proceeds of any condemnation or settlement relating to a taking of any portion of the Association Property.

12.12. Notice to Eligible Mortgage Holders; Deemed Consent.

(a) The Association shall give prompt written notice to each Eligible Mortgage Holder of (and each Owner hereby consents to, and authorizes such notice):

(1) Any condemnation loss or any casualty loss which affects a material portion of the Association Property or any Lot subject to a First Mortgage or security interest held, insured, or guaranteed by such Eligible Mortgage Holder.

(2) Any delinquency in the payment of Common Expense assessments or charges owed by an Owner whose Lot is subject to a First Mortgage or security interest held, insured, or guaranteed, by such Eligible Mortgage Holder which remains uncured for a period of sixty (60) days.

(3) Any lapse, cancellation, or material modification of any insurance policy or fidelity coverage maintained by the Association.

(4) Any other matter with respect to which Eligible Mortgage Holders are entitled to notice or to give their consent as provided in this Declaration.

(b) To be entitled to receive notice of the matters set forth in this Section, the Eligible Mortgage Holder must send a written request to the Association, stating both its name and address and the Lot or address of the Lot on which it has (or insures or guarantees) the mortgage. Any Eligible Mortgage Holder or mortgagee who is notified of any matter for which it is entitled to notice as provided herein (such notice to be delivered by certified or registered mail, return receipt requested), and which fails to respond within forty-five (45) days of receipt of such notice shall be deemed to have consented, if applicable, to the matter of which the Eligible Mortgage Holder or mortgagee was provided notice.

12.13. Declarant's Power of Attorney. Notwithstanding any provision to the contrary contained in this Declaration or the Association Documents, the Declarant hereby reserves for itself, its successors, transferees and assigns, for a period of twenty (20) years from the date the first Lot is conveyed an Owner that is not a Participating Builder or the Declarant, or until it conveys title to all of the Lots whichever occurs first, the right to execute on behalf of the Association and all contract purchasers, Owners, Association Members, Eligible Mortgage Holders, Mortgagees, and other lien holders or parties claiming a legal or equitable interest in any portion of the Property or Project, including without limitations, any Lot or the Association Property, any agreements, documents, amendments or supplements to this Declaration and the Association Documents which may be required by FNMA, FHA, VA, FHLMC, GNMA, Sussex County, Delaware, any governmental or quasi-governmental agency or authority having regulatory jurisdiction over the Association, Association Property, Property, Project, any Lot, any public or private utility company designated by the Declarant, any institutional lender or title insurance company designated by the Declarant, or as may be required to comply with the federal Fair Housing Act, or to comply with other applicable Laws or to correct any typographical or clerical errors or correct any ambiguity in the text of this Declaration; together

with any and all other documents, instruments or agreements, including by way of illustration and not limitation; deeds, transfer tax affidavits, agreements, closing statements, with respect to any of the rights, title and authorizations, and acts reserved by or provided to the Declarant under this Declaration; or as otherwise expressly reserved by or granted to Declarant hereunder.

(a) By acceptance of a deed to any Lot or by the acceptance of any other legal or equitable interest in any portion of the Property or Project, including without limitations, the Lot or Association Property, each and every such contract purchaser, Owner, Association Member, Eligible Mortgage Holder, mortgagee or other lien holder or party having a legal or equitable interest in any portion of the Property or Project, including without limitations, any Lot or the Association Property does automatically and irrevocably name, constitute, appoint and confirm the Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing any and all such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing rights, duties and obligations subject to the limitations set forth herein.

(b) No such agreement, document, amendment, supplement or other instrument which adversely affects the value of a Lot, or substantially increases the financial obligations of an Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Owner(s) and all Mortgagees of any Mortgage encumbering the Lots owned by the affected Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any Mortgage that encumbers any Lot or the Association Property shall not be made without the prior written consent of all such Mortgagees.

(c) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to the Property and Project, including, without limitations, each Lot and the Association Property, shall be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns for a period of twenty (20) years from the date the first Lot is conveyed to an Owner that is not a Participating Builder or Declarant, or until Declarant conveys title to the last Lot, whichever occurs first. Each Owner covenants and agrees to execute and deliver to Declarant an irrevocable power of attorney coupled with an interest in form and content consistent with this Section to be recorded in the Recorder's Office at the Owner's sole cost which shall run with and bind the Lot for a period of twenty (20) years as specified above.

(d) To accomplish the foregoing, each Owner covenants and agrees, by acceptance of a deed to its Lot from the Declarant, to execute, acknowledge and deliver an Irrevocable Power of Attorney Coupled with an Interest substantially in the form and content of Exhibit "C" attached hereto and made a part hereof.

#### 12.14. Successors of Declarant.

(a) Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned and transferred (exclusively or non-exclusively) by the Declarant by an instrument, in writing, without notice to any Association Member or the Association, to one or more successors or assigns (hereinafter referred to as an "Assignee").

(b) Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed is deemed to covenant and agree to the following:

(1) Neither any Participating Builder nor Declarant shall assume or be responsible for any liabilities, warranties or obligations which have or may accrue to the other, including, but not limited to, any liabilities, warranties or obligations concerning any Lots or Association Property, any buildings or other improvements constructed, or to be constructed, by or on behalf of the other, nor shall such Lots or Association Property or any buildings or other improvements be deemed to be part of any contract, or to constitute the basis of the bargain, between Declarant and any Lot purchaser;

(2) No Participating Builder makes any representation or warranty whatsoever, whether express or implied, with respect to any Lots, Association Property, Facilities, buildings or other improvements constructed or sold by parties other than the Participating Builder, nor has any Participating Builder authorized any other party to make any such representation or warranty, and such other parties are without legal authority to enforce or make any such representation or warranty. No Participating Builder shall assume or be responsible for, and each Lot Owner expressly waives any and all claims against each Participating Builder for, any liabilities, warranties or obligations which have or may accrue to Declarant or any Assignee under the Declaration or pursuant to law in connection with Declarant's or any Assignee's status as Declarant under this Declaration, or in connection with Declarant's or any Assignee's development of all or any real property subjected, or to be subjected, to this Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Lots or the Association Property, or dwelling units or other improvements constructed, or to be constructed, by or on behalf of Declarant or any Assignee;

(3) Declarant makes no representation or warranty whatsoever, whether express or implied, with respect to any Lots or Association Property, or Facilities, buildings or other improvements constructed or sold by parties other than Declarant, nor has Declarant authorized any other party to make any such representation or warranty, and such other parties are without legal authority to enforce or make any such representation or warranty. Declarant shall not assume or be responsible for, and each Lot Owner expressly waives any and all claims against Declarant for, any liabilities, warranties or obligations which have or may accrue to any Participating Builder or any Assignee under this Declaration or pursuant to law in connection with such Participating Builder's or any Assignee's status as Declarant under this Declaration, or in connection with such Participating Builder's or any Assignee's development of all or any real property subjected, or to be subjected, to this Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Lots, or the Association Property, or dwelling units or other improvements constructed, or to be constructed, by or on behalf of such Participating Builder or any Assignee.

