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**FOURTH AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS,**  
**CONDITIONS, RESTRICTIONS**  
**AND RESERVATION OF EASEMENTS**

**FOR**

**PLANTATION LAKES**

**MASTER PLANNED COMMUNITY**

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**FOURTH AMENDED AND RESTATED DECLARATION OF COVENANTS,  
CONDITIONS, RESTRICTIONS AND  
RESERVATION OF EASEMENTS**

**PLANTATION LAKES**

This Fourth Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easements (this "Declaration") is made effective as of May 10, 2016 by LENCRAFT, LLC, a Maryland limited liability company ("Developer").

**\*\*WITNESSETH\*\***

WHEREAS, Developer is the owner of certain land located in the Town of Millsboro, Sussex County, Delaware, more particularly described in Exhibit A attached hereto and made a part hereof, said land together with such additional lands as shall be subjected to this Declaration being referred to as the "Property";

WHEREAS, Developer has created a Master Planned Community as defined in section 81-223 of the Delaware Uniform Common Interest Ownership Act on the Property, has reserved the development right to create at least 400 residential units, and at the time of the reservation owned and controlled more than 400 acres on which such units may be built;

WHEREAS, Developer wishes to establish and assure a uniform plan for the development of the Property and to enhance and protect the economic and aesthetic value and desirability of the Property and the health, safety and welfare of the residents of the Property, and further to correct scrivener's errors contained in the Third Amended and Restated Declaration of Covenants, Conditions, Restrictions recorded at Book 4517, Page 1, in Sussex County, Delaware; and

WHEREAS, Developer has the authority to submit additional land to this Declaration at its sole option. Further, Developer has the authority during the Development Period to amend this Declaration without the consent of any other person.

NOW, THEREFORE, Developer declares that the Property is hereby subjected to and shall be held, sold, occupied and conveyed subject to this Declaration.

Developer further declares that this Declaration and all amendments and supplements thereto shall run with the land and shall be binding upon Developer, the Association (as hereinafter defined), each Owner (as hereinafter defined), each Resident (as hereinafter defined) their heirs, successors and assigns and all parties claiming under them or under this Declaration and shall inure to the benefit of and be enforceable by Developer, the Association, each Owner and all claiming under each Owner.

The Property is comprised of approximately 725 acres of land owned by Developer as of the date of this Declaration and is recorded and more particularly described in Exhibit A attached hereto. Developer contemplates the possible extension of this Declaration to other real estate owned or subsequently acquired by Developer and located within a two (2) mile radius measured

from any point of any boundary of the real estate described in Exhibit A (the "Additional Land"). However, Developer shall not be obligated to bring all or any part of the Additional Land within the scheme of development established by this Declaration, and no negative reciprocal easement shall arise out of this Declaration so as to benefit or bind any portion of the Property or the Additional Land until such portion of the Additional Land is expressly subjected to this Declaration in accordance with Section 7.01 below, and then such portion of the Additional Land shall be subject to any additional, deletions, withdrawals and modifications as are made pursuant to Section 7.02 and Section 7.03 below. Development of the Additional Land shall be subject to, in all events, applicable laws and regulations. Plantation Lakes Homeowners Association, Inc., referred herein, has been established as a community association for the Owners and Residents of the Property.

A portion of the Property consists of land which is planned to be developed and operated as a golf course and related facilities. Such land is described more particularly at Exhibit A-1, attached hereto and made a part hereof (the "Golf Course"). The Golf Course constitutes a part of the Benefitted Community Facilities (defined below). The Benefitted Community Facilities will be maintained, replaced, and operated by the Association in accordance with this Declaration and used primarily for the benefit of the Benefitted Members (defined below). As such, the Benefitted Members shall pay Benefitted Assessments (defined below) in connection with the Benefitted Community Facilities. Other Owners, Residents and members of the general public, shall have access to the Benefitted Community Facilities on a restricted basis upon such terms and conditions determined by the Golf Board (defined below) from time to time, as further provided in this Declaration.

Adjacent to the Property is land which is planned to be developed commercially (the "Commercial Property.") The owner(s) of the Commercial Property shall have certain easement rights to use property of the Association for purposes of storm water management and other facilities. The rights of owner(s) of the Commercial Property to use property of the Association are set forth in agreements between the owner(s) of the Commercial Property and the Developer and are recorded among the land records of Sussex County, Delaware.

This document does not and is not intended to create a condominium under Delaware law. Nothing herein is intended to prohibit the creation of one or more condominiums by appropriate action in the future.

## **ARTICLE I** **DEFINITIONS**

The words used hereinabove or hereafter in this Declaration which begin with capital letters (other than words which would normally be capitalized) shall have the meanings assigned to them in Article I of this Declaration or as otherwise defined elsewhere in this Declaration. Masculine words such as "he," "him," "his" have been utilized solely for convenience of reference and where utilized they shall also mean and include the feminine counterparts of such words.

**1.01 "Additional Land"**

Shall mean and refer to any other real estate owned or subsequently acquired by Developer and located within a two (2) mile radius measured from any point of any boundary of the real estate described in Exhibit A.

**1.02 "Annexation and Development Agreement"**

Shall mean and refer to the Annexation and Development Agreement for Plantation Lakes dated October 15, 2004, between Developer and the Town of Millsboro regarding the development of the Property as the same has been or may be from time to time amended, supplemented, modified and/or restated.

**1.03 "Annual Assessments"**

Shall mean and refer to the Annual General Assessment, Benefitted Assessment and Services Assessment levied by the Association in each of its fiscal years pursuant to Article IV of this Declaration.

**1.04 "Annual General Assessments"**

Shall mean and refer to the annual charge shared by all Class A Members and established pursuant to Article IV of this Declaration.

**1.05 "Assessable Property"**

Shall mean and refer to all of the Property except such part or parts thereof as may from time to time constitute Exempt Property.

**1.06 "Assessments"**

Shall have the meaning ascribed to such term in Section 4.01 below.

**1.07 "Association"**

Shall mean and refer to Plantation Lakes Homeowners' Association, Inc., a Delaware non-stock, not-for-profit corporation doing business as "Plantation Lakes Homeowners' Association, Inc." its successors and assigns.

**1.08 "Benefitted Assessments"**

Shall mean and refer to the annual charge shared by all Benefitted Members in connection with the Benefitted Community Facilities and established pursuant to Article IV of this Declaration.

**1.09 "Benefitted Community Facilities"**

Shall mean and refer to certain portions of the Community Facilities, including any improvements thereon, the use of which has been restricted for the primary benefit of the

Benefitted Members from time to time in accordance with this Declaration, and shall initially include the Golf Course and the Golf Course Facilities. The Benefitted Community Facilities are identified on Exhibit B attached hereto, as the same may be from time to time, amended, supplemented, modified and/or restated.

**1.10 "Benefitted Lot"**

Shall mean and refer to each Lot designated by the Developer (or after the end of the Development Period, the Association) as a Benefitted Lot and more particularly described on Exhibit B-1 as the same may be from time to time amended, supplemented, modified or restated.

**1.11 "Benefitted Member"**

Shall mean and refer to each Class A Member and Class B Member of the Association who is a record owner of any Benefitted Lot.

**1.12 "Bonds"**

Shall have the meaning ascribed to such term in Section 14.15 below.

**1.13 "Board of Directors" or "Board"**

Shall mean and refer to the Board of Directors of the Association and any board group or entity of the successor or assignee to the Association serving in a comparable capacity to the Board of Directors of the Association.

**1.14 "By-Laws"**

Shall mean and refer to the By-Laws of the Association, as the same may be from time to time amended, supplemented, modified and/or restated.

**1.15 "Certificate"**

Shall mean and refer to the Certificate of Incorporation of Plantation Lakes Homeowners' Association, Inc., filed with the Delaware Secretary of State, Division of Corporations, as the same may be from time to time amended, supplemented, modified and/or restated.

**1.16 "Class A Members"**

Shall mean and refer to all Owners of Lots (other than Exempt Property) except, during the Development Period, Developer.

**1.17 "Class B Member"**

Shall mean and refer to Developer.

**1.18 "Cluster"**

Shall mean and refer to a group of Lots designated as such by the Developer.

**1.19 "Common Driveway"**

Shall have the meaning ascribed to such term in Section 13.01 below.

**1.20 "Community Facilities"**

Shall mean and refer to all personal and real property (including, without limitation, real property owned in fee simple, leasehold interests in real property, and easement rights in real property) and the improvements thereon from time to time owned or leased by the Association for the common use and enjoyment of the Members or the Benefitted Members as applicable. Community Facilities may (but need not) include any common areas, easement areas, public, neighborhood or community buildings, clubhouses, golf course and recreational facilities, natural open space easements, natural resource facilities, parks and other open space land, lakes and streams, storm water management and drainage facilities including but not limited to Best Management Practice facilities, all private streets and pipestem driveways, sidewalks, pathway and bikeway systems, berms, jogging paths, street lighting, benches, monuments, signs, pedestrian facilities, cable television facilities, design amenities and other community facilities and buildings needed in connection with water supply, sewage disposal, gas, electric, or other utility lines, equipment or installations. During the Development Period, Developer reserves the right to alter and relocate the boundary lines of the Community Facilities. The Association is required to accept any and all Community Facilities deeded to it by Developer. For clarity, the Benefitted Community Facilities are a part of the Community Facilities and each reference to the Community Facilities herein includes the Benefitted Community Facilities, except as specifically provided otherwise herein.

**1.21 "Covenants Committee"**

Shall mean and refer to the Architectural Review and Covenants Committee so named and established in accordance with Article V of this Declaration.

**1.22 "Declaration"**

Shall mean and refer to this Fourth Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easements as it may from time to time be amended, supplemented, modified and/or restated in the manner provided herein.

**1.23 "Developer"**

Shall mean and refer to Lencraft, LLC, its successors and assigns; provided, however, that no successor or assignee of Developer shall have any rights or obligations of Developer hereunder unless such rights and obligations are specifically set forth in an instrument of succession or assignment designating a party as Developer hereunder or which pass by operation of law. Developer reserves the right to assign in whole or in part its rights as the "Developer" to any Owner of all or any part of the Property.

**1.24 "Development Period"**



Shall mean and refer to the period commencing on the date the Declaration was first recorded and terminating on the earlier of (a) five (5) years after the date on which Developer no longer owns any part of the Property; or (b) any earlier date specified by the Developer in a written notice to the Association that the Development Period is to terminate on that date.

**1.25 "Dwelling Unit"**

Shall mean and refer to any portion of the Property, as improved, intended for any type of independent ownership for use and occupancy as a residence by one household and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, apartment and cooperative units, duplex units, townhouse, triplex units, patio, single family attached and detached or zero lot line homes, as may be used and defined as herein provided or as provided in subsequent Declarations covering all or part of the Property.

**1.26 "District"**

Shall have the meaning ascribed to such term in Section 14.15 below.

**1.27 "Exempt Property"**

Shall mean and refer to (i) all land and structures and Community Facilities owned by the Association for so long as the Association shall be the owner thereof; (ii) all land and structures owned by the Developer, its respective subsidiaries and affiliates, and any Participating Builder; and (iii) all properties dedicated to and accepted by a public authority.

**1.28 "Golf Board"**

Shall mean and refer to the three (3) members of the Board of Directors who are authorized to hear, vote on and resolve matters relating to the Benefitted Community Facilities as further provided in Article III below. Notwithstanding the preceding sentence, for so long as there are only three (3) directors, the Board of Directors shall constitute both the Board of Directors and the Golf Board.

**1.29 "Golf Course"**

Shall mean and refer to the land described in Exhibit A-1 as the same may be from time to time amended, supplemented, modified or restated, upon which a golf course and related facilities have been or are intended to be developed and constructed. The Golf Course is a part of the Benefitted Community Facilities.

**1.30 "Golf Course Facilities"**

Shall mean and refer to the golf pro shop, golf cart storage area, golf course equipment and other personal property located within the Community Facilities which are used in connection with the maintenance, repair, operation and management of the Golf Course and more particularly described as the Golf Amenity Area on Exhibit B as the same may be from time to time amended, supplemented, modified or restated.

**1.31 "Golf Course Owner"**

Shall mean and refer to the Developer, any of Developer's affiliates which owns the Golf Course, the Association, and their successors and assigns. Any successor or assign of Golf Course Owner shall have all the rights and obligations of Golf Course Owner hereunder.

**1.32 "Grandfathered Lot"**

Shall have the meaning ascribed to such term in Section 7.04 below.

**1.33 "Grass Strip"**

Shall have the meaning ascribed to such term in Section 6.13 below.

**1.34 "Initial Capital Contribution"**

Shall have the meaning ascribed to such term in Section 4.09 below.

**1.35 "Land Development Activity"**

Shall mean and refer to any building, construction, reconstruction or repair of a Dwelling Unit, roadways, curbing, sidewalks, utility services or any other Structure on a Lot or any other portion of the Property by Developer and/or by other persons regularly engaged in the building or construction business (including a Participating Builder), if granted approval in writing by Developer.

**1.36 "Loans from Developer"**

Shall have the meaning ascribed to such term in Article XV below.

**1.37 "Lot"**

Shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property which has been subjected to this Declaration and upon which a Dwelling Unit(s) has been or could be constructed in accordance with Town of Millsboro zoning and subdivision ordinances and to each condominium unit or apartment or cooperative unit on the Property created in accordance with the applicable laws of Delaware in effect from time to time. "Lot" shall include Benefitted Lots but shall not mean and refer to any Community Facilities.

**1.38 "Master Plan"**

Shall mean and refer to the land use plan for the master planned community of Plantation Lakes entitled "R.P.C. Preliminary Plan for Plantation Lakes," Sheet 1 of 16, Morris & Ritchie Associates, Inc., recorded with the Recorder of Deeds of Sussex County, Delaware, on December 14, 2004 in Plat Book Volume 89, Page 301, as it may from time to time be further amended, supplemented, modified and/or restated.

Inclusion of property on the Master Plan shall not, under any circumstance, obligate Developer to subject such property to this Declaration, nor shall the omission of property from

the Master Plan bar its later submission to this Declaration as provided in Article VII, nor shall inclusion of any property in the Master Plan prevent withdrawal of such property as provided in Article VII.

**1.39 "Member"**

Shall mean and refer to each Class A Member and Class B Member of the Association, and unless otherwise expressly excluded, shall include each Benefitted Member.

**1.40 "Minimum Number of Benefitted Members"**

Shall have the meaning ascribed to such term in Section 3.04 below.

**1.41 "Mortgagee"**

Shall mean and refer to the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage," as used herein, shall include deeds of trust. "First Mortgagee" as used herein, shall mean a holder of a mortgage with priority over 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"), 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. As used in this Declaration, the term "holder" or "mortgagee" shall include the parties secured by any mortgage, deed of trust or any beneficiary thereof.

**1.42 "Mutual Conversion Date"**

Shall have the meaning ascribed to such term in Section 7.04 below.

**1.43 "Mutual Conversion Form"**

Shall have the meaning ascribed to such term in Section 7.04 below.

**1.44 "Opt-Out Form"**

Shall have the meaning ascribed to such term in Section 7.04 below.

**1.45 "Owner"**

Shall mean and refer to the record owner, whether one or more persons or entities, of any Lot which is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the Owner of Lots in an apartment shall be the record owner of the apartment building or buildings. The Owner of Lots in a cooperative shall be the cooperative corporation.

**1.46 "Participating Builder"**

Shall mean and refer to a person or entity designated in writing by the Developer as a Participating Builder, including, but not limited to, any affiliate of Developer.

**1.47 "Person"**

Shall mean and refer to any individual, corporation, limited liability company, joint venture, partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other separate legal entity.

**1.48 "Property"**

Shall mean and refer to those certain lands in the Town of Millsboro, Sussex County Delaware, more particularly described in Exhibit A attached hereto, together with such Additional Land as may be hereinafter subjected to this Declaration pursuant to the provisions hereof, and excluding any lands withdrawn therefrom in accordance with Section 7.03 below.

**1.49 "Public Infrastructure"**

Shall have the meaning ascribed to such term in Section 14.15 below.

**1.50 "Recorder's Office"**

Shall mean and refer to the Recorder's Office of the Recorder of Deeds for Sussex County, Delaware.

**1.51 "Released Parties"**

Shall have the meaning ascribed to such term in Section 8.13 below.

**1.52 "Resale Fee"**

Shall have the meaning ascribed to such term in Section 4.09 below.

**1.53 "Resident"**

Shall mean and refer to (i) each individual occupying any Dwelling Unit pursuant to a lease agreement with the Owner thereof who, if requested by the Board of Directors, has delivered proof of such lease agreement to the Board of Directors; (ii) members of the immediate family of such individual or of an Owner who actually resides within the Property and in the same household with each such individual or Owner; and (iii) any person who has fixed a place of habitation at a Dwelling Unit of any such individual or Owner to which, whenever he is absent, he has the intention of returning.

**1.54 "Service Provider"**

Shall have the meaning ascribed to such term in Section 14.11 below.

**1.55 "Services Assessment"**

Shall mean and refer to the charge or charges imposed upon a Village, Cluster, or other section of the Property or against a Sub-association for certain services rendered pursuant to Article IV of this Declaration.

**1.56 "Special Assessment"**

Shall mean and refer to any special charge established pursuant to Article IV of this Declaration.

**1.57 "Special Tax"**

Shall have the meaning ascribed to such term in section 14.15 below.

**1.58 "Structure"**

Shall mean and refer to:

(a) Any change to the natural state of the land constituting any portion of the Community Facilities;

(b) Any structure, thing, or object (other than trees, shrubbery, landscaping and hedges less than two feet high) the placement of which upon any Lot may affect the appearance of such Lot, including, but not limited to, any building, garage, porch, shed, greenhouse, bathhouse, coop, cage, house trailer, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, signboard, antenna, satellite dish, statues or any other temporary or permanent improvement on such Lot; and

(c) Any change of more than six (6) inches in the grade of any portion of the Community Facilities or any Lot.

**1.59 "Sub-association"**

Shall mean and refer to an owners' association, including but not necessarily limited to a homeowners' association or condominium unit owners' association, created by a declaration or other appropriate instrument recorded in the Recorder's Office which subjects a portion of the Property to covenants, conditions and/or restrictions additional to those set forth in this Declaration and grants rights to such association with respect to such portion of the Property. During the Development Period, any such association shall be created only by Developer or with its consent and all declarations, by-laws and related documents shall be subject to Developer's approval exercised in its sole discretion. If Developer reviews and approves, but does not draft, such declarations, by-laws and related documents, Developer shall have no liability for the interpretation or effectiveness of such documents and/or the operation of such Sub-associations.

**1.60 "Units That May Be Created"**

Shall mean and refer to the maximum number of Lots that may be created within the Property pursuant to the Annexation and Development Agreement.

**1.61 "Village"**

Shall mean and refer to a portion of the Property which is designated as such by the Developer.

**ARTICLE II**  
**COMMUNITY FACILITIES**

**2.01 Rights of Enjoyment of Community Facilities**

Each Owner shall have a right and nonexclusive easement of enjoyment in and to the Community Facilities (other than the Benefitted Community Facilities), and each Benefitted Member shall have a right and nonexclusive easement of enjoyment in and to the Benefitted Community Facilities, which shall be appurtenant to and shall pass with the title to his Lot or Benefitted Lot, as applicable. Such easements and rights shall be subject to the following provisions.

(a) The right of the Developer (or after the end of the Development Period, the Association) to designate Lots from time to time as Benefitted Lots and to restrict use of the Benefitted Community Facilities primarily for the Benefitted Members, as provided further in Section 2.03 below. Use of the Benefitted Community Facilities by Benefitted Members and such other Persons meeting specified criteria established by the Golf Board shall be subject to rules and regulations and payment of Benefitted Assessments and/or such other fees and charges, as determined by the Golf Board from time to time.

(b) The right of the Developer to designate and develop one or more Village in the Property as age restricted or restricted for some other special purpose. In the event of such restriction determined by the Developer, Community Facilities in such Village or Villages may be restricted for the use of Owners in such Village or Owners meeting specified criteria;

(c) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to adopt, promulgate, enforce, and from time to time amend, reasonable rules and regulations pertaining to the use of the Community Facilities which shall enhance the preservation of such facilities and the safety and convenience of the users thereof. Any Owner may delegate his right of enjoyment to the Community Facilities (including the Benefitted Community Facilities if applicable), to persons residing in the Dwelling Unit on his Lot and to his guests, and he may transfer such right to his tenants, subject to such rules and regulations and fees as may be established from time to time by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities); provided, however, that such rights shall terminate as to any Resident when such person ceases to have the status of a Resident. Such rules and regulations shall be in accordance with the Annexation and Development Agreement, and may include limitations on the number of guests of Owners and Residents who may use the Community Facilities at any one time;

(d) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to allow use of any of the Community Facilities by non-Members (including, but not limited to daily fee users) on such basis as the Board of Directors (or the Golf Board as to the Benefitted Community Facilities), may determine and to establish and charge reasonable admission and any other fees or charges for certain uses of any of the Community Facilities;

(e) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to suspend the right of any Owner, Resident or other authorized user to use all or any portion of the Community Facilities (with the exception of any streets or access ways) for a violation of this Declaration or an infraction of the Association's rules and regulations for period(s) until such violation is cured;

(f) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to suspend the right of any Owner, Resident or authorized user to use the Community Facilities (with the exception of any streets or access ways) for so long as any Annual General Assessment, Benefitted Assessment, Services Assessment or Special Assessment for such Lot remains unpaid and overdue or so long as any fees or other charges remain unpaid by the authorized user thereof;

(g) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to levy fines, late fees, interest and penalties for violations of the provisions of this Declaration or any reasonable rules or regulations adopted by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) pursuant to the provisions hereof and/or applicable law;

(h) The right of Developer to construct additional Community Facilities in accordance with Section 2.02;

(i) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to grant easements or rights-of-way including, but not limited to easements to any Person for the maintenance, operation, development and regulation of all or any portion of the Community Facilities;

(j) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) without approval of the Members from time to time to borrow money for the purpose of acquiring, constructing, equipping, improving, repairing, replacing or maintaining Community Facilities and in aid thereof to mortgage the Community Facilities;

(k) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to at any time dedicate or transfer all or a part of the Community Facilities to any public agency, authority, or entity including, without limitation, the Town of Millsboro, or to any nonprofit organization upon such terms and conditions as shall be agreed upon by such agency, authority, entity or organization and the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) including, without limitation, terms and conditions providing for the use of such Community Facilities by the public in general and terms and conditions pertaining to the maintenance and repair of such Community Facilities and the assessments of Owners and/or Residents for the costs of such maintenance and repair;

(l) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to regulate parking on the Community Facilities through the granting of easements, licenses, or promulgation of rules and regulations. In areas where parking is provided on private streets and parking bays owned by the Association, the right, but not the obligation, of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) to assign and reserve parking spaces for the exclusive use of individual Owners;

(m) Developer, the Association, Members, the Golf Course Owner and any agents, servants, employees, directors, officers, affiliates, representatives, receivers, subsidiaries, predecessors, successors, and assigns of any such party, shall not in any way be responsible for any claims, damages, losses, demands, liabilities, obligations, actions or causes of action whatsoever, including, without limitation, actions based on (a) any invasion of the Lot Owner's use or enjoyment of the Lot, (b) the level of skill of any golfer (regardless of whether such golfer has the permission of the management to use the Golf Course), or (c) trespass by any golfer on the Lot, that may result from property damage or personal injury from golf balls (regardless of number) hit on the Lot, or from the exercise by any golfer of the easements granted herein in Article VIII;

(n) The requirements regarding the Community Facilities as set forth in the Annexation and Development Agreement; and

(o) The right of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) without approval of the Members to permit Persons who are not Members to use any of the Community Facilities upon terms and conditions determined from time to time by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities.)

