

Sussex County Tax Map No.: 3-34-6.00-355.00, All Units

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**AMENDED and RESTATED
DECLARATION OF CONDOMINIUM**

**HERITAGE VILLAGE
CONDOMINIUM**

**FORMERLY THE
VILLAS AT HERITAGE CONDOMINIUM**

3412/46

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FOR
HERITAGE VILLAGE CONDOMINIUM

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AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
FOR
HERITAGE VILLAGE CONDOMINIUM
(FORMERLY THE VILLAS AT HERITAGE CONDOMINIUM)

THIS AMENDED AND RESTATED DECLARATION OF CONDOMINIUM is made as of this P¹ day of _____c-77662.ueeta-y_____, 2007, by Thompson Heritage, LLC, a Delaware limited liability company, of 981 South Bolmar Street, West Chester, Pennsylvania 19382-4905, the "Declarant" (as "successor Declarant", as more fully set forth herein).

Declarant is the owner of the following real property situated in Lewes and Rehoboth Hundred, Sussex County, Delaware, located on the South Side of County Road 283 (known as Postal Lane) as follows:

ALL THAT certain real property existing under and by virtue of the Unit property Act of the State of Delaware (25 Del.C. § 2201, et seq.) situate in Lewes and Rehoboth Hundred, Sussex County, Delaware and being depicted upon the Villas at Heritage Condominium Declaration Plan, of record in the Office of the Recorder of deeds, aforesaid, in Plot Book 84, Page 90 ("Declaration Plan"), and more particularly identified as "Expansion Lands" and designated "Residential Area" thereon;

TOGETHER WITH those rights of Five D Limited Liability Company as Declarant under the Declaration (as fully defined hereafter), to expand the Villas at Heritage Condominium and to construct Residential Units, in accordance with the terms and conditions pertaining to expansion under the Declaration generally and Article III therein, specifically; and subject to Grantee's assumption of those obligations of Declarant with respect to the construction of Residential Units and the expansion of the Condominium to include the Residential units.

BEING the same lands conveyed unto Thompson Heritage, LLC, a Delaware limited liability company, by Deed of Lingo Brothers, LLC, a Delaware limited liability company, dated February 28, 2005, recorded in the Office of the Recorder of Deeds on March 8, 2005 in Deed Book 3110, Page 187; and

ALL THAT certain real property existing under and by virtue of the Unit Property Act of the State of Delaware (25 Del.C. § 2201, et.seq.) situate in Lewes and Rehoboth Hundred, Sussex County, Delaware and being depicted upon the Villas at Heritage Condominium Declaration Plan, of record in the Office of the Recorder of Deeds in and for Sussex County, Delaware in

Plot Book 84, Page 90 ("Declaration Plan") and more particularly identified as "Expansion Lands" and designated as "Restricted Residential Area" thereon;

TOGETHER WITH those rights of Five D Limited Liability Company, as Declarant under the said Declaration (as fully defined hereafter), to expand the Villas at Heritage Condominium and to construct Restricted Residential Units, in accordance with the terms and conditions pertaining to expansion under the Declaration generally, and Article III therein, specifically; and subject to Grantee's assumption of those obligations of Grantor as Declarant with respect to the construction of Restricted Residential Units and the expansion of the condominium to include the Restricted Residential Units.

BEING the same lands conveyed unto Thompson Heritage, LLC, a Delaware limited liability company, by Deed of Five D Limited Liability Company, a Delaware limited liability company, by Deed dated February 28, 2005, recorded in the Office of the Recorder of Deeds on March 8, 2005 in Deed Book 3110, Page 189.

The aforescribed real property comprises all of the lands held for future expansion of the Villas at Heritage Condominium as more fully described in Schedule 3.1, entitled "Expansion Lands", to the Declaration of Condominium for Villas at Heritage Condominium, of record in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 2947, Page 1 (the "Declaration").

The aforescribed real property excludes:

ALL THAT certain real property existing under and by virtue of the Unit Property act of the State of Delaware (25 Del.C. § 2201, *et.seq.*) situate in Lewes and Rehoboth Hundred, Sussex County, Delaware and being depicted upon the Declaration Plan, and more particularly identified thereon as the "GOLF COURSE UNIT", also known as "Unit GC, Villas at Heritage Condominium".