12.15. Arbitration.

(a) Notwithstanding any provision of this Declaration or the Association Documents to the contrary, but subject to all applicable Laws, if, after good faith efforts to negotiate a satisfactory solution have failed, any dispute that cannot be resolved between (i) the Declarant (including any of the Declarant's employees, agents, or contractors) and (ii) the Association and/or any Owner or Owners, such dispute will be submitted to arbitration in accordance with this Section, unless an alternative dispute resolution procedure is agreed to by the parties to the dispute. As used in this Section 12.15(a), the term "dispute" includes any controversy or claim, including, without limitation, any claim based on contract, tort, or statute, arising out of or relating to (1) the rights or obligations of such parties under this Declaration, the Association Documents, or any rules promulgated by the Board or the ARC or (2) the design, construction, or warranty of the Association Property. Upon the request of a party to a dispute, the issue shall be adjudicated in accordance with the provisions of the Arbitration Act and the rules of the American Arbitration Association applicable to such disputes, to the extent such rules are not inconsistent with such Arbitration Act.

(b) Any party may commence the arbitration process called for in this Section by filing a written demand for arbitration in accordance with the Arbitration Act, with a copy to the other party. The arbitration shall be conducted at a location determined by the arbitrator in Delaware and will be administered in accordance with the provisions of the Arbitration Act in effect at the time of filing of the demand for arbitration, or such other rules and procedures that are agreed to by all parties. The parties covenant that they will participate in the arbitration in good faith and that they will share equally in the fees and expenses of the arbitrator.

(c) The arbitrator shall determine which is the prevailing party and shall include in the award payment by the non-prevailing party of the prevailing party's reasonable attorneys' fees and expenses. The provisions of this Section and any judgment rendered by the arbitrator may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

**(d) EVERY OWNER, ASSOCIATION MEMBER, MORTGAGEE, AND ALL OTHER PARTIES WITH AN INTEREST IN ANY PORTION OF THE LOTS OR ASSOCIATION PROPERTY COVENANT AND AGREE TO HAVE ALL DISPUTES DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THIS SECTION AND RELINQUISH ANY RIGHTS THAT MAY BE AVAILABLE TO HAVE SUCH MATTERS LITIGATED IN A COURT OR BY JURY TRIAL, INCLUDING JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. THE REFUSAL BY A PARTY TO SUBMIT TO ARBITRATION IN ACCORDANCE WITH THIS SECTION MAY RESULT IN THE PARTY BEING COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW.**

12.16. No Dedication to Public Use. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any portion of the Association Property by any public or municipal agency, authority, or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any portion of the Association Property.

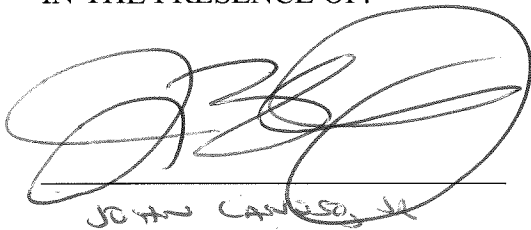
12.17. Declarant Reserved Rights. No amendment to this Declaration or the Association Documents may remove, revoke, or modify any right, reservation or privilege of the Declarant without the prior written consent of the Declarant or any successors or assignees of the Declarant and no amendment to this Declaration or the Association Documents may remove, revoke, or modify any right, reservation or privilege of a Participating Builder without the prior written consent of the Participating Builder.

12.18. Perpetuities. If any of the covenants, conditions, easements, restrictions, or other provisions of this Declaration shall be unlawfully void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Barack Obama, current President of the United States of America.

12.19. Captions and Gender. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration or to aid in the construction or interpretation of this Declaration. Whenever in this Declaration the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders. The numbered paragraphs that appear within each of the Articles are sometimes referred to as "Section."

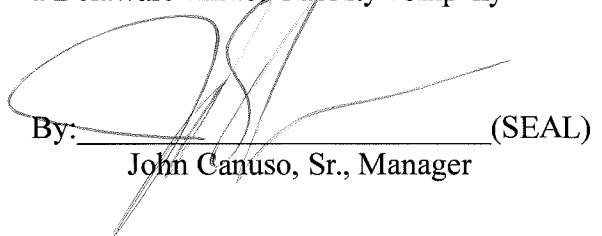
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused its seal to be affixed and these presents to be signed by its member hereunto duly authorized as of the Effective Date.

SEALED AND DELIVERED  
IN THE PRESENCE OF:



JOHN CANUSO, SR.

PENINSULA LAKES, LLC,  
a Delaware limited liability company

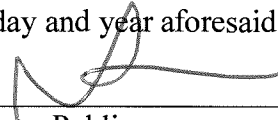


By: \_\_\_\_\_ (SEAL)  
John Canuso, Sr., Manager

STATE OF New Jersey )  
 ) SS.  
 COUNTY OF Camden )

BE IT REMEMBERED, that on this 22 day of December, 2015, personally came before me, the Subscriber, a Notary Public for the State aforesaid, John Canuso, Sr., as Manager of PENINSULA LAKES, LLC, a Delaware limited liability company, party to this Indenture, known to me personally to be such and acknowledged this Indenture to be his act and deed and the act and deed of such limited liability company.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

  
 \_\_\_\_\_  
 Notary Public

\_\_\_\_\_  
 Print Name  
 My Commission Expires: \_\_\_\_\_  
**Robert L. Swartz**  
**Attorney at Law**  
**State of New Jersey**

**EXHIBIT "A"**

## PENINSULA LAKES

LEGAL DESCRIPTION

All those certain lots, pieces, parcels or tracts of land, together with the improvements thereon, if any, being generally known as Phase 1 and identified as Lot Nos. 27 through 40, inclusive, 79 through 100, inclusive, and 134 through 137, inclusive, the interior streets, and the parcels of real estate identified as Open Space Areas 1, 1-A, 2, and 4, and Pump Station No. 2 Parcel located in Indian River Hundred, Sussex County, Delaware, and being bounded and described in that certain Subdivision Plat (Revised) for Peninsula Lakes prepared by Becker Morgan Group, dated April 24, 2015, last revised on April 28, 2015, and recorded in the Office of the Recorder of Deeds, Sussex County, Delaware in Plat Book 215, Page 28, and being more particularly described as follows:

PHASE I LEGAL DESCRIPTION

ALL THAT CERTAIN TRACT OF LAND LYING IN THE INDIAN RIVER HUNDRED, OF SUSSEX COUNTY, AND THE STATE OF DELAWARE, ON THE SOUTH SIDE OF AND BINDING UPON BAY FARM ROAD, BOUNDED ON THE EAST BY THE WEST SIDE OF TRINITY ROAD, BOUNDED ON THE WEST AND SOUTH BY FUTURE PHASES OF THE PENINSULA LAKES SUBDIVISION, FURTHER IDENTIFIED AS PHASE I, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING FOR THIS DESCRIPTION AT A CONCRETE MONUMENT LOCATED ALONG THE SOUTH SIDE OF BAY FARM ROAD, 30.00' FROM ITS CENTERLINE, AT THE NORTHWEST CORNER OF PARCEL 1838, TAX MAP 2-34-29, ALSO IDENTIFIED AS PENINSULA LAKES PUMP STATION, SAID POINT BEING 2,371.03 FEET EAST OF THE INTERSECTION OF BAY FARM ROAD AND LEGION ROAD, FURTHER DESCRIBED BY THE FOLLOWING COURSES AND DISTANCES:

1. S 49°00'18" E, A DISTANCE OF 49.83', ALONG THE SOUTH SIDE OF BAY FARM ROAD TO A CONCRETE MONUMENT, 30.00' FROM THE CENTERLINE OF BAY FARM ROAD, AT THE NORTHEAST CORNER OF PARCEL 1838, TAX MAP 2-34-29, ALSO IDENTIFIED AS PENINSULA LAKES PUMP STATION;
2. THENCE, S 49°00'18" E, A DISTANCE OF 118.06', ALONG THE SOUTH SIDE OF BAY FARM ROAD TO AN IRON ROD WITH CAP, 30.00' FROM THE CENTERLINE OF BAY FARM ROAD;
3. THENCE, S 40°59'42" W, A DISTANCE OF 5.00', ALONG BAY FARM ROAD, TO AN IRON ROD WITH CAP, 35.00' FROM THE CENTERLINE OF BAY FARM ROAD;
4. THENCE, S 49°00'18" E, A DISTANCE OF 346.41' ALONG THE SOUTH SIDE OF BAY FARM ROAD TO AN IRON ROD WITH CAP 35.00' FROM THE CENTERLINE OF BAY FARM ROAD;



5. THENCE, N 40°59'42" E, A DISTANCE OF 5.00', ALONG BAY FARM ROAD, TO AN IRON ROD WITH CAP, 30.00' FROM THE CENTERLINE OF BAY FARM ROAD;
6. THENCE, S 49°00'18" E, A DISTANCE OF 87.69', ALONG THE SOUTH SIDE OF BAY FARM ROAD TO AN IRON ROD WITH CAP, AT THE INTERSECTION WITH TRINITY ROAD, 30.00' FROM THE CENTERLINE OF BAY FARM ROAD;
7. THENCE, S 09°05'07" E, A DISTANCE OF 69.31', ALONG THE WEST SIDE OF TRINITY ROAD TO AN UNMARKED POINT;
8. THENCE, S 30°18'21" W, A DISTANCE OF 103.06', ALONG THE WEST SIDE OF TRINITY ROAD TO AN UNMARKED POINT, 25.00' FROM THE CENTERLINE OF TRINITY ROAD;
9. THENCE, S 39°00'36" W, A DISTANCE OF 295.10', ALONG THE WEST SIDE OF TRINITY ROAD TO AN UNMARKED POINT, 25.00' FROM THE CENTERLINE OF TRINITY ROAD;
10. THENCE, S 39°59'17" W, A DISTANCE OF 663.72', ALONG THE WEST SIDE OF TRINITY ROAD TO AN UNMARKED POINT, 25.00' FROM THE CENTERLINE OF TRINITY ROAD;
11. THENCE, N 46°46'55" W, A DISTANCE OF 136.58' TO AN UNMARKED POINT;
12. THENCE, S 37°53'51" W, A DISTANCE OF 130.78' TO AN UNMARKED POINT;
13. THENCE, S 46°43'25" E, A DISTANCE OF 130.50' TO AN UNMARKED POINT, AND LOCATED ON THE WEST SIDE OF TRINITY ROAD, 25.00' FROM THE CENTERLINE;
14. THENCE ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 405.000', A DISTANCE OF 42.15 FEET ALONG THE WEST SIDE OF TRINITY ROAD, WITH A CHORD BEARING OF S 37°24'50" W, AND A CHORD DISTANCE OF 42.13', TO AN UNMARKED POINT ALONG THE WEST SIDE OF TRINITY ROAD, 25.00' FROM THE CENTERLINE OF TRINITY ROAD AND ON THE WESTERN SIDE OF A 20.00' WIDE UTILITY EASEMENT;
15. THENCE, S 67°15'44" W, A DISTANCE OF 378.70', BY AND WITH THE WESTERN SIDE OF THE 20.00' WIDE UTILITY EASEMENT, TO AN UNMARKED POINT ON THE NORTHERN SIDE OF PIPING PLOVER DRIVE, 25.00' FROM THE CENTERLINE OF PIPING PLOVER DRIVE;
16. THENCE, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 525.00', A DISTANCE OF 96.12', ALONG THE NORTHERN SIDE OF PIPING PLOVER DRIVE, WITH A CHORD BEARING OF N 30°09'58" W, AND A CHORD DISTANCE OF 95.99', TO AN UNMARKED POINT AT THE SOUTHEAST CORNER OF LOT 106, SAID POINT BEING 25.00' FROM THE CENTERLINE OF PIPING PLOVER DRIVE;