## **2.02 Additional Community Facilities.**

(a) Developer may without consent of any Class A Member, from time to time, during the Development Period, (i) construct additional facilities on real property owned by the Association, and (ii) convey additional real property to the Association, the Town of Millsboro, or to a utility company along with any Structure, improvement, or other facility



(including related fixtures, equipment and furnishings) located thereon. During the Development Period, Developer shall have the right to exchange and/or substitute Community Facilities of comparable nature and quality for previously conveyed Community Facilities in which case the Association shall execute such deeds and other documents as are necessary to evidence such exchange; and

(b) The Association shall not construct any capital addition or capital improvement to the Community Facilities or annex any additional Community Facilities (other than as provided in Section 2.02(a)) unless such addition, improvement, or annexation shall have been authorized by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) and, during the Development Period, Developer. Nothing contained in this subparagraph shall be construed so as to require the consent of any Class A Member for the construction or renovation of any Community Facilities or other amenities by Developer.

### **2.03 Benefitted Community Facilities**

During the Development Period, the Developer shall (and after the end of the Development Period, the Association may) from time to time designate portions of the Community Facilities as Benefitted Community Facilities. Use of the Benefitted Community Facilities shall be restricted primarily for the Benefitted Members, and will be subject to payment of the Benefitted Assessments and other applicable fees and charges. Costs associated with the maintenance, repair, replacement, utilities, operation and management of the Benefitted Community Facilities shall be assessed against the Benefitted Members as a Benefitted Assessment pursuant to Article IV of this Declaration. Access to and use of the Benefitted Community Facilities by Persons other than the Benefitted Members will be permitted on a restricted basis upon such terms and conditions as may be determined by the Golf Board from time to time. All use of the Benefitted Community Facilities shall be further governed by the rules and regulations adopted by the Golf Board from time to time.

## **ARTICLE III**

### **ASSOCIATION MEMBERSHIP, VOTING RIGHTS, BOARD OF DIRECTORS, GOLF BOARD**

#### **3.01 Organization of the Association.**

The Association has been organized as a non-stock corporation under the laws of the State of Delaware (i) to provide for the acquisition, construction, management, maintenance and care of the Community Facilities; (ii) to obtain, manage and maintain services for the Property, or sections thereof including, as necessary, refuse collection, grass mowing, street cleaning, landscape maintenance, parking area maintenance and management, snow plowing and maintaining the records of the Association; (iii) to provide for the maintenance of any land shown on the Master Plan, within any of the Property and which is intended to be conveyed to the Association; and (iv) to take other acts or actions which would promote the health, safety or welfare of the Owners and Residents. The Association is charged with such further duties and invested with such powers as are prescribed by the Annexation and Development Agreement and applicable law and set forth in the Certificate and herein, as all of the same may from time to

time be amended, supplemented, modified and/or restated. The Certificate and By-Laws shall not be amended, supplemented, modified and/or restated or otherwise changed or interpreted so as to be inconsistent with this Declaration.

### **3.02 Membership in the Association.**

**Class A.** Class A Members shall be all Owners of Lots which are not Exempt Property except, during the Development Period, the Developer. A Person shall automatically become a Class A Member upon his becoming an Owner of a Lot which is not Exempt Property and shall remain a Class A Member for so long as he is an Owner of such Lot. For clarity, Benefitted Members are Class A Members.

**Class B.** The Class B Member shall be Developer.

### **3.03 Voting Rights of Members.**

(a) Developer, and every other Owner of a Lot which is not Exempt Property, shall be a Member. Class A membership shall be appurtenant to and may not be separated from ownership of any Lot which is not Exempt Property.

(b) Each Class A Member shall be entitled to one (1) vote on each matter submitted to the Members for each Lot owned by such Class A Member which is not Exempt Property. If more than one Dwelling Unit is located on any Lot (which is not Exempt Property), the Class A Member owning such Lot shall be entitled to one (1) vote for each Dwelling Unit located on such Lot. Notwithstanding the foregoing, in the event the Benefitted Community Facilities are the subject matter of the vote, then only the Benefitted Members shall be entitled to vote and each such Benefitted Member shall be entitled to one (1) vote for each Benefitted Lot owned by such Benefitted Member which is not Exempt Property and otherwise in accordance with this Section 3.03 and the By-Laws.

(c) If a Lot shall be owned by more than one Owner, such Owners shall be deemed to constitute a single Class A Member as to such Lot for voting purposes and shall collectively be entitled to a single vote for such Lot (or for each Dwelling Unit located on such Lot) as to each matter properly submitted to the Members.

(d) During the Development Period, the Class B Member shall be entitled to a total of five thousand (5,000) votes on each matter submitted to the Members (or the Benefitted Members as to the Benefitted Community Facilities), regardless of the number of Lots owned by the Class B Member. Upon the termination of the Development Period, the Class B membership shall terminate and become converted to Class A membership (in which case Developer shall be entitled to one (1) vote on each matter submitted to the Members (or the Benefitted Members as to the Benefitted Community Facilities) for each Lot, or for each Dwelling Unit located on such Lot, owned by the Developer notwithstanding that such Lot(s) may constitute Exempt Property).

(e) In any vote of the Members (or the Benefitted Members as to the Benefitted Community Facilities) the majority of all eligible votes cast shall control, except as otherwise specifically provided in this Declaration, the Certificate or the By-Laws.

### **3.04 Board of Directors**

The business and affairs of the Association shall be managed by a Board of Directors (or the Golf Board as to the Benefitted Community Facilities.) During the Development Period, the Developer shall have the right to appoint the Board of Directors; provided however, within sixty (60) days after twenty-five percent (25%) of the Units That May Be Created have been conveyed to Owners other than the Developer, at least one (1) and not less than one-third (1/3) of the members of the Board shall be elected by Members other than the Developer. From and after the end of the Development Period, all of the directors shall be elected by the Class A Members in accordance with the By-Laws; provided however, the minimum number of Benefitted Members serving on the Board shall be equal to the total number of directors divided by two (2) minus one (1) ("Minimum Number of Benefitted Members"), and the remainder shall be Members regardless of whether they are Benefitted Members.

### **3.05 Golf Board**

The business and affairs of the Association relating to the Benefitted Community Facilities shall be managed by the Golf Board. During the Development Period, the Board of Directors shall constitute both the Board of Directors and the Golf Board and shall decide all matters relating to the Community Facilities and the Benefitted Community Facilities respectively. Thereafter, the members of the Golf Board shall be directors who are Benefitted Members in accordance with the By-Laws. The Golf Board shall have the full power and authority of the Association with respect to all matters relating to the Benefitted Community Facilities and all decision and actions of the Golf Board shall be carried out as fully and completely as any actions of the Board of Directors, including without limitation, adoption of rules and regulations, creation of the annual budget for the Benefitted Community Facilities, and levying of Benefitted Assessments, as further provided in this Declaration. For clarity, the Golf Board shall be vested with all powers of the Association relating to the Benefitted Community Facilities, except for such powers specifically reserved to the Benefitted Members by this Declaration, the Certificate, the By-Laws or Delaware law.

### **3.06 Adoption of Further Rules and Regulations.**

The Board of Directors (or the Golf Board as to the Benefitted Community Facilities) may make such rules and regulations consistent with the terms of this Declaration, the Certificate and By-Laws as it deems advisable with respect to any meeting of Members (or Benefitted Members as to the Benefitted Community Facilities), proof of membership in the Association, evidence or right to vote, appointment and duties of inspectors of votes, registration of Members (or Benefitted Members as to the Benefitted Community Facilities) for voting purposes, voting by proxy and other matters concerning the conduct of meetings or voting. Without limiting the generality of the foregoing sentence, if the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) shall so determine and if permitted under applicable law, voting on elections and other matters, including any matters requiring the approval of the Class A Members (or the Benefitted Members as to the Benefitted Community Facilities), as provided in this Declaration, may be conducted by mail, ballot or by electronic computerized means.

### **3.07 Budgets**

In accordance with §81-119 and §81-324 of the Delaware Uniform Common Interest Ownership Act, the Board of Directors (and the Golf Board as to the Benefitted Community Facilities) shall cause to be prepared, at least annually, a budget for maintenance, repair, replacement, utilities, operation and management of the Community Facilities and the Benefitted Community Facilities respectively. During the Development Period, neither of the budgets shall be subject to ratification by the Members or the Benefitted Members respectively. Thereafter, within thirty (30) days after the adoption of any budget by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities), the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) shall mail, by ordinary first-class mail, email or otherwise deliver, a summary of the budget to each Member (or Benefitted Member as to the Benefitted Community Facilities), and shall set a date for a meeting of the Members (or Benefitted Members as to the Benefitted Community Facilities) to consider ratification of the applicable budget not less than fourteen (14) days and not more than sixty (60) days after delivery of the summary.

Unless at such meeting, the Members representing a majority of all eligible votes of the Members (or Benefitted Members as to the Benefitted Community Facilities) reject the budget, the budget shall be deemed ratified whether or not a quorum is present. In the event a budget is rejected, the budget last ratified by the Members (or the Benefitted Members as to the Benefitted Community Facilities), (or if the Members or Benefitted Members as applicable had not ratified any budget, the last budget prepared by the Board of Directors) will be continued until the Members (or the Benefitted Members as to the Benefitted Community Facilities) ratify a subsequent budget adopted by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities).

### **3.08 Limitation of Liability.**

None of the Association, the Board of Directors or the Golf Board shall be liable: (i) for any failure of any services to be obtained by the Association or paid for out of the Assessment funds; (ii) for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Community Facilities or from any wire, pipe, drain, conduit or the like; or (iii) for loss or damage, by theft or otherwise, of articles which may be stored upon the Community Facilities. 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 any Community Facilities, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

## **ARTICLE IV** **COVENANT FOR ASSESSMENTS**

### **4.01 Creation of the Lien and Personal Obligation of Assessments.**

Subject to the limitations in Section 4.06, Developer hereby covenants, and 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 pay to the Association such Annual General Assessments, Benefitted Assessments, Services Assessments, Special Assessments, Initial Capital Contributions and Resale Fees (collectively "Assessments" or separately, each "Assessment") as are established and are to be paid and collected as hereinafter provided. Assessments, together with late fees, interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien to the extent permitted by law upon the Lot against which each such Assessment is made. Each such Assessment, together with interest thereon, late charges, and cost of collection thereof, shall also be the personal obligation of the Person who was the owner of such Lot at the time when the Assessment fell due. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of any of the Community Facilities or abandonment of his Lot or any Dwelling Unit thereon. No Owner may waive or otherwise escape liability for the Assessments provided for herein in the event any Community Facilities have not been completed or are not used or operating in all or part of any given year, subject only to Section 4.07 below.

#### **4.02 Purpose of Assessments.**

The Assessments levied by the Association shall be used exclusively to carry out the business and responsibilities of the Association including, but not limited to (i) the acquisition, construction, management, maintenance and care, repair or replacement and insuring of the Community Facilities and services; (ii) obtaining, managing and maintaining services for the Property, or sections thereof including, as necessary, refuse collection, and maintenance; (iii) promoting the recreation, health, safety and welfare of the Members; and (iv) such other purposes as are set forth in this Declaration, the Certificate and the By-Laws. Notwithstanding the foregoing, Benefitted Assessments shall be used exclusively in connection with the Benefitted Community Facilities.

#### **4.03 Establishment of Annual Assessments.**

(a) The Association shall levy in each of its fiscal years an Annual General Assessment against each Lot which is not Exempt Property and a Benefitted Assessment against each Benefitted Lot which is not Exempt Property. The Board of Directors shall establish the amounts of such Annual General Assessment, and the Golf Board shall establish the amounts of such Benefitted Assessment, at least thirty (30) days in advance of the beginning of each calendar year. The first Annual General Assessment on each Lot, and the first Benefitted Assessment on each Benefitted Lot, imposed pursuant to this Section 4.03(a) shall be adjusted according to the number of months remaining in the calendar year from the date of conveyance. The Annual General Assessment, the Benefitted Assessment and the Services Assessment described in Section 4.04 are collectively known as the "Annual Assessments."

(b) If any Lot contains or is to contain more than one (1) Dwelling Unit, then the amount of the Annual Assessments for such Lot shall be determined by multiplying the Assessments pursuant to Section 4.03(a), as applicable, by the number of Dwelling Units contained on such Lot.

(c) The amount of the Annual General Assessment shall be determined by the Board of Directors according to its annually prepared budget. The amount of the Benefitted Assessment shall be determined by the Golf Board according to its annually prepared budget.

(d) The Board of Directors shall have the right to vary the Services Assessment and Special Assessments from Village to Village, Cluster to Cluster or other sections of the Property or Sub-association, based upon the type of residential units, amenities and other factors as the Board of Directors deems appropriate in its sole discretion.

#### **4.04 Services Assessments.**

A Service Assessment may be levied by the Board of Directors against the Lots in a Village, Cluster or other section of the Property or against a Sub-association. The amount of the Services Assessment shall be determined by the Board of Directors according to the annual budget and the estimated cost of providing services or rights of use to the Lots in such section, Sub-association, Village or Cluster, which services or rights are not enjoyed by all of the Members of the Association. A Sub-association or the Members representing a majority of the eligible votes within a particular Village or Cluster or other section of the Property may request special services from the Association and if the Board of Directors shall approve such request, a Services Assessment against the Sub-association or the Lots within such Village, Cluster or section may be levied.

#### **4.05 Special Assessments.**

In addition to the Annual General Assessment, Benefitted Assessment and Services Assessment authorized above, the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) may levy in any fiscal year of the Association, a Special Assessment payable over not more than the next three (3) succeeding years for the purpose of defraying, in whole or in part, operating deficits and/or the cost of any construction, reconstruction, repair or replacement of the Community Facilities or the Benefitted Community Facilities as applicable, including fixtures and personal property related thereto or upon public lands within the Property. However, Special Assessments in connection with the Benefitted Community Facilities shall be assessed only against Benefitted Lots. Special Assessments shall be imposed against Lots and Benefitted Lots which are not Exempt Property in the same proportions as Annual General Assessments and Benefitted Assessments as provided in Sections 4.03(a) and (b).

#### **4.06 Exemption.**

Notwithstanding any provision of this Declaration, the Certificate or By-Laws to the contrary, the following entities shall not be obligated for, nor subject to, any Annual Assessment, Benefitted Assessment, Services Assessment or Special Assessment for any Lot, Dwelling Unit or portion of the Property which it may own: Developer, Lennar Corporation and/or their respective subsidiaries and affiliates, and any Participating Builder.

#### **4.07 Date of Commencement of Assessments.**

The Annual General Assessment, Benefitted Assessment and Services Assessment, if any, provided for in this Article IV shall commence as to each Lot on the date of conveyance of

the Lot to a Class A Member. The first Annual General Assessment, Benefitted Assessment and Services Assessment (if any) shall be adjusted for each Lot or Benefitted Lot according to the number of days remaining in the month in which settlement occurs and the number of months remaining in the calendar year. However, no Benefitted Assessment shall commence as to any Benefitted Lot until the first day of the month following the day on which at least nine (9) holes of the Golf Course are open for use by the Benefitted Members. Further, for so long as fewer than eighteen (18) holes of the Golf Course are open for use by the Benefitted Members, the Benefitted Assessment imposed on each Benefitted Lot shall be adjusted on a pro-rata basis according to the number of golf holes of the Golf Course that are open for use by the Benefitted Members.

#### **4.08 Repair and Replacement Reserve.**

As a part of any Annual Assessments the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) shall obtain from Members (or Benefitted Members as to the Benefitted Community Facilities) contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair reserve fund for the Community Facilities or the Benefitted Community Facilities as applicable. Such contributions shall be paid monthly or at such time as Annual General Assessments or Benefitted Assessments are due and be in an amount to be designated from time to time by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities). Such funds shall be deposited in an account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities), be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Such funds also may, in the discretion of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities), be invested in Money Market Funds or other investment vehicles which, although they themselves are not guaranteed by the United States Government, invest solely in United States Government securities (or in state bonds which are backed in principal by the state) or are insured. The replacement reserve may be expended only for the purpose of the replacement and repair of the Community Facilities or the Benefitted Community Facilities respectively. A general or operating reserve may be established by the Board of Directors for other purposes at the sole discretion of the Board of Directors (or the Golf Board as to the Benefitted Community Facilities). Reserve studies shall be conducted and/or obtained by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) periodically.

#### **4.09 Initial Capital Contribution & Resale Fee.**

For both the initial sale (the "Initial Capital Contribution") and all resales (the "Resale Fee") of the Lot, the Board of Directors shall collect, as applicable, an Initial Capital Contribution and/or a Resale Fee from the new Owner (i.e., the purchaser) of a Lot (other than Developer, U.S. Home Corporation and any member of the Lennar Family of Builders, LLC and/or their respective subsidiaries and affiliates and any Participating Builder), and the new Owner shall be obligated to pay such contribution to the Association at the time of closing on the Lot. Such Initial Capital Contribution shall be initially in the amount of Five Hundred Dollars (\$500.00). The amount of the Resale Fee shall be established by the Board of Directors, and may be increased or decreased at the sole discretion of the Board of Directors.

The Initial Capital Contributions and the Resale Fees may be used by Developer or the Association for any reason whatsoever including, without limitation reimbursing Developer for Developer's costs in setting up the Association and Developer's costs of deficit funding. Neither the Initial Capital Contribution nor the Resale Fee is to be considered as an advance payment of Assessments. During the Development Period, Developer (and after the Development Period, the Board of Directors) shall have the right, authority, and power to unilaterally increase or decrease the amount of the Initial Capital Contribution or the Resale Fee. The Initial Capital Contribution and Resale Fee are Assessments, are in addition to any other Assessments provided under this Article and shall constitute a lien to the extent permitted by law on the applicable Lot until paid.

#### **4.10 Notice and Due Dates.**

Written notice specifying (i) the amount of each Annual General Assessment, Benefitted Assessments, Services Assessment and Special Assessment, and (ii) the number and amounts of the installments by which each such Assessment is to be paid, shall be given to the Owners of each Lot subject thereto. Assessments may be paid monthly, quarterly or annually or as the Board of Directors (or the Golf Board as to the Benefitted Assessments) may approve. If requested by the Board of Directors, such Assessments described herein may be collected by a Sub-association for the Lots subject to each Sub-association and transmitted to the Association. Each installment of an Annual General Assessment, Benefitted Assessment, Services Assessment or Special Assessment shall be due on the first day of each assessment period as defined by the Board of Directors (or the Golf Board as to the Benefitted Assessments).

#### **4.11 Effect of Nonpayment of Assessments; Remedies of the Association.**

Any installment of an Assessment not paid on or before the due date shall be delinquent and the Association may exercise any or all of the following remedies: (a) if not paid within thirty (30) days after the due date, upon notice to the Owner, declare the entire balance of any Annual General Assessment, Benefitted Assessment, Services Assessment or Special Assessment due and payable in full; (b) charge the late fee and/or interest, or such other amount as is determined by the Board of Directors (or the Golf Board as to the Benefitted Assessments) in accordance with Delaware law from time to time, for Assessments which are not received by the fifteenth (15th) day of the installment period; (c) bring an action at law or in equity against the Owners of the Lot to collect the same; (d) if not paid within three (3) months after the due date, upon an express vote of the Board of Directors (or the Golf Board as to the Benefitted Assessments) to commence foreclosure proceedings, and after notice has been sent to all lien holders whose interest would be affected, foreclose any lien against the Lot; and (e) exercise any other right against the Owner or the Lot permitted by Delaware law. Any lien may be enforced or foreclosed by the Association. In any proceeding against an Owner or Lot, the amount which may be recovered by the Association shall include all costs of the proceeding, including reasonable attorneys' fees, as well as interest, late fees and any administrative fees.

#### **4.12 Certificate of Payment.**

The Association shall, upon written request by an Owner, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Annual



General Assessment, Benefitted Assessment, Services Assessment and Special Assessment, if any, on a specified Lot have been paid. The Association shall furnish said certificate within ten (10) days of receipt of the written request. A properly executed certificate of the Association as to the status of Assessments on a Lot shall be binding upon the Association as of the date of its issuance.

## **ARTICLE V**

### **ARCHITECTURAL REVIEW AND COVENANTS COMMITTEE**

#### **5.01 Composition and Appointment.**

There shall be an Architectural Review and Covenants Committee (the "Covenants Committee") which shall initially consist of three (3) members appointed by Developer. Members of the Covenants Committee shall serve for a term of three (3) years, or until their successors are elected and qualified. During the Development Period, the Developer shall have the right to increase the number of members of the Covenants Committee. Developer may continue to appoint the members to the Covenants Committee until the Development Period has terminated. Thereafter, Covenants Committee members shall be appointed by the Board; provided however, at least one (1) member of the Covenants Committee shall be a Benefitted Member. Any member may be removed with or without cause by the Developer during the Development Period and thereafter by the Board of Directors.

#### **5.02 Powers and Duties.**

(a) The Covenants Committee shall serve as an architectural review committee and shall also advise the Board of Directors as to the external design, appearance and location of the Lots and Structures thereon so they may enforce the architectural provisions of this Declaration, enforce the requirements of the recorded subdivision plats, deeds of subdivision and Annexation and Development Agreement, and to preserve and enhance values and to maintain a harmonious relationship among Structures and the Property. The Covenants Committee may delegate to a Sub-association the responsibilities described above with respect to the Lots subject to such Sub-association. However, the Covenants Committee has the right to advise the Board of Directors to enforce its design guidelines or the provisions of this Article in the event the Sub-association fails to do so.

(b) The Covenants Committee shall serve in such other capacity as may be determined from time to time, by the Board of Directors in advising the Board regarding the provisions of this Declaration, the Certificate and By-Laws.

#### **5.03 Submission of Plans to Covenants Committee.**

Except for such Structures as may be constructed by Developer or Structures constructed by a Participating Builder which have first been approved by Developer, no Structure of any kind whatsoever shall be commenced, erected, placed, moved onto or permitted on any Lot, nor shall any existing Structure upon any Lot be removed or altered in any way which materially changes the exterior appearance thereof (including change of exterior color) until plans and specifications therefore shall have been submitted to the Covenants Committee and approved in writing by the

Covenants Committee. Such plans and specifications shall be in such form and shall contain such information as the Covenants Committee may reasonably require, but shall in all cases include:

- (a) A site plan showing the location of all proposed and existing Structures on the Lot and all existing Structures on the adjoining Lots;
- (b) Exterior elevations for the proposed Structures;
- (c) Specifications of materials, color scheme and other details affecting the exterior appearance of the proposed buildings;
- (d) Description of the plans or provisions for landscaping or grading; and
- (e) Explanation of the proposed use of the Structure.

The provisions of this Section 5.03 shall not apply to Land Development Activity as defined in Section 1.35. Any plans and specifications of any Participating Builder which have been approved by Developer shall not be subject to any review or approval by the Covenants Committee following the end of the Development Period.

#### **5.04 Approvals/Denials.**

Any approval or disapproval of a requested action by the Covenants Committee shall be in writing. In denying any application, the Covenants Committee shall specify the reasons for such denial. The Covenants Committee may approve an application subject to such conditions and qualifications as the Covenants Committee deems appropriate to enforce the architectural provisions of this Declaration. Any decisions of the Covenants Committee may be appealed to the Board of Directors so long as such appeal is filed within thirty (30) days of the decision. The Board of Directors may reverse a decision of the Covenants Committee if such reversal is approved by a majority of the Board of Directors.

#### **5.05 Failure of the Covenants Committee to Act.**

If the Covenants Committee shall fail to act upon any request submitted to it within sixty (60) days after submission thereof, such request shall be submitted to the Board of Directors for approval. If the Board of Directors shall fail to act within thirty (30) days after submission, then such request shall be deemed to have been approved as submitted, and no further action shall be required; provided, however, that such failure to act by the Board of Directors shall not relieve the Owner of the obligation of complying with the architectural standards, covenants, design guidelines and rules and regulations set forth herein or adopted in accordance herewith in connection with the proposed action which was the subject of such submission.