The Owner of the Golf Course Unit, also known as Unit GC, Villas at Heritage Condominium, Five D Limited Liability Company, has consented to this Amended and Restated Declaration of Condominium, its consent being attached hereto, and further consents to the identification of the Golf Course Unit (currently developed as a nine (9) hole public golf course known as the 'Heritage Golf Club') as "Unit GC, Heritage Village Condominium".

This Amended and Restated Declaration of Condominium is made to:

(1) Rename the Condominium 'Heritage Village Condominium' and the Association 'Heritage Village Condominium Association';

(2) Eliminate the separate class of Residential Unit, described in the Declaration as 'Restricted Residential Unit(s)', including the four (4) Restricted Residential Units within the remaining, and hereafter single class of Residential Units;

(3) Re-designate the area, now shown on the Declaration Plan as the 'Restricted Residential Area', as an additional 'Residential Area', and realign the boundaries between the Golf Course Limited Common Elements and the Residential Limited Common Elements;

(4) Reallocate the Undivided Percentage Interests ("UPI") associated with the single class of Residential Units (now including the Residential Units previously designated Restricted Residential Units), and the related percentage interests in 'Residential Limited Common Elements', accordingly; and

(5) Redesign Golf Course Way, and rename it Bethpage Drive.

NOW, THEREFORE, Declarant hereby makes this Amended and Restated Declaration (hereafter referred to as the "Declaration") for the purposes and subject to all the terms and provisions hereinafter set forth.

ARTICLE 1

DEFINITIONS

1.1 Definitions. The terms defined in 25 Del. C. Ch. 22, the Delaware Unit Property Act (the "Act") shall be deemed to have the meanings therein specified whenever they appear in the Condominium Instruments unless the context otherwise requires and except to the extent, if any, that such definitions are changed below. In addition, the other terms defined below shall be deemed to have the meanings specified herein whenever they appear in the Condominium Instruments unless the context otherwise requires. These definitions shall apply whether or not the defined terms are capitalized.

'Act' means the Delaware Unit Property Act, which is 25 Del. C. Ch. 22, as amended.

"Assessment" means the share of the Common Expenses from time to time assessed against a Unit and its Owner by the Association in the manner herein provided. Assessment includes any "Annual Assessments and any "Special Assessments" as defined herein and assessed in the manner herein provided.

"Association" means the Heritage Village Association, a Delaware non-profit member corporation, formed or to be formed for

the purpose of exercising the powers of the Association under the Act and the Condominium Instruments, which is sometimes referred to herein as the "HVA".

"Bethpage Drive" (formerly known as Golf Course Way") means the road providing access to the Condominium from Sussex County Road 283 (a/k/a 'Postal Lane'). The portion of Bethpage Drive from Postal Lane to the Residential Area is a Common Element (the only Common Element not designated as a limited common element). The remaining portion of Bethpage Drive located within the Residential Area is a Residential Limited Common Element.

"Board of Directors" means the Board of Directors of the Heritage Village Association, said Board serving as the governing body of the Association. The term "Board of Directors" has the same meaning as "Council" as referenced in the Act.

"Building" means a multi-unit residential or duplex style structure situate in the Residential. Area upon the real property described in Schedule 3.2, hereto, and as shown on the Declaration Plan, containing two or more Residential Units in each Building, together with the Common Elements of the Building, all as more fully defined herein and shown on the Declaration Plan. Where the context so requires, the term shall also include the related facilities more fully shown on the Declaration Plan.

"Code of Regulations" or "Code" shall mean such governing regulations as are adopted pursuant to the Act for the regulation and management of the Submitted Property, which governing regulations are intended to be recorded contemporaneously with the recording of this Declaration and the Declaration Plan. The term "Code of Regulations" shall also mean such amendments to such governing regulations as, from time to time, may be adopted and recorded, and which shall apply to all Units in the Condominium as of the time of this Declaration and as amended.

"Common Elements" means all portions of the Submitted Property except the Units.

"Common Expenses" means all sums lawfully assessed against the Unit Owners by the Association including expenses of administration, maintenance, repair or replacement of the Common Elements (including Limited Common Elements, but subject to Unit Owners' obligations of maintenance, repair or replacement as provided in this Declaration and the Code of Regulations); permit, license and any lease expenses; expenses agreed upon as Common Expenses by the Association, expenses declared Common Expenses by the provisions of the Act, this Declaration or by the Code of Regulations and insurance premiums.