17. THENCE, ALONG THE EASTERN LINE OF LOT 106, N 33°32'45" E, A DISTANCE OF 114.19' TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 106;
18. THENCE, ALONG THE EASTERN LINE OF LOT 105, N 33°32'45" E, A DISTANCE OF 45.11' TO AN UNMARKED POINT;
19. THENCE, ALONG THE EASTERN LINE OF LOT 105, N 26°01'54" E, A DISTANCE OF 45.11' TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 105;
20. THENCE, ALONG THE EASTERN LINE OF LOT 104, N 26°01'54" E, A DISTANCE OF 45.12' TO AN UNMARKED POINT;
21. THENCE, ALONG THE EASTERN LINE OF LOT 104, N 18°31'02" E, A DISTANCE OF 45.11' TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 104;
22. THENCE, ALONG THE EASTERN LINE OF LOT 103, N 18°31'02" E, A DISTANCE OF 45.12' TO AN UNMARKED POINT;
23. THENCE, ALONG THE EASTERN LINE OF LOT 103, N 11°53'13" E, A DISTANCE OF 45.12' TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 103;
24. THENCE, ALONG THE EASTERN LINE OF LOT 102, N 11°53'13" E, A DISTANCE OF 90.91' TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 102;
25. THENCE, ALONG THE EASTERN LINE OF LOT 101, N 05°15'21" W, A DISTANCE OF 101.48', TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 101, SAID POINT ON THE SOUTHERN SIDE OF FOWLERS PATH AND 25.00' FROM THE CENTERLINE;
26. THENCE, ALONG FOWLERS PATH, S 84°44'39" W, A DISTANCE OF 81.74', TO AN IRON ROD WITH CAP AT THE POINT OF TANGENT ALONG FOWLERS PATH, AND 25.00' FROM THE CENTERLINE;
27. THENCE, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 26.00', A DISTANCE OF 39.54', A CHORD BEARING OF S 41°10'20" W, AND A CHORD LENGTH OF 35.84', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ALONG THE NORTHERN SIDE OF TRIBUTARY BOULEVARD, AND 30.00' FROM THE CENTERLINE;
28. THENCE, CROSSING TRIBUTARY BOULEVARD, S 83°03'33" W, A DISTANCE OF 60.21' TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ALONG THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, AND 30.00' FROM THE CENTERLINE;

29. THENCE, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 25.00', A DISTANCE OF 40.75', A CHORD BEARING OF N 48°33'55" W, AND A CHORD LENGTH OF 36.38', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ALONG FOWLERS PATH, AND 25.00' FROM THE CENTERLINE;
30. THENCE, CROSSING FOWLERS PATH, N 11°15'55" W, A DISTANCE OF 50.28', TO AN IRON ROD WITH CAP AT THE POINT OF TANGENT ALONG THE WESTERN SIDE OF FOWLERS PATH, AND 25.00' FROM THE CENTERLINE;
31. THENCE, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 26.00', A LENGTH OF 44.14', A CHORD BEARING OF N 36°06'36" E, AND A CHORD LENGTH OF 39.03', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ALONG TRIBUTARY BOULEVARD, AND 30.00' FROM THE CENTERLINE;
32. THENCE, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 1970.00', A LENGTH OF 77.49', A CHORD BEARING OF N 13°39'02" W, AND A CHORD LENGTH OF 77.49', TO AN UNMARKED POINT ALONG THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, AND BEING THE NORTHEAST CORNER OF LOT 133;
33. THENCE, WITH THE NORTHERN LINE OF LOT 133, S 75°13'21" W, A DISTANCE OF 107.00' TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 133;
34. THENCE, WITH THE WESTERN LINE OF LOT 134, N 15°57'32" W, A DISTANCE OF 8.91' TO AN UNMARKED POINT, SAID POINT BEING THE NORTHEAST CORNER OF LOT 132;
35. THENCE, WITH THE WESTERN LINE OF LOT 134, N 15°57'32" W, A DISTANCE OF 67.91', TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 134;
36. THENCE, WITH THE WESTERN LINE OF LOT 135, NORTH 18°19'19" WEST, A DISTANCE OF 76.82', TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 135;
37. THENCE, WITH THE WESTERN LINE OF PENINSULA LAKES SUBDIVISION LOT 136, N 20°41'05" W, A DISTANCE OF 76.82', TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 136;
38. THENCE, WITH THE WESTERN LINE OF LOT 137, N 23°02'52" W, A DISTANCE OF 76.82', TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 137;
39. THENCE, WITH THE NORTHERN LINE OF LOT 137, N 65°46'15" E, A DISTANCE OF 107.00', TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 137, AND ALONG TRIBUTARY BOULEVARD, 30.00' FROM THE CENTERLINE;
40. THENCE, WITH TRIBUTARY BOULEVARD, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 1970.00', A LENGTH OF 28.81', A CHORD BEARING OF N 24°38'53" W, AND A CHORD LENGTH OF 28.81', TO AN UNMARKED POINT ALONG

THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, AND 30.00' FROM THE CENTERLINE;

41. THENCE, CROSSING TRIBUTARY BOULEVARD, N 64°55'59" E, A DISTANCE OF 60.00', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ALONG THE NORTHERN SIDE OF TRIBUTARY BOULEVARD, AND 30.00' FROM THE CENTERLINE;

42. THENCE, ALONG A CURVE TO THE LEFT, WITH A RADIUS OF 25.00', A LENGTH OF 37.66', A CHORD BEARING OF S 68°13'27" E, AND A CHORD LENGTH OF 34.20', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE, ALONG THE NORTHERN SIDE OF IVORY GULL WAY, 25.00' FROM THE CENTERLINE;

43. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 2025.00', A LENGTH OF 83.68', A CHORD BEARING OF N 69°48'08" E, AND A CHORD LENGTH OF 83.67', TO AN UNMARKED POINT ALONG THE NORTH SIDE OF IVORY GULL WAY, 25.00' FROM THE CENTERLINE, SAID POINT BEING THE SOUTHEAST CORNER OF LOT 78;

44. THENCE WITH THE EAST LINE OF LOT 78, N 24°12'27" W, A DISTANCE OF 81.28', TO AN UNMARKED POINT;

45. THENCE, WITH THE EAST LINE OF LOT 78, N 28°34'01" W, A DISTANCE OF 16.28', TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 35;

46. THENCE, N 22°06'45" E, A DISTANCE OF 110.37', TO AN UNMARKED POINT;

47. THENCE, N 77°20'14" E, A DISTANCE OF 366.83', TO AN UNMARKED POINT;

48. THENCE, N 45°45'53" E, A DISTANCE OF 48.78', TO AN UNMARKED POINT AT THE SOUTHWEST CORNER OF LOT 41;

49. THENCE, WITH THE SOUTH LINE OF LOT 41, N 45°45'53" E, A DISTANCE OF 98.63' TO THE SOUTHEAST CORNER OF LOT 41, ALONG THE WESTERN SIDE OF IVORY GULL WAY, AND 25.00' FROM THE CENTERLINE;

50. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 299.00', A LENGTH OF 62.24', A CHORD BEARING OF S 38°16'18" E, AND A CHORD LENGTH OF 62.13', TO AN UNMARKED POINT ALONG THE WESTERN SIDE OF IVORY GULL WAY, 25.00' FROM THE CENTERLINE;

51. THENCE, CROSSING IVORY GULL WAY, N 59°36'32" E A LENGTH OF 50.17', TO AN UNMARKED POINT ALONG THE EASTERN SIDE OF IVORY GULL WAY, 25.00' FROM THE CENTERLINE, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF LOT 26;

52. THENCE, WITH THE SOUTH LINE OF LOT 26, N 59°36'32" E, A DISTANCE OF 96.89', TO AN UNMARKED POINT AT THE SOUTHEAST CORNER OF LOT 26;

53. THENCE, WITH THE NORTHERN SIDE OF A 20.00' WIDE UTILITY EASEMENT, NORTH 59°36'32" E, A DISTANCE OF 35.92 FEET TO AN UNMARKED POINT;

54. THENCE, WITH THE NORTHERN SIDE OF A 20.00' WIDE UTILITY EASEMENT, S 49°02'42" E, A DISTANCE OF 3.73', TO AN UNMARKED POINT ALONG THE NORTHERN LINE OF PARCEL 1838, TAX MAP 2-34-29, ALSO IDENTIFIED AS PENINSULA LAKES PUMP STATION;

55. THENCE WITH THE NORTHERN LINE OF PENINSULA LAKES PUMP STATION, NORTH 40°57'18" E, A DISTANCE OF 33.16', TO THE POINT OF BEGINNING;

SAID AREA CONTAINING 25.6187 ACRES MORE OR LESS.

PHASE IV OPEN SPACES LEGAL DESCRIPTION  
OPEN SPACE AREA #2 – PHASE IV ONLY

ALL THAT CERTAIN TRACT OF LAND LYING IN THE INDIAN RIVER HUNDRED, OF SUSSEX COUNTY, AND THE STATE OF DELAWARE, INDENTIFIED AS PENINSULA LAKES SUBDIVISION OPEN SPACE AREA #2, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING FOR THIS DESCRIPTION AT AN UNMARKED POINT AT THE SOUTHWEST CORNER OF PENINSULA LAKES SUBDIVISION LOT 41, AND FURTHER DESCRIBED BY THE FOLLOWING COURSES AND DISTANCES:

1. S 45°45'53" W, A DISTANCE OF 48.78', TO AN UNMARKED POINT;
2. THENCE, S 77°20'14" W, A DISTANCE OF 366.83', TO AN UNMARKED POINT;
3. THENCE, S 22°06'45" W, A DISTANCE OF 110.37', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 35;
4. THENCE, N 28°34'01" W, A DISTANCE OF 163.21', TO AN UNMARKED POINT AT THE SOUTHWEST CORNER OF LOT 74;
5. THENCE, WITH THE SOUTH LINE OF LOT 74, N 60°32'34" E, A DISTANCE OF 49.53', TO AN UNMARKED POINT;
6. THENCE, N 43°12'04" E, A DISTANCE OF 48.23', TO AN UNMARKED POINT AT THE SOUTHEAST CORNER LOT 74;
7. THENCE, WITH THE SOUTH LINE OF LOT 73, N 43°12'04" E, A DISTANCE OF 35.22', TO AN UNMARKED POINT;
8. THENCE, WITH THE SOUTH LINE OF LOT 73, N 17°06'34" E, A DISTANCE OF 70.44', TO AN UNMARKED POINT;

9. THENCE, WITH THE SOUTH LINE OF LOT 73, N 08°58'56" W, A DISTANCE OF 35.22', TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 73;
10. THENCE, WITH THE EAST LINE OF LOT 72, N 08°58'56" W, A DISTANCE OF 35.22', TO AN UNMARKED POINT;
11. THENCE, WITH THE EAST LINE OF LOT 72, N 35°04'27" W, A DISTANCE OF 70.44', TO AN UNMARKED POINT;
12. THENCE, WITH THE EAST LINE OF LOT 72, N 61°09'57" W, A DISTANCE OF 35.22', TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 72;
13. THENCE, WITH THE NORTH LINE OF LOT 71, N 61°09'57" W, A DISTANCE OF 35.22', TO AN UNMARKED POINT;
14. THENCE, WITH THE NORTH LINE OF LOT 71, N 87°15'27" W, A DISTANCE OF 70.44', TO AN UNMARKED POINT;
15. THENCE, WITH THE NORTH LINE OF LOT 71, S 66°39'03" W, A DISTANCE OF 35.22', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 71;
16. THENCE, WITH THE NORTH LINE OF LOT 70, S 66°39'03" W, A DISTANCE OF 49.06', TO AN UNMARKED POINT;
17. THENCE, WITH THE NORTH LINE OF LOT 70, S 50°10'45" W, A DISTANCE OF 51.53', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 70;
18. THENCE, WITH THE EAST LINE OF LOT 68, N 40°58'28" W, A DISTANCE OF 56.37', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 68;
19. THENCE, WITH THE EAST LINE OF LOT 67, N 40°58'28" W, A DISTANCE OF 41.70', TO AN UNMARKED POINT;
20. THENCE, WITH THE EAST LINE OF LOT 67, N 43°12'37" W, A DISTANCE OF 41.71', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 67;
21. THENCE, WITH THE EAST LINE OF LOT 66, N 43°12'37" W, A DISTANCE OF 41.70', TO AN UNMARKED POINT;
22. THENCE, WITH THE EAST LINE OF LOT 66, N 45°26'47" W, A DISTANCE OF 41.70, TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 66;
23. THENCE, WITH THE EAST LINE OF LOT 65, N 45°26'47" W, A DISTANCE OF 51.25', TO AN UNMARKED POINT;
24. THENCE, WITH THE EAST LINE OF LOT 65, N 48°23'27" W, A DISTANCE OF 33.26', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 65;