#### **5.06 Rules, Regulations and Policy Statements.**

The Board of Directors shall adopt design guidelines for the Property. The Covenants Committee may recommend, from time to time, subject to the approval and adoption of the Board of Directors, reasonable rules and regulations pertaining to its authorized duties and activities under this Declaration and may from time to time issue statements of policy with respect to architectural standards and such other matters as it is authorized to act on. The Covenants Committee shall adopt rules of procedure, subject to the prior approval and adoption of the Board of Directors, which rules of procedure shall include provisions substantially to the following effect:

(a) The Covenants Committee shall hold regular meetings as necessary and at such time as is determined by the Board of Directors. Meetings of the Covenants Committee may be called by the Chairman of the Covenants Committee and by a majority of the members of said Covenants Committee.

(b) A majority of the members of the Covenants Committee present at any meeting shall constitute a quorum.

(c) The Covenants Committee shall maintain minutes of its meetings and a record of votes taken thereat.

(d) All meetings of the Covenants Committee shall be open to the Members and any vote of the Covenants Committee shall be taken at an open meeting. Nothing contained herein, however, shall prevent the Covenants Committee from meeting in closed session or executive session to discuss matters before the Covenants Committee relating to personnel or legal matters.

(e) A copy of all minutes, rules, regulations and policy statements of the Covenants Committee shall be filed with the records of the Association and shall be maintained by the Association as a permanent public record. The Association shall make copies thereof available to any interested Person at a reasonable cost or shall make such minutes, rules, regulations and policy statements available to any Person for copying.

#### **5.07 Expenses of the Covenants Committee.**

The Covenants Committee shall charge a minimum fee and may charge applicants additional reasonable fees for the processing of any requests, plans and specifications. The Association shall pay all ordinary and necessary expenses of the Covenants Committee. In addition, in connection with the discharge of its responsibilities, the Covenants Committee may engage or consult with architects, engineers, planners, surveyors, attorneys and others. Any Person seeking the approval of the Covenants Committee agrees to pay all fees thus incurred by the Covenants Committee. The payment of all such fees is a condition of the approval or disapproval by the Covenants Committee of any plans and the commencement of review of any plans may be conditioned upon the payment of the Covenants Committee's estimate of such fees.

**5.08 Right of Entry.**

The Board of Directors and the Covenants Committee through their authorized officers, employees and agents shall have the right to enter upon any Lot at all reasonable times for the purpose of ascertaining whether such Lot or the construction, erection, placement, remodeling or alteration of any Structure thereon is in compliance with the provisions of this Article and Article VI without the Association, Board of Directors, Covenants Committee or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of such action or actions.

**5.09 Land Development.**

Notwithstanding any other provisions of this Declaration, any Land Development Activity shall not require the approval of or be subject to review by the Covenants Committee. This provision shall not be construed in any manner as a limitation upon the right of Developer to review and approve any plan or modification thereof of any Participating Builder.

**5.10 Limitation of Liability.**

The approval by the Covenants Committee and/or the Board of Directors of any plans, and requirement of the Covenants Committee and/or the Board of Directors that the plans be modified shall not constitute a warranty or representation by the Covenants Committee and/or the Board of Directors of the adequacy, technical sufficiency or safety of the Structures described in such plans, as the same may be modified, and the Covenants Committee and the Board of Directors shall have no liability whatsoever for the failure of the plans or the Structures to comply with applicable building codes, laws and ordinances or to comply with sound engineering, architectural or construction practices. In addition, in no event shall the Covenants Committee or the Board of Directors have any liability whatsoever to an Owner, a contractor or any other party for any costs or damages (consequential or otherwise) that may be incurred or suffered on account of the Covenants Committee's or the Board of Director's approval, disapproval or conditional approval of any plans.

**ARTICLE VI**  
**GENERAL RESTRICTIONS ON THE USE OF LOTS AND**  
**IMPROVEMENTS TO BE MADE THEREON**

**6.01 Zoning Regulations and Use Restrictions.**

The Property shall not be used for any purpose other than as permitted in the Town of Millsboro Zoning Ordinances, or the laws, rules, or regulations of any governmental authority in force and effect on the date of recording of this Declaration as the same may be hereafter from time to time amended. This restriction shall not apply to any use for which a special exception under the Town of Millsboro Zoning Ordinances or other governing regulations, as the same may be hereafter from time to time amended, is finally granted provided such use is recommended by the Covenants Committee and approved in writing by the Board of Directors. The right, however to further limit or restrict the use of a particular Lot is reserved under the provisions of this Article. Notwithstanding the foregoing, the Property shall not be used for

commercial purposes other than (a) as provided in Section 8.02, (b) in connection with any Community Facilities or (c) as a home occupation or business in accordance with the Association's rules and regulations.

**6.02 No Use Contrary to Law and No Nuisances.**

No noxious or offensive trade, services or activities shall be conducted on or upon any portion of the Property nor shall anything be done thereon which may be or become a continuing annoyance or hazard or nuisance to the Owners or Residents. No use of any Lot or part thereof or any Structure thereon shall be made, nor shall any materials or products be manufactured, processed or stored thereon or therein, contrary to federal, state or local laws or regulations, or which shall cause an undue fire hazard to adjoining Lots. This provision shall not be construed to prohibit the conduct of such professional services in residential areas as are approved by the Board of Directors and are in compliance with local zoning regulations.

**6.03 Structures/Heating Systems.**

The architectural character of all Structures, or alterations, additions, or improvements thereof (other than interior alterations not affecting the external appearance of a Structure) when visually related to each other and the surrounding natural environment shall be, in the opinion of the Covenants Committee, harmonious in terms of type, size, scale, form, color and material. Except as otherwise herein provided, no Structure shall be painted, stuccoed or surfaced with any material unless and until approved in writing in accordance with objective, performance-oriented guidelines established by the Covenants Committee. All alterations, additions or improvements shall be commenced within six (6) months and completed within twelve (12) months of approval by the Covenants Committee, unless an extension of time is granted by the Covenants Committee due to extraordinary circumstances.

Each Dwelling Unit shall obtain all of its heating system energy from the system owned, operated and maintained by the propane/natural gas provider chosen by the Association from time to time to provide propane/natural gas to the Lots.

**6.04 Screens and Fences.**

Except for any fence installed by Developer, a Participating Builder, or the Association, no fence or screen shall be installed on a Lot except in accordance with the rules established by the Covenants Committee and with the prior written approval in accordance with Article V.

**6.05 Outside Storage or Operations.**

No outside storage of lumber metals, or bulk materials of any kind, except building materials stored during the course of construction of any approved Structure, shall be permitted and no refuse or trash shall be kept, stored or allowed to accumulate on any Lot, unless such item is visually screened in a manner approved in accordance with Article V. No outside storage and operations shall extend above the top of any such screening. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open, on any day that a pick-up is to be made, at such place on the Lot so as to provide access to the Persons making such pickup. At all other times, such containers shall be

stored so as to be visually screened from all streets and adjacent and surrounding Lots. The Covenants Committee may formulate and adopt reasonable rules and regulations relating to the size, shape, color and type container permitted and the manner of storage of same on any Lot.

**6.06 Signs, Mailboxes and Lighting.**

The location, color, nature, size, design and construction of all signs, mailboxes or outdoor lights shall be approved in accordance with Article V, and must be in keeping with the character of the Property and in accord with guidelines established by the Covenants Committee.

**6.07 Vehicles.**

No commercial truck, commercial bus, taxicabs or other commercial vehicle of any kind, boats, trailers, campers, recreational vehicles and/or motor homes shall be parked in any visible location on the Property without the prior written approval in accordance with Article V. Commercial vehicles shall be deemed to include cars and vans in styles normally used for private purposes but painted with or carrying commercial advertising, logos, or business names or containing visible commercial materials. No disabled vehicle or vehicle on which current registration plates are not displayed shall be parked on any Lot or on any Community Facilities. The repair or extraordinary maintenance of vehicles shall not be carried out on any Lot or on the Community Facilities. The Association may enforce the provisions of this Section 6.07 by towing any non-complying vehicle.

**6.08 Animals.**

No livestock, poultry or other animals shall be kept or bred on any Lot, and in no event shall any stable, hatch, barn, coop or other housing or shelter for animals or for the storage of materials be placed or maintained upon any Lot, except as approved in writing in accordance with Article V. Notwithstanding anything to the contrary herein contained, dogs, cats and other household pets may be kept on the Property provided that such household pets are subject to municipal and/or Sussex County, Delaware regulations and the rules and regulations established by the Board of Directors and further provided that said pets are not raised or bred for any commercial purposes.

**6.09 Garages.**

No garage shall be utilized for other than the purpose of parking and storage of vehicles and other types of items normally stored in garages in first-class residential neighborhoods. No garage may be converted into or used for living space.

**6.10 Air and Water Pollution.**

No use of any Lot will be permitted which emits pollutants into the atmosphere, or discharges liquid or solid wastes or other harmful matter into any waterway in excess of environmental standards applicable thereto to be established by the Covenants Committee, and approved by the Board of Directors which standards shall at a minimum meet the requirements of federal and state law and any regulations thereunder applicable to the Property. No waste or any substance or materials of any kind shall be discharged into any private or public sewer

serving the Property, or any part thereof, in violation of any laws or regulations of the Town of Millsboro or any private or public body having jurisdiction. No person shall dump garbage, trash or other refuse into any waterway on the Property.

#### **6.11 Leases.**

No Owner of a Lot or Dwelling Unit shall lease to another Person any such Lot or any such Dwelling Unit unless such lease shall be in writing for an initial term of not less than three (3) months and shall expressly provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, and the Certificate, By-Laws, and other rules and regulations of the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under such lease. No portion (other than the whole) of a Lot or Dwelling Unit may be leased. Copies of all leases shall be given to the Association no later than the commencement of the lease term.

#### **6.12 Landscaping.**

The land area not occupied by Structures, hard-surfaced, vehicular driveways or pedestrian paths, shall be kept planted with grass, trees or shrubs or other ground covering or landscaping in conformance with the standards set by the Covenants Committee and approved by the Board of Directors. Such standards will take into consideration the need for providing effective site development to:

- (a) enhance the site or building;
- (b) screen undesirable areas or views;
- (c) establish acceptable relationships between buildings, parking and adjacent properties; and
- (d) control drainage and erosion.

As required by the Covenants Committee, existing trees shall be retained, buffer areas maintained and the natural contour of the land respected. Notwithstanding the foregoing, any clearing, grading, landscaping or other development work performed pursuant to any final site development plan by Developer and approved by all appropriate authorities, for Developer or for any Participating Builder shall not be subject to review of the Covenants Committee or approval of the Board of Directors.

#### **6.13 Maintenance of Premises and Improvements.**

Each Owner or Resident shall at all times keep his premises, buildings, improvements and appurtenances in a safe, clean, neat and sanitary condition. Appropriate maintenance shall include, but not be limited to, the seeding, weeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements all in a manner and with such frequency as is consistent with good property management with the exception of those Lots on which the Association may provide maintenance of landscaping. All Owners of Lots on which storm water

management or storm drainage easements exist must keep such area free of debris so as not to impede drainage. The Owner or Resident shall comply with all laws, ordinances and regulations pertaining to health, safety and pollution, and shall provide for storage and removal of trash and rubbish from his premises.

Each Owner understands that his property line extends only to the edge of the sidewalk that is closest to the Dwelling Unit on the Lot. The grass area between the sidewalk and the curb of the road (the "Grass Strip") is not owned by the Owner. Nevertheless, each Owner and Resident is responsible for maintaining the Grass Strip, such maintenance to include seeding, weeding, watering and mowing of the Grass Strip. If the Grass Strip is not maintained properly consistent with good property management, the Association may enforce the obligation in accordance with Section 6.14 of this Declaration.

#### **6.14 Enforcement of Maintenance.**

The Covenants Committee, or its agent, during normal business hours, shall have the right (after ten (10) days' notice to the Owner or Resident of any Lot involved, setting forth the maintenance action to be taken, and if at the end of such time reasonable steps to accomplish such action have not been taken by the Owner or Resident) to do any and all maintenance work reasonably necessary in the opinion of the Covenants Committee, to keep such Lot, whether unimproved, improved or vacant, in neat and good order, such cost and expense to be paid to the Covenants Committee on behalf of the Association, upon demand and if not paid within thirty (30) days thereof, then to become a lien upon the Lot affected to the extent permitted by law. The Covenants Committee, or its agent, shall further have the right (upon like notice and conditions) to cause to have cut, trimmed or pruned, at the expense of the Owner or Resident, any grass, Grass Strip, hedge, tree or any other planting that, in the opinion of the Covenants Committee, by reasons of its location on the Lot, or the height to or the manner in which it is permitted to grow, is in violation of this Declaration, detrimental to the adjoining Lots or contrary to the rules and regulations of the Covenants Committee. The lien provided under this Section shall have the same priority and shall be enforced in the same manner as a lien for a Special Assessment. Nothing contained herein shall prohibit the Covenants Committee and/or the Board of Directors from filing a lawsuit to collect such a charge.

#### **6.15 Maintenance During Construction.**

During construction it shall be the responsibility of each Owner to ensure that construction sites are kept free of unsightly accumulation of rubbish and scrap materials, and that construction materials, trailers, shacks and the like are kept in a neat and orderly manner. No burning of any trash and no accumulation or storage of litter or trash of any kind shall be permitted on any Lot.

#### **6.16 Miscellaneous.**

Without prior review of the Covenants Committee and approval by the Board of Directors:



(a) no water pipe, gas pipe, sewer pipe, or drainage pipe, or industrial process pipe, except hoses and movable piping used for irrigation purposes, shall be installed or maintained on any Lot above the surface of the ground;

(b) no previously approved Structure shall be used for any purpose other than that for which it was originally designed;

(c) except for condominium subdivision, no Lot shall be split, divided, or subdivided for sale, resale, gift, transfer or otherwise, unless by deed of correction in accordance with applicable legal requirements;

(d) no facility, including but not limited to, poles, wires and conduits for transmission of electricity, telephone messages and the like shall be placed and maintained above the surface of the ground on any Lot and no external or outside antennas or satellite dishes of any kind no matter how disguised shall be maintained subject to all federal, state and local laws and regulations;

(e) no Lot or portion thereof shall be used for any mining, boring, quarrying, drilling, removal of, or any other exploitation of subsurface natural resources, which would tend to conflict with the surface development in accordance with federal, state or local laws or regulations.

#### **6.17 Rules.**

From time to time, the Board of Directors may adopt general rules, including but not limited to rules to regulate potential problems relating to the use of property and the well-being of Members and Residents, such as the definition of nuisances, keeping of animals, storage and use of all vehicles, storage and use of machinery, use of outdoor drying lines, antennas, satellite dishes, signs, trash and trash containers, restrictions on sprinkler and irrigation systems, private irrigation wells and uses of lakes, water bodies and wetlands, maintenance and removal of vegetation on the Property and the type and manner of application of fertilizers or other chemical treatments to the Property in accordance with non-point source pollution control standards. Without limiting the generality of the foregoing, such rules may limit or prohibit the use and parking of golf carts on the Community Facilities and on Lots. Notwithstanding the generality of the preceding, the Golf Board shall have the exclusive authority to establish rules related to the Benefitted Community Facilities. All such rules and any subsequent amendments thereto shall be binding on all Members and Residents, including their tenants, guests and invitees, except where expressly provided otherwise in such rule. Such rules as adopted from time to time are herein incorporated by reference and shall be as binding as if set forth herein in full; provided, however, that in the event of a conflict between any provision(s) in the rules and the Declaration, Certificate or By-Laws, the Declaration, Certificate or By-Laws, as applicable, shall control, in that order.

**6.18 Developer Exemption.**

The foregoing provisions of Article VI shall not be applicable to Developer and Participating Builders.

**6.19 Water Conservation.**

(a) The Association may become responsible for enforcing water conservation standards approved by the Town of Millsboro or the State of Delaware. Such standards may include limitations on the installation and use of irrigation systems, the use of approved landscaping materials, and the use of water conserving fixtures and appliances to promote water conservation and minimize the use of public water resources. Such standards approved by the Town of Millsboro shall be part of the Association's rules and regulations if required by the Town of Millsboro.

(b) No irrigation well(s) shall be established or utilized on any Lot on which a Dwelling Unit has been or is intended to be constructed.

**6.20 Resource Conservation/Natural Open Space Easements.**

Areas of Lots which are subject to Resource Conservation, Natural Open Space or similar easements as shown on recorded plats of subdivision are to be left and maintained in their natural state unless otherwise authorized in writing by the Covenants Committee and the applicable regulatory authority. The Association and any applicable regulatory authority shall have the right to enforce these easements. The Town of Millsboro shall have the right to enter any Lot or Community Facilities if necessary to enforce easements.

**ARTICLE VII**  
**ANNEXATION, WITHDRAWALS AND CONVERSIONS**

**7.01 Annexations by Developer.**

Developer hereby reserves the right (but not the obligation) at any time within the Development Period to submit, by recordation of a supplemental declaration, or make subject to incorporation by reference in any deed of conveyance, or annex to this Declaration, any Additional Land, at its sole option. Developer may impose additional restrictions, easements and covenants on such Additional Land as Developer deems necessary and appropriate. Action under this Section shall not require the prior approval of the Class A Members or their Mortgagees. Any such land subjected to this Declaration shall be subject in all respects to each and every provision of this Declaration.

**7.02 Annexations by the Members.**

Additional lands other than the Additional Land may be subjected, annexed or submitted to this Declaration with the written consent of (i) 66 % of the Class A Members, and (ii) during the Development Period, with the consent of the Class B Member. Action under this Section may require the approval of secondary mortgage agencies so long as there is a Class B Member.

### **7.03 Withdrawals of Real Estate.**

During the Development Period, Developer has the unilateral right, without the consent of the Association, any Owner or Mortgagee, to execute and record an amendment to this Declaration withdrawing any portion of the Property which Developer owns from the operation of this Declaration.

### **7.04 Conversions.**

Benefitted Lots shall not be converted to non-Benefitted Lots and vice versa except as follows:

(a) During the Development Period, Developer has the unilateral right to (and after the end of the Development Period, the Association may), without the consent of any other Person other than the Owner and Mortgagee of the applicable Lot if any, to convert any Lot to a Benefitted Lot and vice versa by execution and recordation of an amendment to Exhibit B-1 to this Declaration.

(b) Any Person who was an Owner as of September 15, 2015 and elected to have such Owner's Lot become a Benefitted Lot on or before June 15, 2016 ("Grandfathered Lot"), shall have the right to cause the Developer and/or the Association to convert such Grandfathered Lot to a non-Benefitted Lot provided: (i) such Person executes and delivers to the Association a fully completed and notarized document in the form required by the Association ("Opt-Out Form") on or before June 15, 2021; and (ii) such Person is the Owner of the Grandfathered Lot, and all Assessments due and payable to the Association in respect of the Grandfathered Lot are paid in full, as of the date the Opt-Out Form is delivered to the Association. In such event, an amendment to Exhibit B-1 will be recorded and the Owner of the Grandfathered Lot shall not be obligated for payment of Benefitted Assessments becoming due and payable, and shall not be a Benefitted Member, from and after the last day of the month in which the fully completed and notarized Opt-Out Form is delivered to the Association. Notwithstanding anything to the contrary in this Declaration, this Section 7.04(b) may not be amended as to any Grandfathered Lot without the written consent of the Owner(s) of the applicable Grandfathered Lot(s).

(c) From and after the date that the Developer no longer owns any Benefitted Lots, a Lot may be converted to a Benefitted Lot and vice versa if and when an Owner of a Benefitted Lot and an Owner of a non-Benefitted Lot mutually agree to convert their Lots respectively, provided: (i) such Owners execute and deliver to the Association a fully completed and notarized document in the form required by the Association ("Mutual Conversion Form"); and all Assessments due and payable to the Association in respect of both Lots to be converted are paid in full as of the date the Mutual Conversion Form is delivered to the Association. In such event, an amendment to Exhibit B-1 will be recorded and the Owner of the newly designated Benefitted Lot shall become obligated for payment of Benefitted Assessments becoming due and payable, and shall be a Benefitted Member, from and after the last day of the month in which the fully completed and notarized Mutual Conversion Form is delivered to the Association ("Mutual Conversion Date"), and the Owner of the Lot that was formerly a Benefitted Lot shall not be obligated for payment of Benefitted Assessments becoming due and payable, and shall not be a Benefitted Member from and after the Mutual Conversion Date.

## **ARTICLE VIII** **EASEMENTS**

### **8.01 General Easement.**

Developer hereby reserves to itself and its designees including any Golf Course Owner, the right and easement to the use of all areas owned or to be owned by the Association, including without limitation, the Benefitted Community Facilities, and any Lot or any portion thereof, as may be needed for repair, maintenance or construction on such Lot or any Lot or on any Community Facilities, to provide for the development, operation and maintenance of the Community Facilities, or as may be required by the Town of Millsboro for bond release.

### **8.02 Models, Sales Offices of Developer.**

Developer hereby reserves to itself and its designees including any Participating Builders the right to: (i) use any Lots owned or leased by Developer, any other Lot with the written consent of the Owner thereof or any portion of the Community Facilities (including any improvements thereon) as models, management offices, sales offices, a visitors' center, construction offices, customer service offices or sales office parking areas (provided, however, that Developer shall remain responsible for the upkeep and operating expenses of any Community Facilities used for the foregoing purposes); (ii) place and maintain in any location on the Community Facilities or the common elements of any condominium or on any Lot, street and directional signs, temporary promotional signs, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided, however, that all signs shall comply with Developer and/or Participating Builder guidelines and Developer shall obtain the consent of the Owner of any affected Lot or of the Board of Directors if the Owner does not consent; and (iii) relocate or remove all or any of the above from time to time at Developer's sole discretion.

### **8.03 Crossover Easement.**

If the Owner (including Developer or any Participating Builder) of any Lot must, in order to make responsible repairs or improvements to a building on his Lot, enter or cross any area owned or to be owned by the Association, or a Lot of another Owner, such Owner shall have an easement to do so, provided that said Owner shall use the most direct, feasible route in entering and crossing over such an area and shall restore the surface so entered or crossed to its original condition at the expense of said Owner, and further provided that such easement shall not exist on the land of any other Owner if the purpose for the entrance or crossing is one requiring, by virtue of Article V of this Declaration, approval of either the Board of Directors or the Covenants Committee, unless such approval has been given.

### **8.04 Blanket Easement.**

An easement is hereby retained in favor of Developer, any Participating Builder designated by Developer and the Association over the Lots and any area owned or to be owned by the Association for the installation of landscaping or construction of signage, a common cable television system, a common sprinkler, or any other item installed for the common enjoyment and/or benefit of the Owners. An easement is further granted for the purpose of the repair and

maintenance of any of the foregoing items so installed or constructed. Any entry upon any Lot or any area owned or to be owned by the Association to effectuate the foregoing purposes shall not be deemed trespass. Each Owner covenants not to damage or destroy any portion of an item so constructed and shall hold the Association and/or Developer harmless from the cost of repairing or replacing any portion damaged or destroyed by such Owner, his family, his guests or invitees.

#### **8.05 Easement and Right of Entry of Law Enforcement Officials, Etc.**

An easement and right of entry through and upon the Property is hereby granted to law enforcement officers, rescue squad personnel, fire-fighting and other emergency personnel, and to vehicles operated by said personnel while in the pursuit of their duties. Said emergency personnel shall also have the right of enforcement of cleared emergency vehicle access on roadways and driveways on the Property.

#### **8.06 Utility Easements.**

Easements over the Property for the installation and maintenance of electric, telephone, cable television, water, gas, roof drains connected directly to storm sewer, drainage and sanitary sewer lines and facilities and the like are hereby reserved by Developer, together with the right to grant and transfer the same. Developer also reserves the right to enter onto the Community Facilities for the purpose of completing the improvements thereon, and on the Lots, and for the further purpose of carrying out any correction of defects in workmanship or materials in the Property or the improvements thereon.

The rights and duties with respect to sanitary sewer and water, cable television, electricity, gas and telephone lines and facilities in favor of the Association shall be governed by the following:

(a) Whenever water, sanitary sewer, roof drains connected directly to storm sewer, footing drains, condensation lines, electricity, gas, cable telephone or telephone connections, lines, cables or any portion thereof, are or have been installed within the Property, the Owner of any Lot, or the Association shall have the right, and are hereby granted an easement to the extent necessary thereof, to enter upon or have a utility company enter upon any portion of the Property in which said installations lie, to repair, replace and generally maintain said installations.

(b) The right granted in Subparagraph (a), above, shall be only to the extent necessary to entitle the Owner or Association serviced by said installation to its full and reasonable use and enjoyment and provided further that anyone exercising said right shall be responsible for restoring the surface of the easement area so used to its condition prior to such use.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to its Board of Directors, who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

#### **8.07 Drainage Easement.**

Each Owner of a Lot on which a storm drainage or storm water management easement exists shall keep such area free of debris so as not to impede drainage. Each Owner covenants to provide such additional easements for drainage and water flow as the contours of the Property and the arrangement of buildings by Developer thereon requires; provided, however, that such easements shall not have a material adverse effect upon any Lot on which said easements are utilized. Developer reserves an easement over all Lots and the Community Facilities for the purpose of correcting drainage deficiency, whether such deficiency is located on such Lot or the Community Facilities or on adjoining property which right shall include but not be limited to the right to re-grade and/or alter the existing grade of Lots and the Community Facilities.

#### **8.08 Encroachment Easement.**

Each Lot within the Property is hereby declared to have an easement, three (3) feet in width over all adjoining Lots and Community Facilities 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 rain water 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 any Owner or his agents shall be liable for any negligence or misconduct while on another Owner's Lot. In the event a Structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots and on Community Facilities shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. In addition, a like easement shall exist in favor of the Association in the event of minor encroachment of any of the Community Facilities upon any Lot.

#### **8.09 Transferability.**

To the extent any easement or right enumerated in this Article VIII shall inure to the benefit of Developer, Developer shall, without waiving any future rights, have the right to transfer its easement and rights hereunder to any Golf Course Owner or Participating Builder and to any successor by assignment or otherwise to Developer's rights hereunder.

#### **8.10 Exercise of Easement Rights.**

Developer and each Owner shall exercise prudence and care in connection with the entry upon any other Owner's Lot pursuant to the easements granted in this Declaration and shall use its or his best efforts to minimize disturbance of the other Owner and damage to his Lot or property. Any person entering another Owner's Lot pursuant to the easements granted in this Declaration covenants at his sole expense to promptly repair any damage to such Lot and to provide to the Owner of any Lot upon which he is entering, evidence of the existence of liability insurance in such amounts and with such carriers as are reasonably deemed adequate by the Board of Directors. The violation of any rule or regulation adopted by the Association, or the

breach of this Declaration, shall give the Board of Directors the right, in addition to any other right or remedy elsewhere available to it:

(a) To enter onto any Lot as to which such violation or breach exists, and to summarily abate and remove, at the expense of the violating Owner, any Structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of this Declaration, and the Board of Directors shall not be deemed to have trespassed; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

All expenses of the Association in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the highest lawful rate until paid, shall be charged to and assessed against such defaulting Owner and such charge shall have the same force and effect as a Special Assessment against such Owner's Lot.

#### **8.11 Release of Bonds.**

Developer hereby reserves to itself and its successors and assigns an easement and a right to grant and reserve easements or to vacate or terminate easements across all Lots or Community Facilities as may be required by any governmental agency or authority or utility company in connection with the release of Bonds.

#### **8.12 Granting of Easements.**

Developer hereby reserves to itself and to its successors and assigns, and also grants to the Board of Directors (and the Golf Board as to the Benefitted Community Facilities), the right to grant and reserve easements, rights-of-way and licenses over and through: (i) the Community Facilities; (ii) any Lot within ten (10) feet of any boundary line of the Lot abutting a public or private street or ten (10) feet from any other Lot boundary line (except that no easements may be granted which run or will run under a building except to serve such building); and (iii) within any designated easement areas shown on subdivision plats for any Lot or Community Facilities; for any purpose necessary or desirable for the orderly development of the Property or the adjacent land or for any other reasonable purpose, including without limitation, easements to any successor Golf Course Owner for use of the Community Facilities in connection with the Golf Course. If the Person utilizing this easement requests a specific easement by separate recordable document, then Developer or the Board of Directors (or the Golf Board as to the Benefitted Community Facilities), without Owner or Mortgagee approval, shall have the power to record a deed locating such easement.

#### **8.13 Easement for Golf Course Operation.**

Each Owner, by acceptance of the deed conveying fee simple title to the Lot or Dwelling Unit acquired by such Owner, whether or not expressly stated in such deed, is hereby deemed to acknowledge and accept the following inherent risks associated with the existence of the Golf Course within the Property and the maintenance, use and play on the Golf Course:

(a) Maintenance on the Golf Course will begin early in the morning and extend late into the evening, ordinarily occurring from sunrise to sunset;

(b) Maintenance activities will be noisy;

(c) During certain periods of the year, the Golf Course will be heavily fertilized;

(d) The maintenance of the Golf Course will require the use of chemicals and pesticides;

(e) The Golf Course will be watered with reclaimed water, which may emit certain undesirable odors; and

(f) Golf balls are not susceptible of being easily controlled and accordingly may enter Owner's air space, strike Owner, Owner's guests, invitees, licensees, yard, walls, roofs, windows, landscaping and personal property causing personal injury or property damage thereto. Owner, for itself, its family members, lessees, guests and invitees, hereby releases Developer, any Participating Builder, the Association, and its Members, and/or any successor owner or operator of the Golf Course and related facilities, any golfers (whether Members, guests of Members or the general public) any successor in interest to Developer, the Association or successor in title or operator of the Golf Course, and any agents, servants, employees, directors, officers, affiliates, representatives, receivers, subsidiaries, predecessors, successors and assigns of any such parties (collectively referred to hereafter as the "Released Parties"), and shall not in any way hold the Released Parties responsible for any claims, damages, losses, demands, liabilities, obligations, actions or causes of action whatsoever, including, without limitation, actions based on (i) any invasion of any Owner's use or enjoyment of its Lot or Dwelling Unit, (ii) improper design of the Golf Course, (iii) the level of skill of any golfer (regardless of whether such golfer has the permission of management to use the Golf Course), or (iv) trespass by any golfer or any golf balls on, over, across or through any Lot or Dwelling Unit that may result from or in property damage or personal injury to any Person or improvements located within any Lot or Dwelling Unit or adjacent roadways or Community Facilities, or from the exercise by any golfer of the easements granted in this section. Further, each Owner hereby assumes the risk inherent in owning real property adjacent to or nearby a golf course, including, without limitation, the risk of personal injury and property damage from errant golf balls, and hereby agrees to hold the Released Parties harmless from any and all loss arising from claims by such Owner or Persons using or visiting such Owner's property for any personal injury or property damage.

#### **8.14 Developer's use of Community Facilities.**

During the Development Period, the Developer reserves the right to designate persons to use the Community Facilities for any purpose and upon such terms and conditions as are determined from time to time by Developer.



**8.15 Shared Easements, Facilities and Maintenance.**

As the Property is developed, various physical improvements will be constructed, including but not limited to, storm water management facilities, cart paths and trails, irrigation systems, water supply improvements, transmission lines, and other utility improvements, etc. These facilities may require easements for construction and maintenance, and, in some cases, agreements for cost-sharing with the Golf Course Owner, if other than the Association.

**ARTICLE IX**  
**PARTY WALLS**

The rights and duties of the Owners of Lots with respect to party walls shall be governed by the following:

**9.01 General Rules of Law to Apply.**

Each wall which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall, and with respect to such wall, each of the adjoining Owners shall assume the burdens and be subject to an easement for that portion of a party wall on his Lot, and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

**9.02 Sharing or Repair and Maintenance and Destruction by Fire and Other Casualty.**

If any such party wall is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his agents, or family (including ordinary wear and tear and deterioration from lapse of time) then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly existed, in proportion to their respective use of the party wall.

**9.03 Repairs Necessitated by Act of One Owner.**

If any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly existed, without cost to the adjoining Owner.

**9.04 Other Changes.**

In addition to meeting the other requirements of these restrictive covenants, and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his Dwelling Unit in any manner which requires the extension or other alteration of any party wall shall first obtain the written consent of the adjoining Owner.

**9.05 Right to Contribute Runs With Land.**

The right of any Owner to contribution from any other Owner under this Article IX shall be appurtenant to the land and shall pass to such Owner's successors in title.

**9.06 Dispute.**

In the event of a dispute between Owners with respect to the repair or rebuilding of a party wall or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board of Directors, who shall decide the dispute, and the decision of such Board of Directors shall be final and conclusive upon the parties. In the event the affected Owners are subject to a Sub-association, the Board of Directors may delegate its duties and authority with respect to this Article to such Sub-association.

**ARTICLE X**  
**MORTGAGES**

**10.01 Notice to Board of Directors.**

An Owner who acquires a Lot shall promptly notify the Association of his name and address. Any Mortgagee may give written notice to the Association of its name and address and the address of the Lot to which its mortgage applies.

**10.02 Notice of Default, Casualty or Condemnation.**

Upon written request, the Association shall give notice to any Mortgagee of the Owner's default in paying an Assessment or any other default with respect to that Owner's Lot which has not been cured within sixty (60) days after the date such Assessment became due or the date the Association notified such Owner of the default, respectively.

**10.03 Other Rights of Mortgagees.**

Upon written request, any Mortgagee shall be entitled to receive written notice of meetings of the Association, and all Mortgagees or their designees shall be entitled to attend meetings of the Association and shall have the right of a Member to speak at such meetings. All Mortgagees shall have the right of a Member to examine the books and records of the Association.

**ARTICLE XI**  
**INSURANCE AND CASUALTY LOSSES**

**11.01 Insurance.**

The Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Community Facilities and may, by written agreement with any Sub-association, assume the insurance responsibility for any portions

of the Property held by or the responsibility of such Sub-association against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors shall also obtain a public liability policy covering the Community Facilities, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents, and if reasonably available, directors' and officers' liability insurance, and fidelity bond coverage. The public liability policy shall have at least a Two Million Dollar (\$2,000,000) limit per occurrence for both bodily injury and property damage. Premiums for all insurance on the Community Facilities shall be common expenses of the Association assessed against all Members; provided however, the premiums for insurance on the Benefitted Community Facilities shall be assessed only against Benefitted Members; and premiums for insurance provided to Sub-associations shall be charged to those Sub-associations. The policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

Cost of insurance coverage obtained for the Community Facilities shall be included in the Annual General Assessment, as defined in Article IV; provided however, costs of insurance coverage obtained for the Benefitted Community Facilities shall be included in the Benefitted Assessments.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Delaware and holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if available and, if not available, the most nearly equivalent rating.

(b) All policies on the Community Facilities shall be for the benefit of the Owners and their mortgagees as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the Community Facilities obtained by the Association shall be vested in the Board of Directors (or the Golf Board as to the Benefitted Community Facilities); provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees and the insurance carried by the Association shall be primary.

(e) All casualty insurance policies shall have an agreed amount endorsement with an annual review by one or more qualified persons, at least one of who must be in the real

estate industry and familiar with construction in the geographical area where the Property is located.

(f) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

i. A waiver of subrogation by the insurer as to any claims against the Board of Directors, the Golf Board, the Association, its manager, the Owners and their respective tenants, servants, agents and guests;

ii. A waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

iii. That no policy may be canceled, invalidated or suspended on account of conduct of any one or more individual Owners;

iv. That no policy may be canceled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner or Mortgagee;

v. That any "other insurance" clause in any policy exclude individual Owners' policies from consideration.

#### **11.02 No Partition.**

Except as permitted in the Declaration, there shall be no physical partition of the Community Facilities or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 11.04 of this Article in the case of damage or destruction, or unless the Property has been removed from the provisions of this Declaration. This Section shall not be construed to prohibit the Association, through its Board of Directors, from acquiring and disposing of tangible personal property nor from acquiring or disposing of title to real property which may or may not be subject to this Declaration.

#### **11.03 Disbursement of Proceeds.**

Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Community Facilities or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners (and their Mortgagees), if any Dwelling Unit is involved, as their interest may appear, shall be retained by and for the benefit of

the Association. This is a covenant for the benefit of any Mortgagee or a Dwelling Unit and may be enforced by such Mortgagee.

(b) If it is determined as provided for in Section 11.04 of this Article that after the damage or destruction to the Community Facilities for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in a manner as provided for excess proceeds in Section 11.03(a) hereof.

#### **11.04 Damage and Destruction.**

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction as used in this paragraph means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty.

(b) Any damage or destruction to the Community Facilities shall be repaired or reconstructed unless Developer and the Members representing at least seventy-five percent (75%) of all eligible votes of the Members (or Benefitted Members as to the Benefitted Community Facilities) shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost, repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, that such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the Community Facilities damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Community Facilities shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the Property shall be restored to its natural state and maintained as an undeveloped portion of the Community Facilities by the Association in a neat and attractive condition.

#### **11.05 Repair and Reconstruction.**

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners (or as to the Benefitted Community Facilities, the Golf Board shall, without the necessity of a vote of the Benefitted Members, levy a Special Assessment against all Benefitted Members). Additional Assessments may be made in a like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance

proceeds exceed the cost of repair, such excess shall be deposited to the benefit of the Association.

#### **11.06 Purchase of Insurance.**

All insurance policies relating to the Community Facilities shall be purchased by the Association. Neither the Board of Directors, the Golf Board nor the Developer shall be liable for failure to obtain any coverage required by this Article XI or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverage is available only at unreasonable cost.

### **ARTICLE XII** **CONDEMNATION**

#### **12.01 Community Facilities Condemnation.**

Whenever all or any part of the Community Facilities shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the Association's behalf) by any authority having the power of condemnation or eminent domain, any award for payment shall be paid to the Association. The award made for such taking shall be disbursed as follows:

If the taking involved a portion of the Community Facilities on which improvements have been constructed, then, unless within sixty (60) days after such taking Developer and the Members representing at least seventy-five percent (75%) of all eligible votes of the Members (or the Benefitted Members as to the Benefitted Community Facilities) shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Community Facilities to the extent lands are available therefore, in accordance with the plans approved by the Board of Directors (or the Golf Board as to the Benefitted Community Facilities). If such improvements are to be repaired or restored, the above provisions in Article XI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Community Facilities, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors (or the Golf Board as to the Benefitted Community Facilities) shall determine.

### **ARTICLE XIII** **COMMON DRIVEWAYS**

#### **13.01 Definition and Restrictions.**

(a) Common or Pipestem Driveways ("Common Driveways") are access ways shown on the subdivision plats for the Property which are used exclusively for the purpose of ingress and egress to certain Lots and for governmental and other emergency vehicle ingress and egress, and for construction and maintenance of utilities.

(b) No act shall be performed by any Owner, their tenants, guests or agents which would in any manner affect or jeopardize the free and continuous use and enjoyment of any other authorized Owner in and to the Common Driveway of a Lot.

(c) There shall be no parking within Common Driveways at any time except for delivery and/or emergency vehicles, unless the Board of Directors by resolution, determines otherwise upon petition of an Owner of an affected Lot.

#### **13.02 Maintenance, Damage or Destruction.**

The Association shall be responsible for maintenance, repair and replacement of the Common Driveways. In the event that any Common Driveway is damaged or destroyed through the act of an Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) it shall be the obligation of such Owner to refund the cost of repair and replacement of the Common Driveway to the Association.

### **ARTICLE XIV** **GENERAL PROVISIONS**

#### **14.01 Duration.**

(a) The covenants and restrictions of this Declaration shall run with and bind the land for a term of fifty (50) years from the date this Declaration was originally recorded with the Recorder of Deeds of Sussex County, Delaware, in Plat Book Volume 03354, Page 126, after which time they shall be automatically extended for successive periods of thirty (30) years unless amended or terminated as provided in this Article.

(b) Notwithstanding the above, if any provision of this Declaration would be unlawful, void, or voidable by reason of any Delaware law restricting the period of time that covenants on land may be enforced, such provision shall expire twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

#### **14.02 Amendment.**

(a) Subject to the other limitations set forth in this Section and elsewhere in this Declaration, this Declaration may be amended by an instrument approved by Members representing not less than two-thirds (2/3) of all eligible votes of the Members (or Benefitted Members as to the Benefitted Community Facilities). The amendment instrument shall be recorded in the Recorder's Office. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording. No amendment shall affect any rights granted to the Town of Millsboro either in this Declaration or by easement unless the Town of Millsboro provides written consent to such amendment.

(b) Except for changes which require the consent of the Town of Millsboro, notwithstanding anything to the contrary herein contained, Developer reserves the right during the Development Period, to amend this Declaration without the consent of any Owners,

Residents, Mortgagees or any other Persons claiming an interest in the Property or the Association.

(c) Without the express prior written consent of Developer, no amendments shall be made to the Declaration, and no rules and regulations shall be adopted by the Association which shall modify the Assessments or other charges on Developer, Dwelling Units or Lots or which shall restrict, impair or in Developer's sole judgment adversely affect Developer's activities on the Community Facilities, delegation of use of the Community Facilities, or marketing and sale of the remaining Dwelling Units or Lots.

(d) Amendment shall mean any amendment, supplement, modification and/or restatement.

#### **14.03 Enforcement.**

Subject to the limitations set forth in Section 14.10 below, the Association, or any Owner, shall have the right to enforce, by proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by or pursuant to the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The provisions of this Section 14.03 shall be in addition to and not in limitation of any rights or remedies provided in other Sections of this Declaration.

#### **14.04 Severability.**

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

#### **14.05 Construction.**

The Board of Directors (or the Golf Board as the Benefitted Community Facilities) shall have the right to construe the provisions of this Declaration, and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, such construction shall be final and binding as to all persons and entities benefited or bound by the provisions of this Declaration. In the event of any conflict between or among the provisions of this Declaration, Certificate or By-Laws, the Declaration, Certificate or By-Laws shall control, in that order.

#### **14.06 Invalidity.**

The determination by a court of competent jurisdiction that any provision of this Declaration is invalid for any reason shall not affect the validity of any other provision hereof.

#### **14.07 Headings.**

The headings of the Articles and Sections of this Declaration are for convenience only and shall not affect the meaning or construction of the contents of this Declaration.



#### **14.08 Gender.**

Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular, the plural, and vice versa.

#### **14.09 Developer's Reservation.**

Owners acknowledge that Developer may, from time to time, rezone or amend development conditions relating to the Property following the date of recordation of this Declaration. In the event that any rezoning application, development condition amendment, variance, special exception, use permit or other type of land use application filed with the Town of Millsboro, Delaware shall require the joinder of any Owners, each Owner by acceptance of the Deed for any Lot irrevocably appoints the Association as its attorney-in-fact for the purpose of executing any development condition amendments or rezoning applications, variance, special exception or other type of land use applications as may be reasonably required in connection with the development of the Property.

#### **14.10 Claims, Disputes and Arbitration.**

(a) In the event of any claim, controversy, or dispute under the terms of this Declaration, the By-Laws, the Certificate or any other rules and regulations of the Association, between or among an Owner, a Resident, the Association, the Board of Directors, the Golf Board and/or Developer, each Owner and Resident agrees, upon receipt of written request from the Association and/or Developer, to submit such claim, controversy or dispute to binding arbitration in accordance with the Delaware Uniform Arbitration Act, 10 Del. C. 5701 et. seq., and agrees to be bound to the decision and/or settlement reached thereunder. Arbitration, when requested by the Association and/or Developer, shall be in lieu of litigation in a court of law or equity; provided however, no such arbitration shall be requested unless and until the procedural requirements set forth in Article XIV of the By-Laws for Internal Resolution of Complaints are fulfilled.

(b) Notwithstanding the provisions of subparagraph (a) above, any claim, controversy or dispute arising out of or relating in any way to the development or construction of the Lots, Dwelling Units, and/or Community Facilities shall be settled by binding arbitration in accordance with the Delaware Uniform Arbitration Act, 10 Del. C. 5701, et. seq.

(c) In the event that the Association shall file any suit or proceeding against Developer, and Developer shall substantially prevail in such suit or proceeding, in addition to any other judgment or award granted in favor of Developer in such suit or proceeding, the Association shall be obligated to reimburse Developer for all fees and costs expended by Developer with respect to such suit or proceeding, including but not limited to, reasonable attorneys' fees, expert witness fees, and all other costs incurred by Developer with respect to any such suit or proceeding.

#### **14.11 Cable Agreement.**

Developer, through its designated members of the Board of Directors, may enter into, on behalf of the Association, one or more long term agreements with public or private utility

companies, or other provider(s) (the "Service Provider") for cable television, telephone and other communication services. Such agreements may provide for "bulk billing" to the Association for every Dwelling Unit to be located on the Property. Accordingly, the Annual Assessments levied by the Association may include a component for basic cable television and/or basic telephone services covered by any bulk billing arrangement with the Service Provider. It is anticipated that premium cable TV or telephone services may be offered by the Service Provider to individual Owners or Residents with the charges for any such additional services being billed directly to such Owners or Residents.

In connection with any bulk billing agreement it is also expected that by virtue of separate agreements with the Service Provider, the Service Provider will pay directly to Developer and/or at the sole discretion of the Developer, the Association, a certain percentage of the revenues received by the Service Provider under any bulk billing agreement with the Association and any premium agreements with the Owners or Residents. Copies of all bulk billing agreements between the Association and the Service Provider and copies of any agreements providing for any payments to Developer from the Service Provider will be available for inspection, upon request, at the sales office for the community.

#### **14.12 Termination.**

The Owners shall not dissolve or disband the Association, nor shall the Association dispose of any Community Facilities (other than the Benefitted Community Facilities) by sale, or otherwise, except to an organization conceived and organized to own and maintain all or part of the Community Facilities, without first offering to dedicate the same to the jurisdiction in which the Property is located, or such other appropriate governmental agency. Termination of the Association shall be according to the provisions of the Certificate.

#### **14.13 Security.**

NEITHER THE ASSOCIATION, THE DEVELOPER OR ANY PARTICIPATING BUILDER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, RESIDENTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, DEVELOPER, AND PARTICIPATING BUILDERS AND BOARDS AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AND THAT EACH OWNER, RESIDENT, GUEST, AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSON, TO STRUCTURES OR OTHER IMPROVEMENTS SITUATED ON LOTS AND TO THE CONTENT OF ANY DWELLING UNITS AND FURTHER ACKNOWLEDGE THAT DEVELOPER HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, RESIDENT, GUEST, OR INVITEE RELIED UPON ANY REPRESENTATION OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

#### **14.14 Exclusive Right to Use of Plantation Lakes Name.**

No Person shall use the name "Plantation Lakes" or any derivative of such name or in logo or depiction in any printed or promotional material without Developer's prior written consent. However, Owners may use the name "Plantation Lakes" in printed or promotional matter where such term is used solely to specify that a particular property is located within Plantation Lakes and the Association shall be entitled to use the word "Plantation Lakes" in its name.

#### **14.15 Special Tax District**

(a) THE PROPERTY IS LOCATED WITHIN A SPECIAL DEVELOPMENT DISTRICT (THE "DISTRICT"). THE DISTRICT HAS BEEN CREATED TO PROVIDE CERTAIN INFRASTRUCTURE, FACILITIES AND MAINTENANCE OPERATIONS FOR THE COMMUNITY OR TO REIMBURSE THE COST OF CERTAIN PUBLIC INFRASTRUCTURE WHICH BENEFITS THE COMMUNITY.