25. THENCE, WITH THE NORTH LINE OF LOT 65, S 41°36'33" W, A DISTANCE OF 107.00', TO AN UNMARKED POINT AT THE NORTHWEST CORNER OF LOT 65, AND ON THE NORTHERN SIDE OF TRIBUTARY BOULEVARD, 30.00' FROM THE CENTERLINE;
26. THENCE, WITH A CURVE TO THE LEFT, WITH A RADIUS OF 330.00', A LENGTH OF 266.79', A CHORD BEARING OF N 71°33'04" W, AND A CHORD LENGTH OF 259.58', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE NORTHERN SIDE OF TRIBUTARY BOULEVARD, AND 30.00' FROM CENTERLINE;
27. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 25.00', A LENGTH OF 36.73', A CHORD BEARING OF N 52°37'26" W, AND A CHORD LENGTH OF 33.51', TO AN IRON ROD WITH CAP AT THE POINT OF TANGENT ON THE EASTERN SIDE OF IVORY GULL WAY, 25.00' FEET FROM CENTERLINE;
28. THENCE, WITH IVORY GULL WAY, N 10°32'10" W, A DISTANCE OF 69.32', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE EAST SIDE OF IVORY GULL WAY, 25.00' FROM CENTERLINE, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF LOT 64;
29. THENCE, WITH THE SOUTH LINE OF LOT 64, N 79°27'50" E, A DISTANCE OF 97.00', TO AN UNMARKED POINT AT THE SOUTHEAST CORNER OF LOT 64;
30. THENCE, WITH THE EAST LINE OF LOT 64, N 01°20'14" W, A DISTANCE OF 66.50', TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 64;
31. THENCE, WITH THE EAST LINE OF LOT 63, N 17°03'38" E, A DISTANCE OF 30.47', TO AN UNMARKED POINT AT THE SOUTHWEST CORNER OF LOT 60;
32. THENCE, WITH THE SOUTH LINE OF LOT 60, S 55°33'46" E, A DISTANCE OF 116.93', TO AN UNMARKED POINT;
33. THENCE, WITH THE SOUTH LINE OF LOT 59, S 81°39'16" E, A DISTANCE OF 70.44', TO AN UNMARKED POINT;
34. THENCE, WITH THE SOUTH LINE OF LOT 59, N 72°15'13" E, A DISTANCE OF 70.44', TO AN UNMARKED POINT;
35. THENCE, WITH THE SOUTH LINE OF LOT 58, N 46°09'43" E, A DISTANCE OF 70.44', TO AN UNMARKED POINT;
36. THENCE, WITH THE EASTERN LINES OF LOTS 57 & 58, N 20°04'13" E, A DISTANCE OF 116.93', TO AN UNMARKED POINT AT THE NORTHEAST CORNER OF LOT 57;
37. THENCE, WITH THE WESTERN LINE OF LOT 54, S 52°33'11" E, A DISTANCE OF 30.47', TO AN UNMARKED POINT AT THE SOUTHWEST CORNER OF LOT 54;

38. THENCE, WITH THE WESTERN LINE OF LOT 53, S 37°11'57" E, A DISTANCE OF 77.51', TO AN UNMARKED POINT AT THE SOUTHWEST CORNER OF LOT 53;
39. THENCE, WITH THE WESTERN LINES OF LOTS 51 & 52, S 46°21'13" E, A DISTANCE OF 177.28', TO AN UNMARKED POINT, AT THE SOUTHWEST CORNER OF LOT 51;
40. THENCE, WITH THE WESTERN LINES OF LOTS 49 & 50, S 60°46'14" E, A DISTANCE OF 168.32', TO AN UNMARKED POINT, AT THE SOUTHWEST CORNER OF LOT 49;
41. THENCE, WITH THE WESTERN LINE OF LOT 48, S 54°32'25" E, A DISTANCE OF 77.31', TO AN UNMARKED POINT, AT THE SOUTHWEST CORNER OF LOT 48;
42. THENCE, WITH THE WESTERN LINE OF LOT 47, S 47°00'05" E, A DISTANCE OF 77.31', TO AN UNMARKED POINT, AT THE SOUTHWEST CORNER OF LOT 47;
43. THENCE, WITH THE WESTERN LINE OF LOT 46, S 39°56'47" E, A DISTANCE OF 65.68', TO AN UNMARKED POINT;
44. THENCE WITH THE WESTERN LINES OF LOTS 45 & 46, S 37°42'10" E, A DISTANCE OF 56.74', TO AN UNMARKED POINT;
45. THENCE, WITH THE WESTERN LINES OF LOTS 44 & 45, S 43°51'20" E, A DISTANCE OF 88.36', TO AN UNMARKED POINT;
46. THENCE, WITH THE WESTERN LINES OF LOTS 43 & 44, S 50°00'29" E, A DISTANCE OF 88.36', TO AN UNMARKED POINT;
47. THENCE, WITH THE WESTERN LINES OF LOTS 41, 42 & 43, S 56°09'38" E, A DISTANCE OF 195.86', TO AN UNMARKED POINT, AT THE POINT OF BEGINNING, SAID POINT BEING THE SOUTHWEST CORNER OF PENINSULA LAKES SUBDIVISION LOT 41.

SAID AREA CONTAINING 6.9036 ACRES MORE OR LESS.

PHASE IV OPEN SPACES LEGAL DESCRIPTION  
OPEN SPACE AREA #4 – PHASE IV ONLY

ALL THAT CERTAIN TRACT OF LAND LYING IN THE INDIAN RIVER HUNDRED, OF SUSSEX COUNTY, AND THE STATE OF DELAWARE, IDENTIFIED AS PENINSULA LAKES SUBDIVISION OPEN SPACE AREA #4, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING FOR THIS DESCRIPTION AT AN UNMARKED POINT AT THE NORTHEAST CORNER OF PENINSULA LAKES SUBDIVISION LOT 152, ON THE SOUTHERN SIDE OF SURFBIRD WAY, 25.00' FROM THE CENTERLINE, AND FURTHER DESCRIBED BY THE FOLLOWING COURSES AND DISTANCES:



1. WITH THE NORTHERN LINE OF LOT 152, N 71°23'33" W, A DISTANCE OF 97.00', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 152;
2. THENCE, WITH THE WESTERN LINE OF LOT 152, S 18°36'27" W, A DISTANCE OF 62.77', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 154;
3. THENCE, WITH THE NORTHERN LINES OF LOTS 154 & 155, N 55°59'07" W, A DISTANCE OF 104.46', TO AN UNMARKED POINT;
4. THENCE WITH THE NORTHERN LINE OF LOT 155, N 73°25'55" W, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
5. THENCE WITH THE NORTHERN LINES OF LOTS 155 & 156, S 80°53'20" W, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
6. THENCE, WITH THE NORTHERN LINE OF LOT 156, S 55°12'35" W, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
7. THENCE, N 43°14'56" W, A DISTANCE OF 180.44', TO AN UNMARKED POINT, ON THE SOUTH LINE OF LOT 500;
8. THENCE, WITH THE EASTERN LINE OF LOT 500, N 05°25'40" E, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
9. THENCE, WITH THE EASTERN LINES OF LOTS 500 & 501, N 20°15'05" W, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
10. THENCE, WITH THE EASTERN LINE OF LOT 501, N 45°55'51" W, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
11. THENCE, WITH THE NORTHERN LINES OF LOTS 501 & 502, N 71°36'36" W, A DISTANCE OF 59.68', TO AN UNMARKED POINT;
12. THENCE, WITH THE NORTHERN LINE OF LOT 502, S 89°40'50" W, A DISTANCE OF 72.99', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 502;
13. THENCE, WITH THE WESTERN LINE OF LOT 502, S 05°25'40" W, A DISTANCE OF 24.43', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 503;
14. THENCE, WITH THE NORTHERN LINE OF LOT 503, N 84°34'20" W, A DISTANCE OF 97.00', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 503, ALONG THE EAST SIDE OF SOOTY TERN CIRCLE, 25.00' FROM THE CENTERLINE;
15. THENCE, WITH SOOTY TERN CIRCLE, N 05°25'40" E, A DISTANCE OF 133.17', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE, ON THE EAST SIDE OF SOOTY TERN CIRCLE, 25.00' FROM THE CENTERLINE;

16. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 25.00', A LENGTH OF 36.58', A CHORD BEARING OF N 47°20'29" E, AND A CHORD LENGTH OF 33.40', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, 40.00' FEET FROM CENTERLINE;

17. THENCE, WITH A CURVE TO THE LEFT, WITH A RADIUS OF 440.00', A LENGTH OF 161.63', A CHORD BEARING OF N 78°43'52" E, AND A CHORD LENGTH OF 160.73', TO AN IRON ROD WITH CAP AT THE POINT OF TANGENT ON THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, 40.00' FEET FROM CENTERLINE;

18. THENCE, WITH TRIBUTARY BOULEVARD, N 68°12'27" E, A DISTANCE OF 180.00', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, 40.00' FROM CENTERLINE;

19. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 660.00', A LENGTH OF 257.08', A CHORD BEARING OF N 79°21'58" E, AND A CHORD LENGTH OF 255.46', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE SOUTHERN SIDE OF TRIBUTARY BOULEVARD, 30.00' FEET FROM CENTERLINE;

20. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 270.00', A LENGTH OF 140.67', A CHORD BEARING OF S 62°27'47" E, AND A CHORD LENGTH OF 139.09', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE WESTERN SIDE OF TRIBUTARY BOULEVARD, 40.00' FEET FROM CENTERLINE;

21. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 1970.00', A LENGTH OF 369.78', A CHORD BEARING OF S 42°09'35" E, AND A CHORD LENGTH OF 369.24', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE WESTERN SIDE OF TRIBUTARY BOULEVARD, 40.00' FEET FROM CENTERLINE;

22. THENCE, WITH A CURVE TO THE RIGHT, WITH A RADIUS OF 25.00', A LENGTH OF 39.61', A CHORD BEARING OF S 08°36'35" W, AND A CHORD LENGTH OF 35.60', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE NORTHERN SIDE OF SURFBIRD WAY, 25.00' FROM CENTERLINE;

23. THENCE, WITH A CURVE TO THE LEFT, WITH A RADIUS OF 445.00', A LENGTH OF 259.54', A CHORD BEARING OF S 37°17'36" W, AND A CHORD LENGTH OF 255.88', TO AN IRON ROD WITH CAP AT THE POINT OF CURVATURE ON THE NORTHERN SIDE OF SURFBIRD WAY, 25.00' FROM CENTERLINE;

24. THENCE, WITH A CURVE TO THE LEFT, WITH A RADIUS OF 1225.00', A LENGTH OF 42.28', A CHORD BEARING OF S 19°35'46" W, AND A CHORD LENGTH OF 42.28', TO THE POINT OF BEGINNING, ON THE NORTHERN SIDE OF SURFBIRD WAY, 25.00' FROM CENTERLINE, SAID POINT BEING THE NORTHEAST CORNER OF LOT 152.

SAID AREA CONTAINING 8.6278 ACRES MORE OR LESS.

PHASE IV OPEN SPACES LEGAL DESCRIPTION

OPEN SPACE AREA #4 – PHASE IV ONLY

ALL THAT CERTAIN TRACT OF LAND LYING IN THE INDIAN RIVER HUNDRED, OF SUSSEX COUNTY, AND THE STATE OF DELAWARE, IDENTIFIED AS PENINSULA LAKES SUBDIVISION OPEN SPACE AREA #4, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING FOR THIS DESCRIPTION AT AN UNMARKED POINT AT THE NORTHWEST CORNER OF PENINSULA LAKES SUBDIVISION LOT 167, AND FURTHER DESCRIBED BY THE FOLLOWING COURSES AND DISTANCES:

1. WITH THE NORTHERN LINE OF LOT 168, N 89°46'17" W, A DISTANCE OF 77.52', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 168;
2. THENCE, WITH THE NORTHERN LINE OF LOT 169, N 85°00'09" W, A DISTANCE OF 77.49', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 169;
3. THENCE, WITH THE NORTHERN LINE OF LOT 170, N 84°02'50" W, A DISTANCE OF 51.20', TO AN UNMARKED POINT;
4. THENCE, WITH THE NORTHERN LINES OF LOTS 170 & 171, N 88°45'51" W, A DISTANCE OF 82.72', TO AN UNMARKED POINT;
5. THENCE, N 14°54'37" E, A DISTANCE OF 39.46', TO AN UNMARKED POINT, ON THE WESTERN LINE OF LOT 160;
6. THENCE, WITH THE WESTERN LINES OF LOTS 160 & 161, S 67°34'27" E, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
7. THENCE, WITH THE SOUTHERN LINE OF LOT 161, N 86°44'47" E, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
8. THENCE, WITH THE SOUTHERN LINES OF LOTS 161 & 162, N 61°04'02" E, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
9. THENCE, WITH THE SOUTHERN LINE OF LOT 162, N 35°23'16" E, A DISTANCE OF 69.29', TO AN UNMARKED POINT;
10. THENCE, WITH THE EASTERN LINES OF LOTS 162 & 163, N 09°42'31" E, A DISTANCE OF 47.69', TO AN UNMARKED POINT AT THE SOUTHWEST CORNER OF LOT 164;
11. THENCE, WITH THE SOUTHERN LINE OF LOT 164, S 85°14'54" E, A DISTANCE OF 42.75', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 165;

12. THENCE, WITH THE WESTERN LINES OF LOTS 165 & 166, S 02°15'28" W, A DISTANCE OF 163.39', TO THE POINT OF BEGINNING, BEING THE NORTHWEST CORNER OF LOT 167.