(b) DISTRICT DEBT SERVICE ASSESSMENTS. THE TOWN OF MILLSBORO HAS ISSUED SPECIAL ASSESSMENT REVENUE BONDS (THE "BONDS") TO FINANCE THE COST OF THE PUBLIC INFRASTRUCTURE OF THE COMMUNITY WHICH MAY INCLUDE, WITHOUT LIMITATION, THE CONSTRUCTION OF THE ROAD IMPROVEMENTS AND WASTEWATER AND WATER SUPPLY IMPROVEMENTS FOR THE COMMUNITY ("PUBLIC INFRASTRUCTURE"). THE BONDS WILL BE REPAYABLE FROM NON AD VALOREM SPECIAL ASSESSMENTS (THE "SPECIAL TAX") IMPOSED BY THE TOWN OF MILLSBORO ON PROPERTY WITHIN THE COMMUNITY, WHICH PROPERTY HAS BEEN FOUND TO BE SPECIALLY BENEFITTED BY THE PUBLIC INFRASTRUCTURE. EACH LOT IS SUBJECT TO A SPECIAL TAX TO REPAY THE BONDS. THE SPECIAL TAX WILL BE BILLED BY THE

TOWN OF MILLSBORO WITH THE ANNUAL TOWN PROPERTY TAX BILL. COLLECTION OF THE SPECIAL TAX, INCLUDING INTEREST AND PENALTIES, IS SECURED BY A LIEN ON THE PROPERTY WHICH MAY BE FORECLOSED IN THE SAME MANNER AS A LIEN FOR OTHER REAL PROPERTY TAXES.

(c) SPECIAL TAX. A LOT'S SHARE OF SUCH SPECIAL TAX IS DETERMINED BY WHETHER IT IS IMPROVED BY A SINGLE FAMILY HOME OR TOWN HOME. ALL SINGLE FAMILY LOTS ARE ASSESSED THE SAME IN THE COMMUNITY REGARDLESS OF THE CONFIGURATION OF THE LOT. ALL TOWN HOMES ARE ASSESSED THE SAME REGARDLESS OF SIZE OR LOCATION OF THE TOWN HOME. THE ACTUAL SPECIAL TAX MAY BE LESS THAN THE MAXIMUM SPECIAL TAX, BUT NOT GREATER. THE SPECIAL TAX MAY BE PREPAID IN WHOLE AT ANY TIME BY PREPAYMENT OF A LUMP SUM DETERMINED IN ACCORDANCE WITH THE RATE AND METHOD OF APPORTIONMENT OF THE SPECIAL TAX TO BE APPROVED BY THE TOWN OF MILLSBORO.

(d) OWNERS AGREE TO EXECUTE SUCH FURTHER ASSURANCES AS MAY BE REQUIRED BY THE TOWN OF MILLSBORO IN CONNECTION WITH THE CREATION OF THE DISTRICT, THE LEVYING OF THE SPECIAL TAX AND THE ISSUANCE OF BONDS.

**14.16 Amendment to Declaration dated November 26, 2008**

This Second Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation of Easement shall have no effect on and shall not impact upon any rights or obligations set forth in the Amendment to Declaration of Covenants, Conditions, Restrictions and Reservation of Easement dated November 26, 2008, and recorded among the Land Records of Sussex County, Delaware at Book 3640 Page 337.

**ARTICLE XV**  
**LOANS BY DEVELOPER**

The Developer shall have the option, but not the obligation, to loan money to the Association for the purpose of funding any cash operating deficits of the Association and such other purposes as Developer shall deem necessary or desirable in Developer's sole and absolute discretion. Any such loans shall be on such terms and at such rates as are commercially reasonable to enable the Association to comply with its obligations under this Declaration. Such loan or loans may be in lieu of, or in addition to, loans obtained by the Association from other parties. Any such loan shall be represented and secured by one or more promissory notes and mortgages of the Association and shall be listed and disclosed as "Loans from Developer" on all annual budgets and year-end financial statements of the Association. The foregoing loans are collectively referred to as "Loans from Developer." Developer shall have the express right, but not the obligation, to forgive, extend the term or reduce in whole or in part, any amounts due and payable by the Association to Developer under the Loans from Developer.

IN WITNESS WHEREOF, the undersigned, being Developer herein, has executed this instrument on the 15 day of July, 2016.

LENCRAFT, LLC  
a Maryland limited liability company  
By: U. S. Home Corporation, Sole Member

By: [Signature]  
Name: JOSEPH FORTINO  
Title: VICE PRESIDENT

STATE OF MARYLAND

CITY/COUNTY OF ANNE ARUNDEL ss:

I HEREBY CERTIFY that on this 15 day of JULY before me the subscriber, personally appeared JOSEPH FORTINO of U.S. HOMES CORPORATION, known to me or satisfactorily proven to be VICE PRESIDENT of U.S. HOMES CORPORATION, and acknowledged that he executed the same for the purpose herein contained, and in my presence signed as such officer.

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

[Signature]  
NOTARY PUBLIC

My Commission Expires: 9/15/2016

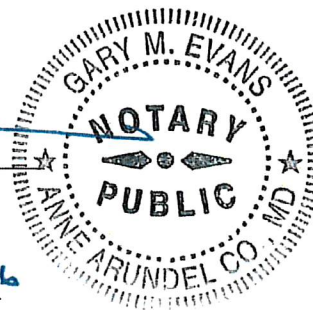


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*"Property"*

**MORRIS & RITCHIE ASSOCIATES, INC.**

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,  
AND LANDSCAPE ARCHITECTS



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Description of two parcels of land that comprise Plantation Lakes

BEGINNING for the first at a point on the southerly right of way line of Delaware Route 24 and 30, 60 feet wide, said point being at the beginning of the seventh or South 15° 57' 30" East 35.12 foot line of a deed from Gemcraft Homes Forest Hill, LLC to Lencraft, LLC, dated December 28, 2004 and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware in Book 03265, Page 161, thence leaving the said right of way, binding on the said seventh line, binding on an old cemetery, and running with a wooden fence, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83),

1. South 15° 57' 30" East 35.12 feet to a point in or near the center of an abandoned dirt road, thence running with the said abandoned dirt road and binding in part with the outline of the said old cemetery and in part with the southwesterly outline of the land conveyed by and described in a deed from Pasher L. Hudson to James E. Hazzard, III and Myrtle M. Hazzard, his wife, dated January 11, 1974 and recorded in the aforesaid Office of the Recorder of Deeds in Book 724, Page 794, and binding on the eighth and ninth lines of the first mentioned deed, two courses, viz:
2. South 79° 31' 59" East 889.25 feet, and
3. North 87° 58' 01" East 281.39 feet to a point and to intersect the westerly outline of the land conveyed by and described in a deed from Emma R. McCabe, Individually and as Attorney-in-Fact for Oscar W. McCabe, Sr., husband and wife, to Emma R McCabe, dated May 10, 1996 and recorded in the aforesaid Office of the Recorder of Deeds in Book 02124, Page 196, thence binding on the said westerly outline of the McCabe land and binding on the tenth line of the first mentioned deed,
4. South 27° 03' 04" East, passing over an iron pipe heretofore set at a distance of 141.58 feet, in all, 779.99 feet to an iron rod heretofore set, said iron rod being at the northeast corner of the land shown on a plat entitled "Boundary Survey, Property to be Conveyed to William John Davis, Jr. and Marian W. Davis" and recorded in the aforesaid Office of the Recorder of Deeds in Vol. 38, Page 194, thence binding on the northerly outline of the said plat and binding on the eleventh line of the first mentioned deed,
5. South 63° 33' 32" West 1644.64 feet to an iron rod heretofore set at the northeast corner of the land conveyed by and described in a deed from D. Edward Dukes to Lencraft, LLC, dated October 10, 2005 and recorded in the aforesaid Office of the Recorder of Deeds in Book 03231, Page 220, and as shown on a plat entitled "Boundary Plat, Land of Donald E. Dukes

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and Donna K. Dukes" and recorded in the said Office of the Recorder of Deeds in Vol. 24, Page 37, said iron rod also being at the northeast corner of the land conveyed by and described in a deed from Prentice W. Hall, Sr. and Mary E. Hall, husband and wife to Carl L. Short and Hanna A. Short, husband and wife, dated May 30, 1997 and recorded in the aforesaid Office of the Recorder of Deeds in Book 2205, Page 172, thence binding on the northerly outline of the last mentioned parcel and continuing and binding on the northerly outline of the land conveyed by and described in a deed from Constance A. Mumford to James Todd Mumford and John Wesley Mumford (1/2 Interest Only), dated December 12, 2001 and recorded in the aforesaid Office of the Recorder of Deeds in Deed Book 2657, Page 064 and by deed to Stephen Robert Mumford and Karen W. Mumford, his wife (1/2 Interest Only) recorded in Deed Book 2101, Page 079, and binding on the southeasterly outline of the last mentioned plat, three courses, viz:

6. South 63° 56' 08" West 1331.89 feet to a concrete monument heretofore set,
7. South 34° 25' 46" West 1583.43 feet to an axle heretofore set, and
8. South 12° 29' 26" West 68.57 feet to a concrete monument heretofore set at the northeast corner of the land conveyed by and described in a deed from Kendall O. Warrington, III and Diane C. Warrington, his wife to Kendall O. Warrington, IV and Carol L. Warrington, his wife, dated April 24, 2001 and recorded in the aforesaid Office of the Recorder of Deeds in Book 02584, Page 271, thence binding on the northerly outline of the last mentioned parcel and binding on the southerly outline of the last mentioned plat,
9. South 81° 02' 46" West 625.15 feet to a concrete monument heretofore set at a corner of the land conveyed by and described in a deed from Kendall O. Warrington, III and Diane C. Warrington, his wife to Kendall O. Warrington, III and Diane C. Warrington, his wife, dated April 24, 2001 and recorded in the aforesaid Office of the Recorder of Deeds, in Deed Book 02584, Page 265, thence binding on a portion of the easterly outline of the last mentioned parcel and binding on the westerly outline of the last mentioned plat,
10. North 21° 49' 00" West 154.99 feet to the southeast corner of the land conveyed by and described as Tracts One & Two in a deed from Harold B. Mumford to Walter Marshall Mumford and Darlene Mumford Cropper, dated November 12, 2002 and recorded in the aforesaid Office of the Recorder of Deeds in Book 02771, Page 303, thence binding on the easterly outline of the said land and binding on the westerly outline of the last mentioned plat,
11. North 21° 01' 58" West 1336.13 feet to a concrete monument heretofore set and to intersect the aforesaid southerly right of way line of Delaware Route 24 and 30; thence binding on the said southerly right of way line and on the outline of the last mentioned plat, two courses, viz:
12. North 49° 09' 31" East 2534.78 feet, and
13. North 49° 34' 15" East 189.28 feet to a concrete monument heretofore set at the intersection of the said right of way line and the westerly outline of the land conveyed by and described in a deed from Gerald E. Bahn to Ronald E. Wharton and Saralee P. Wharton, dated January 31,



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2003 and recorded in the aforesaid Office of the Recorder of Deeds in Book 02800, Page 227, thence leaving the said Delaware Route 24 and 30 and binding on part of the last mentioned parcel,:

14. South 26° 55' 48" East 10.29 feet to the northeast corner of Parcel Two as shown on a plat entitled "Partition Plat Land of Lencraft, LLC" and recorded in the aforesaid Office of the Recorder of Deeds in Vol. 119, Page 247, thence binding in part on the west side of Parcel Two and binding in part on the west side of Parcel One
15. South 49° 13' 26" West 994.50 feet, thence binding on the outline of Parcel One, ten courses, viz:
16. By a non-tangent curve to the right with a radius of 682.30 feet and an arc length of 142.32 feet, said curve being subtended by a chord bearing South 34° 01' 33" East 142.06 feet,
17. By a tangent curve to the left with a radius of 10.00 feet and an arc length of 10.23 feet, said curve being subtended by a chord bearing South 57° 21' 30" East 9.79 feet,
18. By a tangent curve to the right with a radius of 70.00 feet and an arc length of 151.84 feet, said curve being subtended by a chord bearing South 24° 31' 34" East 123.77 feet,
19. By a tangent curve to the left with a radius of 10.00 feet and an arc length of 11.18 feet, said curve being subtended by a chord bearing South 05° 35' 12" West 10.61 feet,
20. South 26° 26' 28" East 310.07 feet,
21. By a tangent curve to the left with a radius of 10.00 feet and an arc length of 15.71 feet, said curve being subtended by a chord bearing South 71° 26' 28" East 14.14 feet,
22. North 63° 33' 32" East 473.34 feet,
23. North 26° 26' 28" West 417.00 feet,
24. North 63° 33' 32" East 468.58 feet,
25. North 26° 26' 28" West 148.87 feet to a corner of the second mentioned plat, thence binding on the outline of the second mentioned plat, three courses, viz:
26. North 49° 04' 12" East 80.00 feet to an iron pipe heretofore set,
27. North 49° 14' 35" East 100.04 feet to an iron pipe heretofore set, and
28. North 53° 40' 30" East 124.97 feet to the southwest corner of the land conveyed by and described in a deed from Robert J. White to Robert Kurt Rosenberg and Michelle M. Rosenberg, his wife, dated April 30, 1999 and recorded in the aforesaid Office of the

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Recorder of Deeds in Book 02382, Page 327, thence binding on the southerly side of the last mentioned parcel and binding on the outline of the first mentioned plat,

29. North 65° 12' 02" East 271.43 feet to a concrete monument heretofore set at the beginning point of the first mentioned deed, thence binding on the first through sixth lines of the said deed, six courses, viz:
30. North 85° 25' 55" East 24.78 feet to an iron pipe heretofore set, said pipe being at the beginning of the fourth or North 73° 00' 00" East 100.00 foot line of a deed from Robert J. White to Timothy W. Hayes and Dianne E. Hayes, husband and wife, dated January 27, 2000 and recorded in the aforesaid Office of the Recorder of Deeds in Book 2458, Page 038, thence binding on the fourth and fifth lines of the said deed, two courses, viz:
31. North 65° 40' 31" East 100.00 feet, and
32. North 81° 20' 51" East 99.93 feet to an iron pipe heretofore set next to a concrete monument heretofore planted, said pipe being at the beginning of the second or North 82° 5' West 200 foot line of a deed from George Wayne Scolah and Nancy Scolah, his wife, to Larry R. Joseph and Vonda R. Joseph, husband and wife, dated December 28, 1990 and recorded in the aforesaid Office of the Recorder of Deeds in Book 1761, Page 252, thence binding on the second and third lines of the said deed, two courses, viz:
33. North 74° 45' 31" East 200.00 feet, and
34. North 26° 24' 29" West 301.31 feet to a point and to intersect the aforesaid southerly right of way line of Delaware State Route 24 and 30, thence binding on the said right of way line,
35. North 74° 54' 20" East 272.12 feet to the place of beginning.

CONTAINING 145.840 acres of land, more or less.

BEING all of the land conveyed by and described in a deed from Gemcraft Homes Forest Hill, LLC to Lencraft, LLC, dated December 28, 2004 and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware in Book 03265, Page 161; BEING ALSO part of Tracts 1, 2, 3 and 4 conveyed by and described in a deed from D. Edward Dukes to Lencraft, LLC, dated October 10, 2005 and recorded in the said Office of the Recorder of Deeds in Book 03231, Page 220; BEING ALSO part of the land shown on a plat entitled "Boundary Plat, Land of Donald E. Dukes and Donna K. Dukes" and recorded in the said Office of the Recorder of Deeds in Vol. 24, Page 37.

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BEGINNING for the second at a pin and cap to be set at the intersection of the division line between the land of Lencraft, LLC and the land of Wayne Dennis Umstead and the northerly right of way line of Millsboro Highway, State Routes 24 & 30, 60 feet wide, thence binding on the said right of way line and on the southerly outline of the said land of Lencraft, LLC, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83/86), the following three courses, viz:

1. South 74° 54' 20" West 1690.65 feet to a pin and cap to be set at a point of curvature,
2. By a tangent curve to the left with a radius of 1462.40 feet and an arc length of 648.28 feet, said curve being subtended by a chord bearing South 62° 12' 21" West 642.98 feet, to a pin and cap to be set at a point of tangency, and
3. South 49° 30' 23" West 130.85 feet to a P.K. nail to be set and to intersect the center of Godwin School Road (Road 328A), a 50 foot wide road-use easement, thence binding on the said center and on the outline of the aforesaid land of Lencraft, LLC, the following eighteen courses, viz:
  4. North 47° 08' 07" West 194.06 feet to a point of curvature,
  5. By a tangent curve to the left with a radius of 1000.00 feet and an arc length of 12.16 feet, said curve being subtended by a chord bearing North 47° 29' 01" West 12.16 feet, to a point of tangency,
  6. North 47° 49' 54" West 323.93 feet to a point of curvature,
  7. By a tangent curve to the left with a radius of 2000.00 feet and an arc length of 214.35 feet, said curve being subtended by a chord bearing North 50° 54' 08" West 214.25 feet, to a point of tangency,
  8. North 53° 58' 21" West 410.54 feet to a point of curvature,
  9. By a tangent curve to the left with a radius of 5000.00 feet and an arc length of 53.97 feet, said curve being subtended by a chord bearing North 54° 16' 54" West 53.97 feet, to a point of tangency,
  10. North 54° 35' 27" West 423.68 feet to a point of curvature,
  11. By a tangent curve to the left with a radius of 2000.00 feet and an arc length of 270.91 feet, said curve being subtended by a chord bearing North 58° 28' 17" West 270.70 feet, to a point of tangency,
  12. North 62° 21' 07" West 177.24 feet,
  13. By a tangent curve to the right with a radius of 1500.00 feet and an arc length of 413.77 feet, said curve being subtended by a chord bearing North 54° 26' 58" West 412.46 feet, to a point of compound curvature,

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14. By a tangent curve to the right with a radius of 4842.76 feet and an arc length of 450.40 feet, said curve being subtended by a chord bearing North 43° 52' 57" West 450.24 feet, to a point of tangency,
15. North 41° 13' 07" West 205.35 feet to a point of curvature,
16. By a tangent curve to the right with a radius of 2000.00 feet and an arc length of 14.07 feet, said curve being subtended by a chord bearing North 41° 01' 00" West 14.07 feet, to a point of tangency,
17. North 40° 48' 54" West 268.14 feet to a point of curvature,
18. By a tangent curve to the left with a radius of 2000.00 feet and an arc length of 43.19 feet, said curve being subtended by a chord bearing North 41° 26' 01" West 43.19 feet, to a point of tangency,
19. North 42° 03' 08" West 602.65 feet to a point of curvature, and
20. By a tangent curve to the left with a radius of 500.00 feet and an arc length of 47.14 feet, said curve being subtended by a chord bearing North 44° 45' 11" West 47.12 feet, to a P.K. nail to be set and to intersect the division line between the land of the State of Delaware and the aforesaid land of Lencraft, LLC, thence leaving the said road and binding on the division lines between the said land, the following two courses, viz:
  21. North 24° 19' 15" East 102.99 feet, and
  22. North 16° 29' 45" West, 707.40 feet to a 1" square bar found, thence binding on the division lines between the land of Karl R. Smith and Lynda C. Smith and the aforesaid land of Lencraft, LLC, the following three courses, viz:
    23. South 74° 05' 54" East, 482.50 feet to a pin and cap to be set,
    24. North 15° 26' 47" West, 465.65 feet to a 1" pipe found, and
    25. North 52° 14' 48" West, 889.54 feet to a P.K. nail to be set and to intersect the centerline of Sheep Pen Road, Road 328, a 50 foot wide road-use easement, thence binding on the said centerline and the aforesaid land of Lencraft, LLC,
    26. South 37° 43' 58" West, 489.29 feet to a P.K. nail to be set and to intersect the centerline of Godwin School Road (Road 328A), a 50 foot wide road-use easement, thence binding on said centerline and the aforesaid land of Lencraft, LLC, the following four courses, viz:
      27. By a non-tangent curve to the right with a radius of 3400.00 feet and an arc length of 657.19 feet, said curve being subtended by a chord bearing North 39° 29' 27" West, 656.17 feet, to a point of tangency,

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28. North 33° 57' 12" West, 134.01 feet,
29. By a tangent curve to the left with a radius of 574.04 feet and an arc length of 315.68 feet, said curve being subtended by a chord bearing North 49° 42' 28" West, 311.72 feet, to a point of tangency, and
30. North 65° 30' 51" West, 167.90 feet to a P.K. Nail to be set and to intersect the division line between the land of Jeffrey R. Mitchell and Sherry L. Mitchell and the land of the aforesaid land of Lencraft, LLC, thence leaving Godwin School Road, binding on the said division line, the following two courses, viz:
31. North 36° 47' 16" East, 141.16 feet to a 1" pipe found, and
32. North 00° 31' 44" West, 63.16 feet to a pin and cap to be set, to the division line between the eastern outline of a plat entitled Meadow Drive II and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Plot Book 86, Page 38, and the aforesaid land of Lencraft, LLC, thence binding thereon,
33. North 02° 11' 03" West, 1510.02 feet to a pin and cap to be set on the southerly side of Country Living Road (Road 433), a 50 foot road-use easement, thence binding on said southerly side of Country Living Road, the following five courses, viz:
34. North 83° 06' 46" East, 106.95 feet to a pin and cap to be set,
35. North 84° 41' 56" East, 1215.00 feet to a pin and cap to be set at a point of curvature,
36. By a tangent curve to the left with a radius of 895.97 feet and an arc length of 303.84 feet, said curve being subtended by a chord bearing North 74° 59' 02" East, 302.39 feet, to a point of tangency,
37. North 65° 16' 08" East, 626.25 feet to a pin and cap to be set, and
38. North 84° 14' 03" East, 94.57 feet to a pin and cap to be set on the southwesterly side of Hardscrabble Road (State Route 20), a 60 foot right-of-way, thence binding on said southwesterly side of said road, the following seven courses, viz:
39. South 76° 48' 02" East, 332.63 feet to a pin and cap to be set,
40. By a tangent curve to the left with a radius of 5759.60 feet and an arc length of 172.59 feet, said curve being subtended by a chord bearing South 77° 39' 33" East, 172.59 feet, to a rebar and cap to be set at a point of tangency,
41. South 11° 28' 57" West, 5.00 feet to a pin and cap to be set,

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42. By a non-tangent curve to the left with a radius of 5764.60 feet and an arc length of 251.64 feet, said curve being subtended by a chord bearing South 79° 46' 05" East, 251.62 feet, to a rebar and cap to be set at a point of tangency,
43. South 86° 38' 59" East, 106.70 feet to a rebar and cap to be set at a point of curvature,
44. By a tangent curve to the left with a radius of 5775.60 feet and an arc length of 438.01 feet, said curve being subtended by a chord bearing South 84° 17' 36" East, 437.90 feet, to a rebar and cap to be set at a point of tangency, and
45. South 86° 27' 58" East, 557.04 feet to a pin and cap to be set on the westerly right-of-way line of Dupont Highway (U.S. Route 13), a 200 foot right-of-way, thence binding on said westerly right-of-way line of said road, the following two courses, viz:
46. South 36° 25' 50" East, 794.41 feet to a pin and cap to be set, and
47. By a tangent curve to the left with a radius of 2964.79 feet and an arc length of 901.15 feet, said curve being subtended by a chord bearing South 45° 08' 17" East, 897.68 feet, to a rebar and cap to be set, thence leaving said right-of-way and binding on the common division lines between the land of Hiram N. Lasher and Bertha Lasher and the aforesaid land of Lencraft, LLC, thence binding on the said division line, the following two courses, viz:
48. South 34° 31' 48" West, 511.20 feet to a pipe found, and
49. South 55° 28' 12" East, 156.52 feet, more or less to intersect the outline of Betts Pond, thence binding thereon, as generally described, the following sixty-eight courses, viz:
50. South 72° 12' 46" West 38.17 feet,
51. South 88° 15' 41" West 68.18 feet,
52. South 69° 08' 43" West 92.97 feet,
53. South 56° 47' 15" West 43.89 feet,
54. South 60° 00' 54" West 49.34 feet,
55. South 62° 53' 34" West 91.64 feet,
56. South 88° 33' 45" West 102.78 feet,
57. North 73° 55' 15" West 26.89 feet,
58. South 38° 40' 35" West 88.47 feet,
59. South 35° 28' 58" West 59.70 feet,

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60. South 20° 25' 40" West 50.39 feet,
61. South 04° 58' 30" West 95.64 feet,
62. South 66° 43' 20" East 81.70 feet,
63. South 09° 36' 00" East 76.36 feet,
64. South 18° 35' 49" West 114.88 feet,
65. South 22° 20' 45" West 48.81 feet,
66. South 12° 27' 16" West 56.84 feet,
67. South 45° 56' 54" West 18.07 feet,
68. South 38° 09' 21" West 45.07 feet,
69. South 02° 57' 04" East 81.28 feet,
70. South 14° 21' 08" West 37.43 feet,
71. South 14° 32' 19" West 39.32 feet,
72. South 12° 05' 32" West 43.39 feet,
73. South 49° 15' 30" West 33.99 feet,
74. South 76° 27' 29" West 127.35 feet,
75. North 80° 45' 57" West 66.35 feet,
76. North 42° 47' 14" West 115.15 feet,
77. North 42° 28' 04" West 120.01 feet,
78. North 38° 59' 24" West 27.33 feet,
79. North 59° 20' 38" West 65.93 feet,
80. North 84° 02' 42" West 113.61 feet,
81. South 77° 12' 27" West 44.73 feet,
82. North 71° 03' 14" West 69.67 feet,

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83. North 62° 11' 31" West 46.48 feet,
84. South 66° 25' 11" West 85.59 feet,
85. South 31° 10' 08" East 596.55 feet,
86. South 67° 30' 08" East 84.49 feet,
87. South 68° 00' 25" East 40.41 feet,
88. South 84° 41' 46" East 50.76 feet,
89. South 83° 31' 51" East 63.96 feet,
90. South 54° 52' 05" East 63.03 feet,
91. South 80° 10' 00" East 65.13 feet,
92. North 83° 55' 30" East 45.95 feet,
93. North 48° 53' 02" East 108.59 feet,
94. North 61° 08' 25" East 58.00 feet,
95. North 75° 15' 52" East 113.34 feet,
96. North 64° 33' 43" East 95.70 feet,
97. North 43° 35' 23" East 50.06 feet,
98. North 46° 39' 56" East 55.09 feet,
99. North 59° 47' 07" East 77.47 feet,
100. North 58° 39' 41" East 52.52 feet,
101. North 21° 14' 28" East 30.90 feet,
102. North 03° 32' 11" East 42.57 feet,
103. North 23° 33' 20" East 103.18 feet,
104. North 50° 19' 33" East 38.89 feet,
105. North 69° 29' 13" East 92.97 feet,



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106. North 14° 23' 22" East 69.96 feet,
107. North 30° 26' 55" West 84.63 feet,
108. North 02° 01' 09" West 92.91 feet,
109. North 08° 41' 21" East 74.61 feet,
110. North 39° 06' 18" East 66.69 feet,
111. North 22° 52' 17" East 47.51 feet,
112. North 02° 15' 02" East 60.46 feet,
113. North 23° 01' 09" East 40.19 feet,
114. North 63° 51' 29" East 78.89 feet,
115. North 86° 37' 42" East 103.07 feet,
116. North 75° 29' 39" East 129.01 feet, and
117. North 82° 06' 35" East 56.94 feet, more or less, to a point at the northwest corner of the land of Hiram n. Lasher and Bertha Lasher, thence binding on the division line between the aforesaid land of Hiram N. Lasher and Bertha Lasher, the land of Michael C. Lasher and H. Dennis Lasher, and the land of Michael C. Lasher and Lisa S. Lasher, respectively with the land of the aforesaid land of Lencraft, LLC,
118. South 26° 41' 12" East 1132.74 feet to a concrete monument heretofore planted, thence binding on the division line between the land of Gloria T. Cruz and the aforesaid land of Lencraft, LLC,
119. South 25° 40' 08" East 339.25 feet to a pipe heretofore set at the southwest corner of the land of James Hollingsworth and C. Jeannette Hollingsworth, thence binding on the division line between the aforesaid land of James and C. Jeannette Hollingsworth, and the land of Dennis J. Mayer and Susan G. Mayer, and the land of John L. McCann and Donna J. McCann, and the land of Keith R. Mitchell and Nanci J. Mitchell, and the land of John M. Parker and Susan Parker, and the land of James T. Mitchell Jr. and Ellen J. Mitchell, and the land of Robert M. Bennett and Stephanie S. Bennett, and the land of Preston E. Godfrey Jr. and Sarah E. Godfrey, and the land of John H. Parker Jr. and Janice Leav, respectively with the aforesaid land of Lencraft, LLC, the following four courses, viz:
  120. South 25° 26' 07" East 420.89 feet to a concrete monument heretofore planted,
  121. South 27° 39' 58" East 264.09 feet to a pin and cap to be set,

**EXHIBIT A**  
March 19, 2015  
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122. South 30° 15' 27" East 977.34 feet to a concrete monument heretofore planted,
123. North 81° 16' 34" East 122.32 feet to a concrete monument heretofore planted at the southwest corner of the land of Capson Millsboro 305 LLC, thence binding on the division line between the land of the said Capson Millsboro 305 LLC and the aforesaid land of Lencraft, LLC,
124. South 09° 09' 51" East 937.87 feet to a pipe heretofore set at the northeast corner of the aforesaid land of Wayne Dennis Umstead, thence binding on the division lines between the said land of Wayne Dennis Umstead and the aforesaid land of Lencraft, LLC, two courses, viz:
125. South 75° 02' 58" West 100.18 feet to a pipe heretofore set, and
126. South 09° 14' 54" East 159.63 feet to the place of beginning.

CONTAINING 623.818 acres of land, more or less.

BEING all of the land conveyed by and described in a deed from Townsends, Inc. to Lencraft, LLC, dated October 18, 2004 recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 3049, Page 212.

CONTAINING A GROSS AREA: 769.658 acres of land, more or less,

BEING all of the land conveyed by and described in a deed from Townsends, Inc. to Lencraft, LLC, dated October 18, 2004 recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 3049, Page 212.

SAVING AND EXCEPTING THEREFROM the following three parcels of land;

BEGINNING for the first exception at the intersection of the westerly right of way of DuPont Highway – U.S. Route 113, 200 foot wide, and the southerly right of way of Hardscrabble Road – State Road 20, 50 foot wide, said intersection being the beginning of the forty-sixth or South 36° 25' 50" East 794.41 foot line of a deed from Townsend's, Inc to Lencraft, LLC, dated October 18, 2004 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 3049, Page 212, thence binding on the said westerly right of way of DuPont Highway, and also binding on all of the forty-sixth and part of the forty-seventh lines of the said Lencraft, LLC deed, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83/86), the following two courses, viz:

1. South 36° 25' 50" East 794.41 feet, to a point of curvature, and
2. By a tangent curve to the left with a radius of 2964.79 feet and an arc length of 214.78 feet, said curve being subtended by a chord bearing South 38° 30' 21" East 214.74 feet, thence leaving the aforesaid westerly right of way and running through and across the land of the aforesaid Lencraft, LLC, the following six courses and distances, viz;

**EXHIBIT A**

March 19, 2015

Page 13 of 15

3. South 58° 46' 16" West 610.97 feet, to a point of curvature,
4. By a tangent curve to the right with a radius of 380.00 feet and an arc length of 228.69 feet, said curve being subtended by a chord bearing South 76° 00' 41" West 225.25 feet, to a point of tangency,
5. North 86° 44' 53" West 521.94 feet, to a point of curvature,
6. By a tangent curve to the right with a radius of 380.00 feet and an arc length of 228.69 feet, said curve being subtended by a chord bearing North 69° 30' 28" West 225.25 feet, to a point of tangency,
7. North 52° 16' 02" West 800.56 feet, and
8. North 74° 04' 08" West 26.93 feet to a point in or near the center of a 50 foot wide road use easement known as Sheep Pen Road – County Road 328, thence binding on said 50 foot wide road use easement and continuing to run through and across the aforesaid land of Lencraft, LLC,
9. North 37° 43' 58" East 824.76 feet to intersect the aforesaid southerly right of way of Hardscrabble Road, thence binding on the said southerly right of way and also binding on part of the forty-third and all of the forty-fourth and forty-fifth lines of the aforesaid Lencraft, LLC deed, the following three courses and distances, viz;
10. South 86° 38' 59" East 30.29 feet, to a point of curvature,
11. By a tangent curve to the left with a radius of 5775.00 feet and an arc length of 438.01 feet, said curve being subtended by a chord bearing South 84° 17' 36" East 437.90 feet, to a point of tangency,
12. South 86° 27' 58" East 557.04 feet, to the place of beginning.

CONTAINING 41.337 acres of land, more or less.

BEGINNING for the second exception at the intersection of the westerly right of way of DuPont Highway – U.S. Route 113, 200 foot wide, and the southerly right of way of Hardscrabble Road – State Road 20, 50 foot wide, thence along the southerly right of way of Hardscrabble Road the following three courses and distances, North 86° 27' 58" West 557.04 feet, by a tangent curve to the right with a radius of 5775.00 feet and an arc length of 438.01 feet, said curve being subtended by a chord bearing North 84° 17' 36" West 437.90 feet and North 86° 38' 59" West 30.29 feet to the Point of Beginning, said point of beginning being located in and distant 76.41 from the beginning of the forty-third or South 86° 38' 59" West 30.29 foot line of a deed from Townsend's, Inc to Lencraft, LLC, dated October 18, 2004 and recorded in the Office of the Recorder of Deeds in and for Sussex

**EXHIBIT A**

March 19, 2015

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County, Delaware in Deed Book 3049, Page 212, said point of beginning being at the intersection of the aforesaid southerly right of way of Hardscrabble Road and the center of a 50 foot wide road use easement known as Sheep Pen Road – County Road 328, thence leaving the said southerly right of way of Hardscrabble Road and running through and across the land of said Lencraft, LLC, and also binding on the center of the 50 foot wide road use easement, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83/86),

1. South 37° 43' 58" West 824.76 feet, thence leaving the center of the said 50 foot wide road use easement and continuing to run through and across the aforesaid land of Lencraft, LLC, the following four courses and distances, viz;
2. North 74° 04' 08" West 26.93 feet,
3. North 52° 16' 02" West 288.55 feet,,
4. North 19° 41' 29" West 356.57 feet, and
5. North 12° 53' 04" East 306.12 feet, to intersect the aforesaid southerly right of way of Hardscrabble Road, also to intersect the thirty-ninth or South 76° 48' 02" East 332.63 foot line of the aforesaid Lencraft, LLC deed, thence binding on the said southerly right of way and also binding on part of the thirty-ninth and all of the fortieth through the forty-second and part of the forty-third lines of the said Lencraft, LLC deed, the following four courses and distances, viz;
6. South 76° 48' 02" East 327.89 feet, to a point of curvature,
7. By a tangent curve to the left with a radius of 5759.60 feet and an arc length of 172.59 feet, said curve being subtended by a chord bearing South 77° 39' 33" East 172.59 feet,
8. South 11° 28' 57" West 5.00 feet,
9. By a non-tangent curve to the left with a radius of 5764.60 feet and an arc length of 251.64 feet, said curve being subtended by a chord bearing South 79° 46' 05" East 251.62 feet, to a point of tangency, and
10. South 86° 38' 59" East 76.41 feet, to the place of beginning.

CONTAINING 9.305 acres of land, more or less.

BEGINNING for the third exception at a pipe with the coordinates of North 215231.24, East 682151.12 and shown as the northwest corner of Water Tank Parcel B of a plat entitled "Final Plat Plan, Phase 1, Plantation Lakes, Sheet 21 of 21" and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Plot Book 161, Page 21, thence binding on the outline of said Water Tank Parcel B, the following eight courses, viz:

1. North 87° 31' 34" East 96.85 feet,

**EXHIBIT A**  
**March 19, 2015**  
**Page 15 of 15**

2. North 07° 16' 02" West 109.56 feet,
3. By a non-tangent curve to the left with a radius of 125.00 feet and an arc length of 20.02 feet, said curve being subtended by a chord bearing North 82° 43' 58" East 20.00 feet, to a point of tangency,
4. South 07° 16' 02" East 111.24 feet,
5. North 87° 31' 34" East 80.09 feet,
6. South 13° 32' 01" West 208.07 feet,
7. South 87° 31' 34" West 93.56 feet, and
8. North 15° 26' 47" West 205.24 feet to the place of beginning.

CONTAINING 0.718 acres of land, more or less.

CONTAINING A NET AREA of 718.298 acres of land, more or less.

**EXHIBIT A-1**

***"Golf Course"***

**MORRIS & RITCHIE ASSOCIATES, INC.**

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,  
AND LANDSCAPE ARCHITECTS



**EXHIBIT A-1**

March 19, 2015

**Golf Parcel Areas – Phase I, Plantation Lakes**

All of Golf Parcel 1, as shown on those plats entitled "Fourth Amended Final Plat Plan, Phase I, Plantation Lakes, Sheet 13 of 21," and "Third Amended Final Plat Plan, Phase I, Plantation Lakes, Sheet 14 of 21," and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware, in Volume 210, Pages 16 and 17; All of Golf Parcel 2, as shown on a plat entitled "Second Amended Final Plat Plan, Phase I, Plantation Lakes, Sheet 10 of 21," and to be recorded in the said Office of the Recorder of Deeds; All of Golf Parcel 3, as shown on a plat entitled "Final Plat Plan, Phase I, Plantation Lakes, Sheet 20 of 21," recorded in the said Office of the Recorder of Deeds in Volume 161, Page 020, All of Golf Parcel 4, as shown on a plat entitled "Final Plat Plan, Phase I, Plantation Lakes, Sheet 6 of 21," recorded in the said Office of the Recorder of Deeds in Volume 161, Page 006. All of Golf Parcel 5, as shown on the aforesaid Third Amended Final Plat Plan, Phase I, Plantation Lakes, Sheet 14 of 21.

**Future Golf Parcel Areas – Phase I, Plantation Lakes**

BEGINNING for the same at a point at the end of the North 24° 19' 15" East 102.99 foot line in the outline of the plat entitled "Fourth Amended Final Plat Plan, Phase I, Plantation Lakes, Sheet 13 of 21" and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware in Volume 210, Page 16, said point also being at the beginning of the twenty-second or North 16° 29' 45" West 707.40 foot line of a deed from Townsend's, Inc. to Lencraft, LLC, dated October 18, 2004 and recorded in the said Office of the Recorder of Deeds in Book 03049, Page 212, thence leaving the said plat and binding on all of the said twenty-second, all of the twenty-third, and part of the twenty-fourth lines of the said deed, as now surveyed, with bearings referred to the Delaware Coordinate System (NAD'83), three courses, viz:

1. North 16° 29' 45" West 707.40 feet to an iron bar heretofore set,
2. South 74° 05' 54" East 482.50 feet, and
3. North 15° 26' 47" West 260.41 feet to a point at the southwest corner of Water Tank Parcel B as shown on a plat entitled "Final Plat Plan, Phase I, Plantation Lakes, Sheet 21 of 21" and recorded in the aforesaid Office of the Recorder of Deeds in Volume 161, Page 21, thence binding on the outline of the said Parcel B, seven courses, viz:
4. North 87° 31' 34" East 93.56 feet,

5. North 13° 32' 01" East 208.07 feet,
6. South 87° 31' 34" West 80.09 feet,
7. North 07° 16' 02" West 111.24 feet, to a point of curvature,
8. By a non-tangent curve to the right with a radius of 125.00 feet and an arc length of 20.02 feet, said curve being subtended by a chord bearing South 82° 43' 58" West 20.00 feet, to a point of tangency,
9. South 07° 16' 02" East 109.56 feet, and
10. South 87° 31' 34" West 96.85 feet to a 1" pipe heretofore set at the beginning of the twenty-fifth line of the aforesaid deed, thence binding on the said twenty-fifth line,
11. North 52° 14' 48" West 889.54 feet to a PK nail set in the centerline of Sheep Pen Road, Road 328, a 50-foot wide road-use easement, thence binding on the said centerline and binding on the twenty-sixth line of the aforesaid deed,
12. South 37° 43' 58" West 489.29 feet to a PK nail set in the centerline of Godwin School Road, Road 328A, a 50-foot wide road-use easement, thence binding on the said centerline of Godwin School Road and binding on the twenty-seventh through thirtieth lines of the aforesaid deed, four courses, viz:
13. By a non-tangent curve to the right with a radius of 3400.00 feet and an arc length of 657.19 feet, said curve being subtended by a chord bearing North 39° 29' 27" West 656.17 feet, to a point of tangency,
14. North 33° 57' 12" West 134.01 feet, to a point of curvature,
15. By a tangent curve to the left with a radius of 574.04 feet and an arc length of 315.68 feet, said curve being subtended by a chord bearing North 49° 42' 28" West 311.72 feet, to a point of tangency, and
16. North 65° 27' 44" West 167.90 feet to a PK nail set, thence leaving the said road and binding on the thirty-first through thirty-third lines of the aforesaid deed, three courses, viz:
17. North 36° 47' 16" East 141.16 feet,
18. North 00° 31' 44" West 63.16 feet, and
19. North 02° 11' 03" West 1510.02 feet to a pin and cap set on the southerly side of Country Living Road (Road 433), a 50 foot right of way, thence binding on said southerly side of Country Living Road and binding on all of the thirty-fourth through thirty-seventh and part of the thirty-eighth lines of the aforesaid deed, four courses, viz:



20. North  $83^{\circ} 06' 46''$  East 106.95 feet,
21. North  $84^{\circ} 41' 56''$  East 1215.00 feet to a point of curvature,
22. By a tangent curve to the left with a radius of 895.97 feet and an arc length of 303.84 feet, said curve being subtended by a chord bearing North  $74^{\circ} 59' 02''$  East 302.39 feet, to a point of tangency, and
23. North  $65^{\circ} 16' 08''$  East 626.25 feet,
24. North  $65^{\circ} 16' 08''$  East 94.57 feet, thence leaving the said Country Living Road and binding on the future commercial area, ten courses, viz:
25. South  $76^{\circ} 48' 02''$  East 4.74 feet,
26. South  $12^{\circ} 53' 04''$  West 306.12 feet,
27. South  $19^{\circ} 41' 29''$  East 356.57 feet,
28. South  $52^{\circ} 16' 02''$  East 288.55 feet,
29. South  $74^{\circ} 04' 08''$  East, crossing Sheep Pen Road, 53.85 feet,
30. South  $52^{\circ} 16' 02''$  East 800.56 feet to a point of curvature,
31. By a tangent curve to the left with a radius of 380.00 feet and an arc length of 228.69 feet, said curve being subtended by a chord bearing South  $69^{\circ} 30' 28''$  East 225.25 feet, to a point of tangency,
32. South  $86^{\circ} 44' 53''$  East 521.94 feet, to a point of curvature,
33. By a tangent curve to the left with a radius of 380.00 feet and an arc length of 228.69 feet, said curve being subtended by a chord bearing North  $76^{\circ} 00' 41''$  East 225.25 feet, to a point of tangency, and
34. North  $58^{\circ} 46' 16''$  East 610.97 feet to a point and to intersect the southwesterly right of way line of Dupont Highway, U.S. Route 13, 200 feet wide, and to intersect the forty-seventh line of the aforesaid deed, thence binding on said right of way and on the remainder of the said forty-seventh line,
35. By a non-tangent curve to the left with a radius of 2964.79 feet and an arc length of 686.36 feet, said curve being subtended by a chord bearing South  $47^{\circ} 12' 48''$  East 684.83 feet, thence leaving the said right of way and binding on the forty-eighth and forty-ninth lines of the aforesaid deed, two courses, viz:
36. South  $34^{\circ} 31' 48''$  West 511.20 feet, and

37. South 55° 28' 12" East 156.52 feet to intersect the outline of Betts Pond, thence binding thereon and binding on all of the fiftieth through eighty-fourth and part of the eighty-fifth lines of the aforesaid deed, as generally described, thirty-six courses, viz:
38. South 72° 12' 46" West 38.17 feet,
39. South 88° 15' 41" West 68.18 feet,
40. South 69° 08' 43" West 92.97 feet,
41. South 56° 47' 15" West 43.89 feet,
42. South 60° 00' 54" West 49.34 feet,
43. South 62° 53' 34" West 91.64 feet,
44. South 88° 33' 45" West 102.78 feet,
45. North 73° 55' 15" West 26.89 feet,
46. South 38° 40' 35" West 88.47 feet,
47. South 35° 28' 58" West 59.70 feet,
48. South 20° 25' 40" West 50.39 feet,
49. South 04° 58' 30" West 95.64 feet,
50. South 66° 43' 20" East 81.70 feet,
51. South 09° 36' 00" East 76.36 feet,
52. South 18° 35' 49" West 114.88 feet,
53. South 22° 20' 45" West 48.81 feet,
54. South 12° 27' 16" West 56.84 feet,
55. South 45° 56' 54" West 18.07 feet,
56. South 38° 09' 21" West 45.07 feet,
57. South 02° 57' 04" East 81.28 feet,
58. South 14° 21' 08" West 37.43 feet,

59. South 14° 32' 19" West 39.32 feet,
60. South 12° 05' 32" West 43.39 feet,
61. South 49° 15' 30" West 33.99 feet,
62. South 76° 27' 29" West 127.35 feet,
63. North 80° 45' 57" West 66.35 feet,
64. North 42° 47' 14" West 115.15 feet,
65. North 42° 28' 04" West 120.01 feet,
66. North 38° 59' 24" West 27.33 feet,
67. North 59° 20' 38" West 65.93 feet,
68. North 84° 02' 42" West 113.61 feet,
69. South 77° 12' 27" West 44.73 feet,
70. North 71° 03' 14" West 69.67 feet,
71. North 62° 11' 31" West 46.48 feet,
72. South 66° 25' 11" West 85.59 feet, and
73. South 31° 10' 08" East 210.74 feet to a point at the end of the North 44° 21' 29" East 203.18 foot line in the outline of a plat entitled "Third Amended Final Plat Plan, Phase I, Plantation Lakes, Sheet 14 of 21" and recorded in the aforesaid Office of the Recorder of Deeds in Volume 210, Page 17, thence leaving Betts Pond and binding reversely on the westerly outline of the said Sheet 14 of 21 and the aforesaid Sheet 13 of 21, sixteen courses, viz:
  74. South 44° 21' 29" West 203.18 feet,
  75. North 76° 38' 06" West 225.22 feet,
  76. South 57° 10' 18" West 112.44 feet,
  77. South 37° 23' 30" West 150.49 feet,
  78. South 32° 08' 38" West 441.23 feet,
  79. South 32° 14' 03" West 35.26 feet,

**EXHIBIT A-1**  
**March 19, 2015**  
**Page 6 of 6**

80. South 42° 39' 23" West 176.66 feet,
81. South 53° 36' 05" West 85.32 feet,
82. South 63° 50' 06" West 131.25 feet,
83. South 67° 09' 27" West 83.45 feet,
84. South 85° 31' 22" West 290.05 feet,
85. South 61° 53' 11" West 115.36 feet,
86. South 69° 06' 14" West 104.57 feet,
87. South 74° 19' 37" West 189.39 feet,
88. South 57° 57' 21" West 99.57 feet, and
89. South 47° 02' 57" West 100.99 feet, to the place of beginning.