SAID AREA CONTAINING 0.3909 ACRES MORE OR LESS.

PHASE IV OPEN SPACES LEGAL DESCRIPTION

OPEN SPACE AREA #7 – PHASE IV ONLY

ALL THAT CERTAIN TRACT OF LAND LYING IN THE INDIAN RIVER HUNDRED, OF SUSSEX COUNTY, AND THE STATE OF DELAWARE, INDENTIFIED AS PENINSULA LAKES SUBDIVISION OPEN SPACE AREA #4, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING FOR THIS DESCRIPTION AT AN UNMARKED POINT AT THE NORTHEAST CORNER OF PENINSULA LAKES SUBDIVISION LOT 132, AND FURTHER DESCRIBED BY THE FOLLOWING COURSES AND DISTANCES:

1. WITH THE NORTHERN LINES OF LOTS 130, 131 & 132, S 84°44'39" W, A DISTANCE OF 247.13', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 130;
2. THENCE, WITH THE NORTHERN LINE OF LOT 129, S 85°37'07" W, A DISTANCE OF 80.45', TO AN UNMARKED POINT, AT THE NORTHWEST CORNER OF LOT 129;
3. THENCE, WITH THE NORTHERN LINE OF LOT 128, S 87°37'48" W, A DISTANCE OF 86.70', TO AN UNMARKED POINT, ALONG THE EASTERN SIDE OF SURFBIRD WAY, 25.00' FROM CENTERLINE;
4. THENCE, WITH THE EASTERN SIDE OF SURFBIRD WAY, N 02°15'28" E, A DISTANCE OF 34.62', TO AN UNMARKED POINT, ALONG THE EASTERN SIDE OF SURFBIRD WAY, 25.00' FROM CENTERLINE, SAID POINT BEING THE SOUTHWEST CORNER OF LOT 151;
5. THENCE, WITH THE SOUTHERN LINE OF LOT 151, S 87°44'32" E, A DISTANCE OF 97.00', TO AN UNMARKED POINT, AT THE SOUTHEAST CORNER OF LOT 151;
6. THENCE, WITH THE EASTERN LINE OF LOT 151, N 02°15'28" E, A DISTANCE OF 80.00', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 151;
7. THENCE, WITH THE EASTERN LINE OF LOT 150, N 44°01'06" E, A DISTANCE OF 44.53', TO AN UNMARKED POINT, AT THE NORTHEAST CORNER OF LOT 150, ALONG THE SOUTH SIDE OF ROSY FINCH COURT, 55.00' FROM THE CENTER POINT OF CUL-DE-SAC;
8. THENCE, WITH A CURVE TO THE LEFT, WITH A RADIUS OF 55.00', A LENGTH OF 30.03', A CHORD BEARING OF S 61°37'16" E, AND A CHORD LENGTH OF 29.65',

County statutes, laws, ordinances, regulations or other governmental enactments or regulations (the "Regulations") (collectively, the "Permitted Activities").

To do, make, execute, acknowledge, deliver and record any and all manner and description of actions, instruments, agreements, documents, amendments and any other undertakings, together with any and all amendments, modifications or supplements thereto or thereof, and any and all instruments or documents collateral thereto, which Attorney, in its sole subjective and absolute discretion, deems necessary or advisable with respect to the Permitted Activities; provided that any such Permitted Activities shall not amend, modify or otherwise alter or change the existing property lines of the Lot and shall be undertaken and accomplished in accordance with the Regulations.

To cause each or all of the Documents to be amended by filing with the Recorder's Office any and all instruments, documents and plans, together with any amendments thereto, as may be necessary, in my/our Attorney's sole subjective and absolute discretion, to correct any clerical or typographical errors, ambiguities, title questions or defects, or conflicts with or to comply with any and all applicable Regulations.

Without in any way detracting from the hereinabove authorized powers, I/we specifically request and authorize that my/our hereinabove designated true and lawful Attorney be authorized and directed to take any and all such action which it deems necessary or advisable, in its sole subjective and absolute discretion, for the purposes provided above.

Hereby giving unto my/our said Attorney full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or convenient to be done for the purposes herein stated and in and about the Lot, Project or Property, as fully to all intents and purposes as I/we might or could do if personally present and acting, with full power of substitution and revocation, hereby ratifying and confirming all that my/our Attorney or substitute shall lawfully do or cause to be done by virtue hereof.

And I/we hereby, for myself/ourselves, my/our heirs, executors, administrators, successors and assigns, confirm and agree to ratify and confirm whatsoever my/our Attorney may lawfully do by virtue of these presents, it being understood that this instrument is intended to be and is an Irrevocable Power of Attorney Coupled With An Interest, and that this instrument shall bind all future owners of the Lot and shall run with and bind the Lot for period commencing on the date of recordation of the Master Declaration and ending on the later of (i) the date the Attorney no longer owns all or any portion of the Project or Property or (ii) the date which is twenty (20) years after the date that the last lot is sold by Attorney to a third party.

This Power of Attorney Coupled With An Interest is coupled with an interest and irrevocable and shall not be revoked or affected by my/our subsequent disability or incapacity, it being my/our intention that this Power of Attorney Coupled With An Interest be a durable Power of Attorney pursuant to 12 Del. C. Ch. 49, and is intended to be construed according to Delaware law.

Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

IN TESTIMONY WHEREOF, I/We have hereunto set my/our hand(s) and seal(s)  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

\_\_\_\_\_  
WITNESS Print Name: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
WITNESS Print Name: \_\_\_\_\_ (SEAL)

STATE OF DELAWARE )  
 ) SS.  
\_\_\_\_\_ COUNTY)

BE IT REMEMBERED, that on this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_, personally came before me the Subscriber, a Notary Public for the State and County  
aforesaid \_\_\_\_\_, parties to this foregoing Irrevocable Power of Attorney  
Coupled With An Interest, known to me personally to be such, and acknowledged said  
Irrevocable Power of Attorney Coupled With An Interest to be his/her/their voluntary act and  
deed.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date Commission Expires

Recorder of Deeds  
Scott Dailey  
Jan 07, 2016 09:49A  
Sussex County  
Doc. Surcharge Paid