**CONTAINING 258.685 acres of land, more or less.**

**BEING any golf parcels created out of the herein described parcel of land.**

**BEING part of the land conveyed by and described in a deed from Townsend's, Inc. to Lencraft, LLC, dated October 18, 2004 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Book 03049, Page 212.**

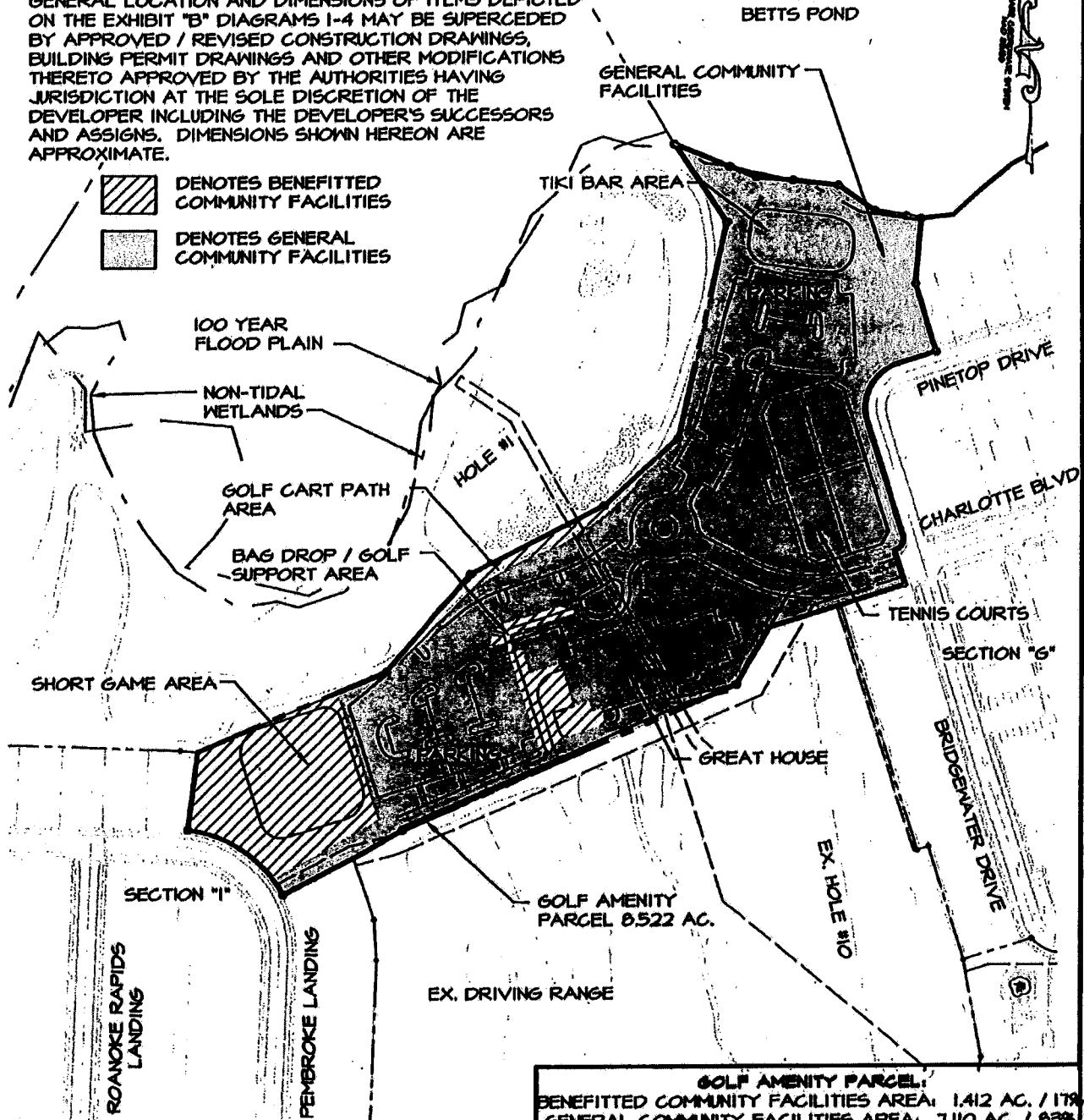
**EXHIBIT B**

***“Benefitted Community Facilities”***

**NOTE:**

THE ITEMS DEPICTED ON EXHIBIT "B" DIAGRAMS 1-4 ARE FOR ILLUSTRATIVE AND OUTLINE PURPOSES ONLY. THE GENERAL LOCATION AND DIMENSIONS OF ITEMS DEPICTED ON THE EXHIBIT "B" DIAGRAMS 1-4 MAY BE SUPERCEDED BY APPROVED / REVISED CONSTRUCTION DRAWINGS, BUILDING PERMIT DRAWINGS AND OTHER MODIFICATIONS THERETO APPROVED BY THE AUTHORITIES HAVING JURISDICTION AT THE SOLE DISCRETION OF THE DEVELOPER INCLUDING THE DEVELOPER'S SUCCESSORS AND ASSIGNS. DIMENSIONS SHOWN HEREON ARE APPROXIMATE.

-  DENOTES BENEFITTED COMMUNITY FACILITIES
-  DENOTES GENERAL COMMUNITY FACILITIES



**GOLF AMENITY PARCEL:**  
 BENEFITTED COMMUNITY FACILITIES AREA: 1.412 AC. / 17%  
 GENERAL COMMUNITY FACILITIES AREA: 7.110 AC. / 83%



**MORRIS & RITCHIE ASSOCIATES, INC.**  
 ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS AND LANDSCAPE ARCHITECTS  
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 FAX: (302) 865-0157  
 MRAGTA.COM

**EXHIBIT "B"  
 DIAGRAM 1  
 PLANTATION LAKES**

MILLSBORO, DELAWARE

SCALE: 1"=200'

DATE: 09/04/15

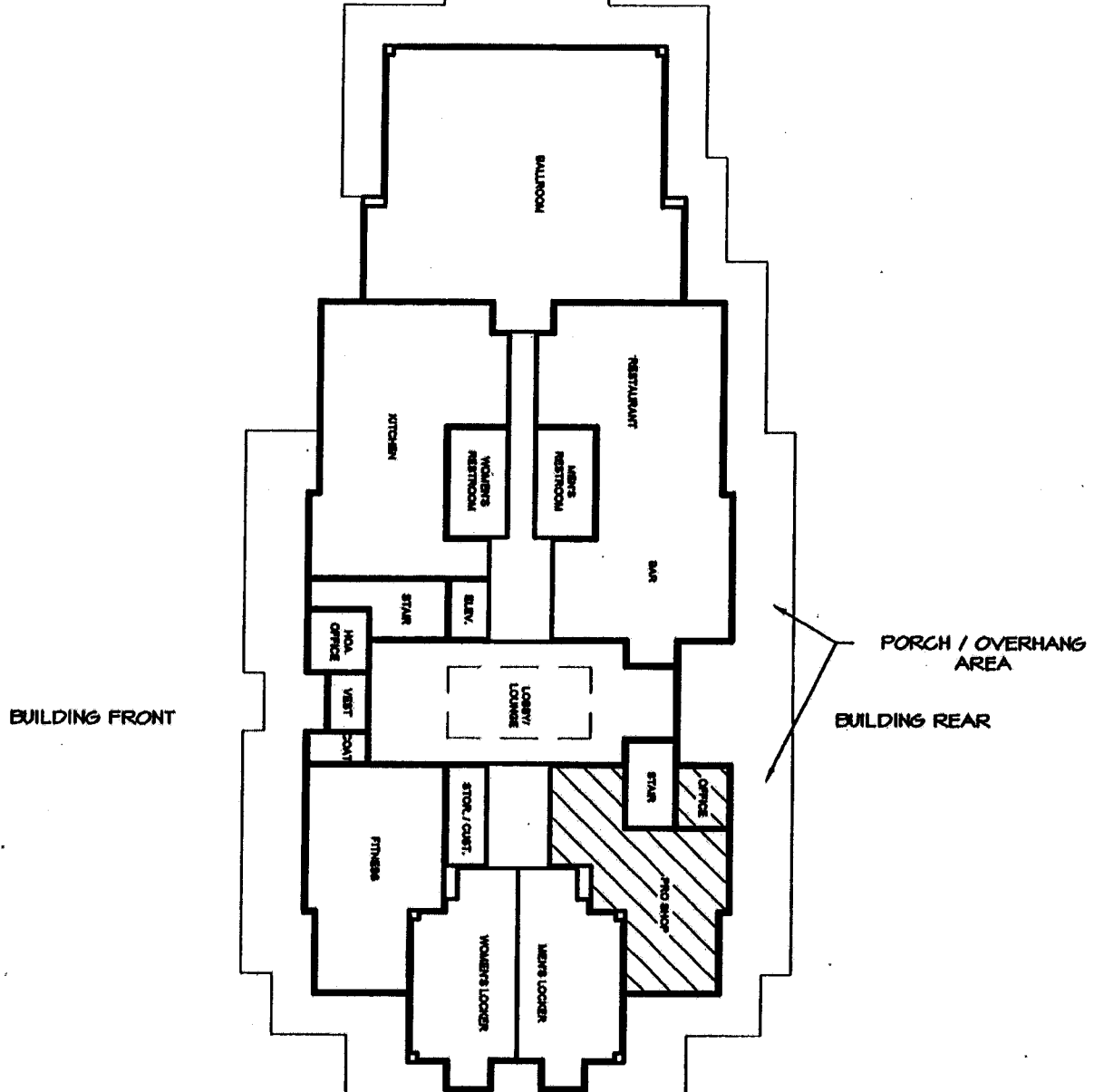
DRAWN BY: CLB

DESIGN BY: CLB

REVIEW BY: KJU

JOB NO. : 13215X40

**OVERALL GREATHOUSE AREA TABULATIONS SUMMARY:**  
 BENEFITTED COMMUNITY FACILITIES AREA: 6,146 S.F. / 22%  
 GENERAL COMMUNITY FACILITIES AREA: 21,267 S.F. / 78%



**GREAT HOUSE AREA SUMMARY - FIRST FLOOR:**  
 BENEFITTED COMMUNITY FACILITIES AREA: 1,078 S.F. / 0.08%  
 GENERAL COMMUNITY FACILITIES AREA: 13,528 S.F. / 99.92%

 DENOTES BENEFITTED COMMUNITY FACILITIES



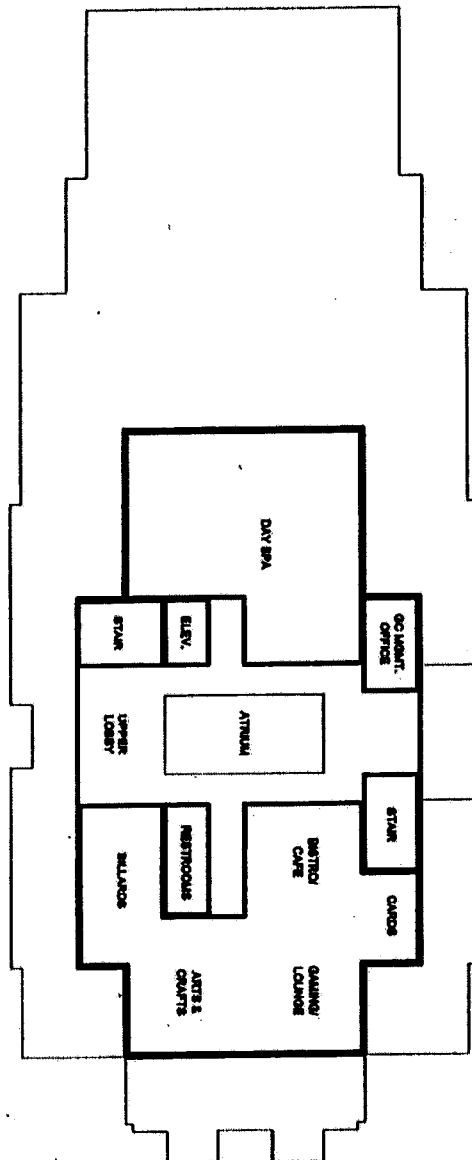
**MORRIS & RITCHIE ASSOCIATES, INC.**  
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**EXHIBIT "B"**  
**DIAGRAM 2**  
**FIRST FLOOR LEVEL**  
**PLANTATION LAKES**

MILLSBORO, DELAWARE

SCALE: 1"=30"	DATE: 09/04/15	DRAWN BY: CLB	DESIGN BY: CLB	REVIEW BY: KAU	JOB NO. : 13215X40
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BUILDING FRONT



BUILDING REAR

**GREAT HOUSE AREA SUMMARY - SECOND FLOOR:**  
**BENEFITTED COMMUNITY FACILITIES AREA: 0,000 S.F. / 00%**  
**GENERAL COMMUNITY FACILITIES AREA: 5,919 S.F. / 100%**

**MRA**

**MORRIS & RITCHIE ASSOCIATES, INC.**  
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**EXHIBIT "B"**  
**DIAGRAM 3**  
**SECOND FLOOR LEVEL**  
**PLANTATION LAKES**

MILLSBORO, DELAWARE

SCALE: 1"=30"

DATE: 09/04/15

DRAWN BY: CLB

DESIGN BY: CLB

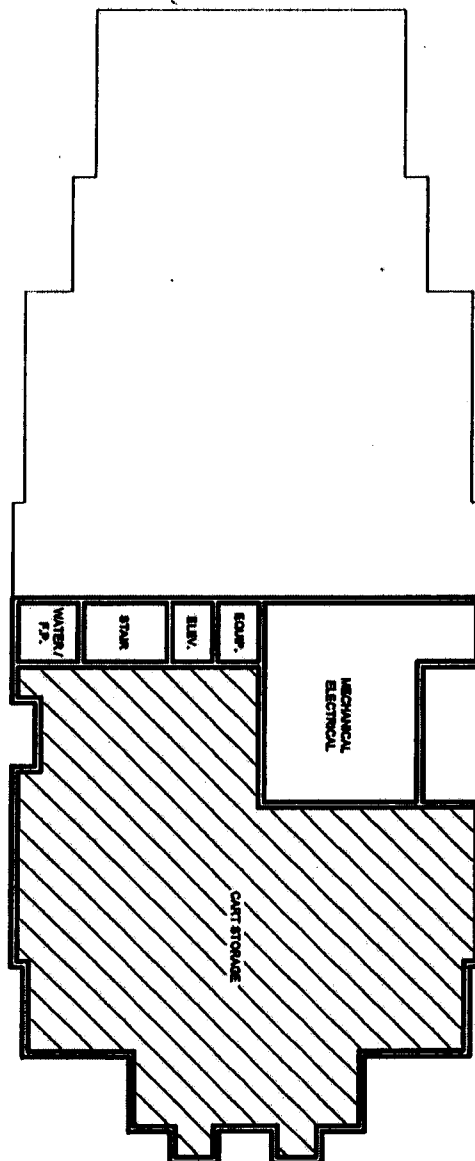
REVIEW BY: KAU

JOB NO. : 13215X40



BUILDING FRONT

BUILDING REAR



**GREAT HOUSE AREA SUMMARY - BASEMENT FLOOR:**  
 BENEFITTED COMMUNITY FACILITIES AREA: 5,068 S.F. / 72%  
 GENERAL COMMUNITY FACILITIES AREA: 2,020 S.F. / 28%

 DENOTES BENEFITTED  
COMMUNITY FACILITIES  
AREA



**MORRIS & RITCHIE ASSOCIATES, INC.**  
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**EXHIBIT "B"**  
**DIAGRAM 4**  
**BASEMENT FLOOR LEVEL**  
**PLANTATION LAKES**

MILLSBORO, DELAWARE

SCALE: 1"=30"

DATE: 09/04/15

DRAWN BY: CLB

DESIGN BY: CLB

REVIEW BY: KMW

JOB NO. : 13215X40

**EXHIBIT B-1**

***"Benefitted Lots"***

**MORRIS & RITCHIE ASSOCIATES, INC.**

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,  
AND LANDSCAPE ARCHITECTS



**EXHIBIT B-1**

August 19, 2016

**Existing Benefited Residential Lots – Phases 1 & 2, Plantation Lakes**

Being Lots 307, 311, 313 and 316, as shown on a plat entitled "Second Amended Final Plat Plan, Section J - Phase I, Plantation Lakes, Sheet 3 of 21" and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware in Volume 206, Page 3; Lots 365, 369 through 374, 376, 380, and 417 through 433 as shown on a plat entitled "Second Amended Final Plat Plan, Section I - Phase I, Plantation Lakes, Sheet 11 of 21" and recorded in the said Office of the Recorder of Deeds, in Volume 210, Page 14; Lots 351, 352, 357 through 359, 363, 408 through 416, as shown on a plat entitled "Third Amended Final Plat Plan, Section I - Phase I, Plantation Lakes, Sheet 12 of 21" and recorded in the said Office of the Recorder of Deeds, in Volume 210, Page 15; Lots 408 and 409, as shown on a plat entitled "Fourth Amended Final Plat Plan, Section H - Phase 2, Plantation Lakes, Sheet 18 of 21" and recorded in the said Office of the Recorder of Deeds in Volume 226, Page 7; and Lots 300, 302, 310, 312, 314, 418, 421, 435, 441, 444, 447, 449, 508, and 519 as shown on a plat entitled "Third Amended Final Plat Plan, Section H - Phase 2, Plantation Lakes, Sheet 19 of 21" and recorded in the said Office of the Recorder of Deeds in Volume 226, Page 8.

BEING part of the land conveyed by and described in a deed from Townsend's, Inc. to Lencraft, LLC, dated October 18, 2004 and recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Book 03049, Page 212.



Tax Map & Parcel Nos. 1-33 16.00 73.00, 73.08, 328.00-1504.00  
Prepared By & Return To:  
Gray Robinson, P.A.  
Mizner Park Office Tower  
225 N.E. Mizner Blvd., Suite 500  
Boca Raton FL 33432

**PLANTATION LAKES HOMEOWNERS' ASSOCIATION, INC.**  
**BY-LAWS**

**ARTICLE I**  
**NAME AND LOCATION**

The name of the corporation is PLANTATION LAKES HOMEOWNERS' ASSOCIATION, INC. (the "**Association**"). The principal office of the Association is located at 7035 Albert Einstein Drive, Suite 200, Columbia, Maryland 21046, but meetings of Members and directors may be held at such places within Delaware as may be designated by the Board of Directors.

**ARTICLE II**  
**DEFINITIONS**

Section 1. "Association" means Plantation Lakes Homeowners' Association, Inc., a Delaware non-stock, not-for-profit corporation doing business as "Plantation Lakes Homeowners Association, Inc.," its successors and assigns.

Section 2. "Benefitted Member" means each Class A Member and Class B Member of the Association who is a record Owner of any Benefitted Lot.

Section 3. "Board of Directors" or "Board" has the meaning given to it in the Declaration.

Section 4. "By-Laws" means these By-Laws as they may be amended, supplemented, modified and/or restated in the manner provided herein.

Section 5. "Community Facilities" means all personal and real property (including, without limitation, real property owned in fee simple, leasehold interests in real property, and easement rights in real property) and the improvements thereon from time to time owned or leased by the Association for the common use and enjoyment of the Members or the Benefitted Members as applicable. Community Facilities may (but need not) include any common areas, easement areas, public, neighborhood or community buildings, clubhouses, golf course and recreational facilities, natural open space easements, natural resource facilities, parks and other open space land, lakes and streams, storm water management and drainage facilities including but not limited to Best Management Practice facilities, all private streets and pipestem driveways, sidewalks, pathway and bikeway systems, berms, jogging paths, street lighting, benches, monuments, signs, pedestrian facilities, cable television facilities, design amenities and other community facilities and buildings needed in connection with water supply, sewage disposal, gas, electric, or other utility lines, equipment or installations. During the Development Period, Developer reserves the right to alter and relocate the boundary lines of the Community

Facilities. The Association is required to accept any and all Community Facilities deeded to it by Developer. For clarity, the Benefitted Community Facilities are a part of the Community Facilities and each reference to the Community Facilities herein includes the Benefitted Community Facilities, except as specifically provided otherwise herein.

Section 6. "Complaints" has the meaning given to it in Article XIV of these By-Laws.

Section 7. "Declaration" means the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Plantation Lakes Master Planned Community as it may from time to time be amended, supplemented, modified and/or restated in the manner provided therein.

Section 8. "Developer" means Lencraft, LLC, its successors and assigns; provided, however, that no successor or assignee of Developer shall have any rights or obligations of Developer hereunder unless such rights and obligations are specifically set forth in an instrument of succession or assignment designating a party as Developer hereunder or which pass by operation of law. Developer reserves the right to assign in whole or in part its rights as the "Developer" to any Owner of all or any part of the Property.

Section 9. "Golf Board" has the meaning given to it in the Declaration.

Section 10. "Lot" means any plot of land shown upon any recorded subdivision map of the Property which has been subjected to the Declaration and upon which a Dwelling Unit(s) has been or could be constructed in accordance with Town of Millsboro zoning and subdivision ordinances and to each condominium unit or apartment or cooperative unit on the Property created in accordance with the applicable laws of Delaware in effect from time to time. Lot shall not mean and refer to Community Facilities.

Section 11. "Member" means each Class A Member and Class B Member of the Association, and unless otherwise expressly excluded, shall include each Benefitted Member.

Section 12. "Minimum Number of Benefitted Members" has the meaning given to it in Article IV, Section 2, of these By-Laws.

Section 13. "Owner" means the record owner, whether one or more persons or entities, of any Lot which is part of the Property but excluding in all cases any party holding an interest merely as security for the performance of an obligation. For the purpose of this definition, the Owner of Lots in an apartment shall be the record owner of the apartment building or buildings. The Owner of Lots in a cooperative shall be the cooperative corporation.

Section 14. "Property" means those certain lands in the Town of Millsboro, Sussex County, Delaware, described in Exhibit A to the Declaration (defined in Article II, Section 6 of these By-Laws) together with such Additional Lands as may be subjected to the Declaration pursuant to the provisions therein, and excluding any lands withdrawn therefrom in accordance with the Declaration.

Section 15. Any other term used in these By-Laws that is not defined in these By-Laws has the meaning given to it in the Declaration.

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### **ARTICLE III** **MEETING OF MEMBERS**

**Section 1. Annual Meetings.** The first annual meeting of the Members will be held no later than such time as the Class A Members are entitled to elect at least one (1) and not less than one-third (1/3) of the members of the Board of Directors in accordance with Section 3.04 of the Declaration. Each subsequent regular annual meeting of the Members shall be held during the last two (2) weeks of the month of March, at a time and place within Delaware selected by the Board of Directors; provided the annual meeting of the Members shall not be held on a Saturday, Sunday, or a legal holiday. Upon conclusion of the matters relating to all Members, all Members who are not Benefitted Members shall be excused, and Benefitted Members shall then hear matters related to the Benefitted Community Facilities. The portion of the meeting relating to Benefitted Community Facilities may be open only to Benefitted Members as determined by the Golf Board from time to time.

**Section 2. Special Meetings.** Special meetings of the Members may be called at any time by the President, the Board of Directors, or upon written request of the Members who (i) represent at least one-fourth (1/4) of all of the eligible votes of the Class A Membership, or (ii) represent at least one-fourth (1/4) of all of the eligible votes of the Class B Membership. Special meetings of the Benefitted Members may be called at any time by the President, the Golf Board or upon written request of the Benefitted Members who represent at least one-fourth (1/4) of all of the eligible votes of the Benefitted Members.

**Section 3. Notice of Meetings.** Written notice of each meeting of the Members must be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least fifteen (15) days but not more than sixty (60) days before a meeting to each Member entitled to vote at that meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice must specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notwithstanding the above, notices of special meetings of Benefitted Members shall be sent only to Benefitted Members.

**Section 4. Quorum.** Except as otherwise provided in the Certificate of Incorporation, the Declaration, these By-Laws, or applicable law, a quorum shall exist for any action (i) with respect to the Community Facilities other than the Benefitted Community Facilities, the presence at the meeting of Members or of proxies entitled to cast one-tenth (1/10) of all of the eligible votes of the Members; and (ii) with respect to the Benefitted Community Facilities, the presence at the meeting of Benefitted Members or of proxies entitled to cast one-tenth (1/10) of all of the eligible votes of the Benefitted Members. If, however, a quorum is not present or represented at any meeting, the Members entitled to vote at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as required may be present or be represented, but no other business may be conducted until a quorum is reached.

**Section 5. Proxies.** At all meetings of Members, each Member may vote in person or by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). All proxies must be in writing and filed with the Secretary. Every proxy must be revocable and must automatically cease upon conveyance by the Member

of the Member's Lot. Notwithstanding the above, only Benefitted Members or their proxies may vote on matters relating to the Benefitted Community Facilities.

**ARTICLE IV**  
**BOARD OF DIRECTORS; GOLF BOARD; SELECTION; TERM OF OFFICE**

**Section 1. Number.** The business and affairs of this Association (other than the Benefitted Community Facilities) will be managed initially by a board of three (3) directors (the "Board of Directors"). From and after the end of the Development Period, the number of directors shall automatically increase to seven (7), unless increased sooner by a majority vote of the Board of Directors. The business and affairs of the Association relating to the Benefitted Community Facilities shall be managed by a board of three (3) directors (the "Golf Board").

**Section 2. Composition.** During the Development Period, the Developer shall have the right to appoint the Board of Directors, who need not be Members; provided however, within sixty (60) days after twenty-five percent (25%) of the Units That May Be Created have been conveyed to Owners other than the Developer, at least one (1) and not less than one-third (1/3) of the members of the Board shall be elected by Members other than the Developer. From and after the end of the Development Period, all of the directors shall be elected by the Class A Members; provided however, the minimum number of Benefitted Members serving on the Board shall be equal to the total number of directors divided by two (2) minus one (1) and, for the avoidance of doubt, rounded up to the nearest whole number, as applicable ("Minimum Number of Benefitted Members"), and the remainder of the directors shall be Members regardless of whether they are Benefitted Members.

During the Development Period, the Board of Directors shall constitute both the Board of Directors and the Golf Board and shall decide all matters relating to the Community Facilities and the Benefitted Community Facilities respectively. Thereafter, the three (3) directors who are Benefitted Members receiving the largest number of votes at their election shall constitute the Golf Board. The members of the Board of Directors shall elect a member of the Board to act as Chairman of the Board and the members of the Golf Board shall elect a member of the Golf Board to act as Chairman of the Golf Board.

**Section 3. Term of Office.** During the Development Period, any director elected by the Class A Members shall serve for a term of one (1) year. From and after the end of the Development Period, the term of office of the directors must be staggered as follows: three (3) directors shall be elected for a term of one (1) year, two (2) directors shall be elected for a term of two (2) years, and two (2) directors shall be elected for a term of three (3) years; provided however, at all times after the Development Period, the Board shall maintain at least the Minimum Number of Benefitted Members on the Board. At each annual meeting thereafter, the Members shall elect directors sufficient to fill the expired terms for a term of three (3) years.

**Section 4. Removal.** Any director appointed by the Developer may be removed, with or without cause, only by the Developer. Any director elected by the Class A Members may be removed from the Board of Directors, with or without cause, by Members representing at least two-thirds (2/3) of all of the eligible votes of the Members, and otherwise in accordance with Section 81.323 of the Delaware Uniform Common Interest Ownership Act ("DUCIOA"). In the event of death, resignation, or removal of a director, his or her successors must be selected by the remaining members of the Board of Directors and must serve for the unexpired term of his or her



predecessor, provided however, at all times after the Development Period, the Board shall maintain at least the Minimum Number of Benefitted Members on the Board.

Section 5. Compensation. A director may not receive compensation for any service he or she renders to the Association, but a director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 6. Action Taken Without A Meeting. The directors may take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors of the Board (or the Golf Board as to the Benefitted Community Facilities). Any action so approved has the same effect as though taken at a meeting of the directors.

Section 7. Authority of the Board and Golf Board. During the Development Period, the Board (which also constitutes the Golf Board), shall hear, vote on and resolve all matters relating to the Community Facilities and the Benefitted Community Facilities respectively. Thereafter, the Board of Directors shall hear, vote on and resolve all matters relating to the Community Facilities other than the Benefitted Community Facilities and the Golf Board shall hear, vote on and resolve all matters relating only to the Benefitted Community Facilities. The Golf Board shall be vested with all powers of the Association relating to the Benefitted Community Facilities, except for such powers specifically reserved to the Benefitted Members by the Declaration, the Certificate, these By-Laws or by Delaware law. The Board is relieved from duties and responsibilities with respect to matters relating to Benefitted Members and the Benefitted Community Facilities.

## ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. A Nominating Committee must make nominations for election to the Board of Directors. A Member at the annual meeting may also make nominations. The Nominating Committee must consist of a chairman, who must be a member of the Board of Directors, and two (2) or more other Members. The President of the Association prior to each annual meeting must appoint the Nominating Committee, and the Nominating Committee serves until the close of the next annual meeting. The Nominating Committee must make as many nominations for election to the Board of Directors as it, in its discretion, determines, but not less than the number of vacancies; provided however, in no event shall fewer Benefitted Members be nominated than are necessary to maintain at least the Minimum Number of Benefitted Members on the Board.

Section 2. Election. Election to the Board of Directors must be by secret, written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Those individuals receiving the largest number of votes are elected, subject to the requirement that at least a majority of directors are Benefitted Members. In order to maintain the Minimum Number of Benefitted Members on the Board, the Benefitted Members receiving the largest number of votes at any election shall be elected to fill any of the director seats that must be filled by Benefitted Members, and the balance of any remaining directors seats shall be filled by any other Members (Benefitted Member or otherwise) receiving the largest number of votes. Cumulative voting is not permitted. In any election in which there are vacancies on the Golf Board, the directors that are Benefitted Members receiving the largest number of votes in such election shall fill the applicable vacancies.

**ARTICLE VI**  
**MEETINGS OF DIRECTORS AND GOLF BOARD**

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors and Golf Board must be held at least quarterly, at such place and hour as may be fixed from time to time by resolution of the Board of Directors or Golf Board respectively. Should a quarterly meeting fall on a Saturday, Sunday, or a legal holiday, then that meeting must be held at the same time on the next day that is not a Saturday, Sunday, or a legal holiday.

**Section 2. Special Meetings.** Special meetings of the Board of Directors and Golf Board must be held when called by the President of the Association or a majority of directors on the Board of Directors or Golf Board respectively, after not less than three (3) days' notice to each director.

**Section 3. Quorum.** A majority of the number of directors on the Board of Directors or Golf Board respectively, constitutes a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present is regarded as the act of the Board of Directors or the Golf Board respectively.

**ARTICLE VII**  
**POWERS, RIGHTS AND DUTIES OF THE BOARD OF DIRECTORS AND GOLF BOARD**

**Section 1. Powers.** The Board of Directors and Golf Board respectively may do any of the following:

(a) adopt and publish rules and regulations governing the use of the Community Facilities or Benefitted Community Facilities respectively, including any improvements and amenities located on the Community Facilities, and the personal conduct of the Members and their guests on the Community Facilities, and to establish penalties for the infraction of the rules and regulations;

(b) suspend a Member's right to use any recreational facilities located on any Community Facilities (and/or a Benefitted Members right to use any Benefitted Community Facilities) during any period in which the Member is in default in the payment of any Assessment levied by the Association; such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for any infraction of published rules and regulations or any provisions of the Declaration;

(c) decide not to impose sanctions for any infraction of published rules and regulations or any provisions of the Declaration, provided that such decision was made in good faith, without a conflict of interest, and upon a finding of the Board (or Golf Board as to the Benefitted Community Facilities) that (a) the Association's legal position does not justify taking any or further enforcement action; (b) the covenant, restriction or rule being enforced is, or is likely to be construed as inconsistent with current law; (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (d) it is not in the Association's best interests, based upon hardship, expense or other reasonable criteria to pursue an enforcement action;

(d) exercise for the Association all powers, duties, and authority vested in or delegated to the Association as to the Members and the Community Facilities, or the Benefitted

Members and the Benefitted Community Facilities respectively, and not reserved to the Members or Benefitted Members as applicable, by other provisions of the Declaration, the Certificate, these By-Laws or by Delaware law;

(e) declare the office of a member of the Board of Directors or Golf Board respectively to be vacant in the event such member is absent from three (3) consecutive regular meetings of the Board of Directors or Golf Board as applicable; and

(f) employ a manager, independent contractor, or such other individuals, entities, or employees as they deem necessary and to fulfill their duties.

Section 2. Allocation of Costs. Although the Board of Directors does not control the Benefitted Community Facilities, the Board and the Golf Board may collectively elect to: (i) cause the Association to enter into contracts for services and supplies benefitting all of the Community Facilities; and (ii) hire managers, employees, contractors and agents who perform services in connection with both the Community Facilities generally as well as the Benefitted Community Facilities. All such contracts and agreements shall be made in the name of the Association, whether such contract is for the benefit of the Community Facilities generally or for only the Benefitted Community Facilities; provided however, all of the Members shall contribute to costs of the Association benefitting Members and/or the Community Facilities generally and only the Benefitted Members shall be responsible for the costs incurred solely in connection with the Benefitted Members or the Benefitted Community Facilities, with such contributions to be allocated proportionately as agreed to by the Board of Directors and the Golf Board.

Section 3. Duties. It is the duty of the Board of Directors or Golf Board respectively to:

(a) cause to be kept a complete record of all its acts and corporate affairs, including:

(1) Receipts and expenditures affecting the operation and administration of the Association and other appropriate accounting records, including those for the repair and replacement reserve;

(2) Minutes of all meetings of the Members, the Board and Golf Board, a record of all actions taken without a meeting, and a record of all actions taken by a committee of the Board or Golf Board; and

(3) A record of the Members in a form that permits preparation of a list of the names and addresses of all Members, in alphabetical order, with an indication of whether each Member is a Benefitted Member;

(b) present a financial statement of the Association to the Members or Benefitted Members respectively at the annual meeting of the Members and Benefitted Members or at any special meeting when such a statement is requested in writing by Members representing at least one-fourth (1/4) of the eligible votes of the Members or Benefitted Members as applicable;

(c) supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

(d) as more fully provided in the Declaration, to:

(1) fix the amount of the Annual General Assessment against each Lot or Benefitted Assessment against each Benefitted Lot respectively at least thirty (30) days in advance of each annual Assessment period;

(2) send written notice of each Assessment to every Owner subject to the annual Assessments at least thirty (30) days in advance of each annual Assessment period (including without limitation the Benefitted Assessments);

(3) foreclose the lien against any Lot for which Assessments are not paid in accordance with Section 81.316 of the DUCIOA or to bring an action at law against the Owner personally obligated to pay the Assessment;

(e) issue, or cause an appropriate officer to issue, within in ten (10) business days upon written demand by any person, a certificate setting forth whether or not any Assessment has been paid (a reasonable charge may be made by the Board of Directors or the Golf Board for the issuance of these certificates; if a certificate states an Assessment has been paid, such certificate is conclusive evidence of payment);

(f) procure and maintain adequate liability and hazard insurance on property owned by the Association, including without limitation the Benefitted Community Facilities;

(g) cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate;

(h) cause to be maintained all of the Community Facilities and any other areas shown on the plat that may be owned by governmental entities who are not maintaining such areas; and

(i) handle Complaints (defined below) from Owners, Members and other interested parties in accordance with the procedures set forth in Article XIV of these By-Laws prior to proceeding with arbitration pursuant to Section 14.10 of the Declaration.

For clarity, notwithstanding anything to the contrary herein, the Board of Directors shall have all of the powers and duties outlined in this Article VII in connection with the Community Facilities other than the Benefitted Community Facilities and the Golf Board shall have all such powers and duties in connection with the Benefitted Community Facilities.

## **ARTICLE VIII** **OFFICERS AND THEIR DUTIES**

**Section 1. Enumeration of Officers.** The officers of this Association must include a President and Vice-President, who must be at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. Officers shall take directions from the Board of Directors on matters relating to the Community Facilities other than the Benefitted Community Facilities and shall take directions from the Golf Board on matters relating to the Benefitted Community Facilities.

**Section 2. Election of Officers.** The election of officers must take place at the first meeting of the Board of Directors and thereafter at the meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The Board of Directors must elect the officers of the Association annually, and each officer holds office for one year unless any officer sooner resigns, is removed, or is disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association require, each of whom must hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. The Board of Directors may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation takes effect on the date of receipt of notice or at any later time specified in the notice; and, unless otherwise specified in the notice, the acceptance of a resignation is not necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy serves for the remainder of the term of the officer he or she replaced.

Section 7. Multiple Offices. The same person may hold the offices of Secretary and Treasurer. A person may not simultaneously hold more than one of any of the other offices except in the case of offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are to do, or cause to be done, the following:

(a) President. The President must preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board of Directors and Golf Board are carried out. The President shall also attend the meetings of the Golf Board if the President is a member of the Golf Board or otherwise invited by the Golf Board to attend such meetings. Except as may be otherwise determined by the Developer, the Board of Directors or the Golf Board as applicable, the President has the authority to sign all leases, mortgages, deeds, and other written instruments and co-sign all checks and promissory notes of the Association.

(b) Vice-President. The Vice-President acts in the place and stead of the President, in the event of his or her absence, inability, or refusal to act and must exercise and discharge such other duties as may be required of him or her by the Board of Directors. The Vice-President may also sign all leases, mortgages, deeds, and other written instruments of the Association.

(c) Secretary. The Secretary must record the votes and keep the minutes of all meetings and proceedings of the Board of Directors, the Golf Board and the Members; keep the corporate seal of the Association and affix it on all papers requiring the seal; serve or cause to be served notice of meetings of the Board of Directors, Golf Board and of the Members; keep appropriate current records showing the Members together with their addresses, and must perform such other duties as required by the Board of Directors or Golf Board as applicable.

(d) Treasurer. The Treasurer must receive and deposit in appropriate bank accounts all monies of the Association, and disburse such funds as directed by resolution of the Board of Directors or Golf Board as applicable; sign all books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and prepare or cause to be prepared annual budgets in connection with the Community

Facilities and the Benefitted Community Facilities respectively and a statement of income and expenditures to be presented to the Members and Benefitted Members as applicable at its regular annual meeting, and deliver a copy of each to the Members and Benefitted Members as applicable.

**ARTICLE IX**  
**INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Each officer and director of the Association, in consideration of his or her services, is indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a director or officer of the Association. The foregoing right to indemnification is exclusive of any other rights to which the director, officer, or person may be entitled by law or agreement or vote of the Members or otherwise.

**ARTICLE X**  
**COMMITTEES**

The Association must appoint an Architectural Review and Covenants Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors and the Golf Board may appoint such other standing or *ad hoc* committees as deemed appropriate in carrying out its or their purposes.

**ARTICLE XI**  
**BOOKS AND RECORDS**

At all times and during reasonable business hours, the books, records, and papers of the Association must be subject to inspection by any Member. The Declaration, the Certificate of Incorporation, and the By-Laws of the Association, minutes of all Member and Benefitted Member meetings for the past three (3) years, records of all actions taken without a meeting for the past three (3) years, financial statements and tax records prepared for the last three (3) years, a list of the names and business addresses of the Association's then current directors and officers, the Association's most recent annual report delivered to the Secretary of the State, and other records sufficient to enable the Association to comply with Section 81.409 of the DUCIOA, must be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE XII**  
**ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual, special and other Assessments as provided in the Declaration. All such Assessments are secured by a continuing lien upon the Lot against which the Assessment is made and enforced pursuant to Article IV, Paragraph 4.01 of the Declaration and Section 81.316 of the DUCIOA.

**ARTICLE XIII**  
**AMENDMENTS**

**Section 1. Amendments.** These By-Laws may be amended at a regular or special meeting of the Members, by Members representing at least two-thirds (2/3) of the eligible votes of the Members present in person or by proxy at such meeting. Notwithstanding the foregoing, these By-Laws may only be amended: (i) prior to the end of the Development Period with the written approval of the Developer; and (ii) in connection with the Benefitted Members and/or the Benefitted Community Facilities, by Benefitted Members representing at least two-thirds (2/3) of the eligible votes of the Benefitted Members present in person or proxy at such meeting.

**Section 2. Conflict of Provisions.** In the case of any conflict between the Certificate and these By-Laws, the Certificate controls, in the case of any conflict between the Declaration and these By-Laws, the Declaration controls, and in the case of any conflict between the Certificate and the Declaration, the Declaration controls.

**ARTICLE XIV**  
**INTERNAL RESOLUTION OF COMPLAINTS**

In the event an Owner, Member or other interested party ("**Complainant**") has a dispute with the Association and/or the Developer, the following procedure shall apply:

- (a) The Complainant shall deliver to the Association via personal delivery, registered or certified mail with return receipt or "delivery confirmation", or commercial delivery service with signature required, a written complaint ("**Complaint**") which shall contain: (i) a statement of the facts and circumstances sufficient to reasonably identify the issues to be resolved; (ii) any documentation necessary to support the Complaint, including without limitation any laws, regulations, notices, letters, correspondence or other documentation or evidence that is related to the Complaint; and (iii) a description of the action or resolution that Complainant desires to be taken to resolve the issues contained in the Complaint.
- (b) The Association shall mark the Complaint with the date the Complaint was received by the Association.
- (c) Within thirty (30) days after receipt of the Complaint, the Association shall deliver to the Complainant a written acknowledgment of receipt of the Complaint and shall include a time and place for the Complainant to meet and confer with one (1) or more members of the Board of Directors and/or authorized representatives of the Developer, as applicable, to attempt to resolve the issues contained in the Complaint. If the parties reach a resolution of the issues, the resolution shall be memorialized in writing and signed by the parties and shall be binding and enforceable unless it is in conflict with applicable law, the Declaration, these By-Laws or the Certificate.
- (d) If the parties do not resolve the issues contained in the Complaint then the Association shall, within thirty (30) days after the meeting with the Complainant, either: (i) deliver to the Complainant a written notice setting the time, place and date (not less than seven (7) days after the date of such notice), that the Association and/or Developer will conduct a hearing to consider the Complaint; or (ii) make a reasonable request in writing to Complainant for any additional information necessary to efficiently and timely continue processing the Complaint. If additional information is requested, the Complainant shall provide any such requested information to the Association within ten (10) days after the date of the Association's written

request for such additional information and within twenty (20) days after the information is provided, the Association shall schedule a hearing as set forth in subparagraph (d) (i) above.

- (e) If a hearing is set pursuant to subparagraph (d) above, the Complainant shall be given a reasonable opportunity at such hearing to explain his or her position, to present evidence, and to question witnesses, Owner, Members, and/or employees of the Association and/or Developer, as applicable.
- (f) The Association and/or Developer, as applicable, shall make a final determination regarding the Complaint and deliver same in writing to Complainant within thirty (30) days after the hearing. Such final determination shall be dated and include: (i) the final determination with an explanation of the decision; (ii) specific reference to applicable sections of the Declaration, these By-Laws or the Certificate; (iii) specific reference to any applicable law, regulation or rule that led to the final determination; (iv) any supporting documents, correspondence and other materials related to the final decision; (v) the name and contact information for the manager of the Association; and, if the final determination is adverse to the Complainant, the following statement:

**"You have the right to file a notice of final adverse determination with the Common Interest Community Ombudsperson in accordance with 29 Del. C. Section 2544 (9), (10).**

**The notice to the Ombudsperson:**

- **must be filed within 30 days of the date of the final adverse decision;**
- **must be in writing on a 'Contact/Complaint' form provided by the Office of the Common Interest Community Ombudsperson (Ombudsperson) (available at the website of the Ombudsperson or by calling the number below);**
- **must include copies of any required information listed in the Contact/Complaint form and supporting documents, correspondence and other materials related to the decision; and**
- **must be accompanied by as \$35 filing fee (unless waived by the Ombudsperson for good cause).**

**You may contact the Office of the Ombudsperson at any of the following:**

**Delaware Department of Justice  
Office of the Common Interest Community Ombudsperson  
820 N. French Street  
Wilmington, DE 19801  
Telephone: (302) 577-8600  
eMail: CIC.OmbudsmanDOJ@state.de.us**

**For additional information, see the website of the Office of the Ombudsperson:  
[http://attorneygeneral.delaware.gov/fraud/cup/ombudsman\\_ncc.shtml](http://attorneygeneral.delaware.gov/fraud/cup/ombudsman_ncc.shtml)**

- (g) In the event the issues raised in the Complaint remain unresolved following fulfillment of the procedural requirements set forth above, (including any action taken by the Office of the Common Interest Community Ombudsperson, if applicable), then the matter may be submitted to arbitration pursuant to Section 14.10 of the Declaration.



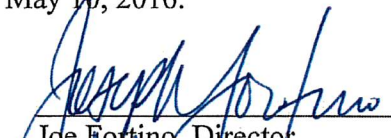
**ARTICLE XV**  
**MISCELLANEOUS**

The Board of Directors in its discretion may determine the fiscal year of the Association.

**ARTICLE XVI**  
**HISTORICAL NOTE REGARDING BY-LAWS**

These By-Laws amend, restate and replace the Association's prior by-laws, as amended through May 10, 2016 (the "**Prior By-Laws**"). The foregoing By-Laws have been duly adopted in accordance with the Prior By-Laws by Members representing at least two-thirds (2/3) of the eligible votes of the Members present in person or by proxy at a duly called and constituted special meeting of the Members held at 6:00 P.M. on May 10, 2016, at which a quorum was present, and are made effective as of such date.

IN WITNESS WHEREOF, we, being all of the directors of Plantation Lakes Homeowners' Association, Inc., hereby certify that these By-Laws were approved by Members representing at least two-thirds (2/3) of the eligible votes of the Members present in person or by proxy at a special meeting of the Members held at 6:00 P.M. on May 10, 2016.

  
\_\_\_\_\_  
Joe Fortino, Director

  
\_\_\_\_\_  
Steve Frisina, Director

  
\_\_\_\_\_  
Dusty McLain, Director

IN WITNESS WHEREOF, the undersigned, being the Developer, has executed this instrument on the 15 day of July, 2016 indicating its approval to same.

LENCRAFT, LLC  
a Maryland limited liability company  
By: U. S. Home Corporation, Sole Member

By: 

Name: JOSEPH FORTINO

Title: VICE PRESIDENT

STATE OF MARYLAND :

SS.

COUNTY OF ANNE ARUNDEL

BE IT REMEMBERED, that on this 15, day of JULY 2016, A.D. 2016, personally came before me, the Subscriber, a Notary Public for the State and County aforesaid, Joe Fortino, Steve Frisina and Dusty McLain, and \_\_\_\_\_, party to this Indenture, known to me personally to be such, and acknowledged this Indenture to be their act and Deed, and the act and Deed of the Plantation Lakes Homeowners' Association, Inc. and Lencraft, LLC; that the signatures are their own proper handwriting; and that the act of signing, sealing, acknowledging and delivering the said Indenture was first duly authorized by the governing body or member of the said corporations.

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



[Signature]  
Notary Public

GARY M. EVANS  
Type or Print Name of Notary

Commission Expires: 9/15/2016

RECEIVED  
JUL 27, 2016  
ASSESSMENT DIVISION  
OF SUSSEX COUNTY

Recorder of Deeds  
Scott Dailey  
Jul 27, 2016 02:23P  
Sussex County  
Doc. Surcharge Paid