"Condominium" generally refers to Heritage Village Condominium and specifically means the property submitted to the provisions of

the Act by the Condominium Instruments (see also, "Submitted Property"),

"Condominium Instruments" means this Declaration, the Code of Regulations, the Declaration Plan, including any and all exhibits, schedules, certifications and amendments thereof, as they may exist from time to time, made and recorded pursuant to the Act.

"Council" means a board of natural individuals of the number stated in the Code, all of whom shall be either residents of the State of Delaware or Unit Owners, but need not be both, and who shall manage the business operation and affairs of the Submitted Property on behalf of the Unit Owners. The term "Council", as used in the Act, shall be synonymous with Board of Directors of the Association as used in the Condominium Instruments.

"Declarant" means Thompson Heritage, LLC which is the owner of the lands being depicted upon the Villas at Heritage Condominium Declaration Plan, and more particularly identified as "Expansion Lands" and designated 'Residential Area' and 'Restricted Residential Area' thereon (the 'Restricted Residential Area' being re-designated as 'Residential Area' hereunder), and which has executed this Amended and Restated Declaration, as Successor Declarant under the said original Declaration, with the reserved authority to expand the Heritage Village Condominium and to construct Residential Units, in accordance with the terms and conditions pertaining to expansion under the original Declaration generally, and Article III herein, specifically. Declarant may also mean any other successors or assigns of Thompson Heritage, LLC.

"Declaration" means that certain Declaration of Condominium-The Villas at Heritage Condominium, dated February 25, 2004, recorded February 26, 2004, in the Office of the Recorder of Deeds, aforesaid, in Deed Book 2947, Page 001, as revised and restated by this Amended and Restated Declaration, as it may be amended from time to time, hereinafter referred to as the 'Declaration'.

"Declaration Plan" shall mean the plan of the Submitted Property prepared in accordance with Section 2220 of the Act, as originally recorded in the Office of the Recorder of Deeds, aforesaid, in Plot Book 84, Page 90; as amended by a certain First Amendment to Condominium Declaration Plan for Heritage Village Condominium, recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, in Plot Book 111 , Page 0D, including such further amendments thereof as, from time to time, may be adopted and recorded. The Declaration Plan is hereby incorporated herein as if fully set out herein.

"Director" means a member of the Board of Directors of the Association.

"Golf Course Unit Director" means the member of the Board of Directors of the Association who is the Owner of the Golf Course Unit or who is appointed by the Owner of the Golf Course Unit.

"Residential Unit Director means a member of the Board of Directors of the Association who is elected by vote of the Residential Unit Owners.

"Expansion Lands" shall mean the lands depicted upon the Declaration Plan which are to be submitted to the Act in expansion of the Condominium.

"First Mortgagee" means the holder of the first lien priority mortgage.

"Foreclosure" includes, without limitation, the judicial foreclosure of a mortgage at law under a writ of *scire facias sur mortgage* or in equity or as otherwise permitted by Delaware law.

"Golf Course Area" means that portion of the Submitted Property depicted upon the Declaration Plan as the Golf Course Unit and the Golf Course Limited Common Elements, including all improvements located thereon, parking areas located therein and any easements and rights appurtenant thereto. The Residential Area is specifically excluded from the Golf Course Area.

"Golf Course Unit" means those portions of the existing golf clubhouse and pro-shop (and any future extensions, additions or alterations thereto) which are included within the full description of the Golf Course Unit in Section 3.3, below.

"Institutional Mortgagee" means one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts including, but not limited to, real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvements of real estate, or any assignee of loans made by such a lender, or any combination of any of the foregoing entities.

"Lease" means any lease, contract, tenancy, sublease, rental contract or other occupancy agreement whether oral or written.

"Limited Common Elements" shall mean those Common Elements which are shown on the Declaration Plan, and are designated and allocated for the sole use and benefit of a Unit Owner or a group of Unit Owners and are subject to certain use controls and restrictions, and respective Unit Owner obligations of maintenance, repair or replacement as provided in this Declaration and the Code of Regulations. Limited Common Elements include Golf Course Limited Common Elements, Residential Limited Common Elements and Specially Assigned Residential Limited Common Elements.

"Golf Course Limited Common Elements" means a portion of the Common Elements reserved for the exclusive use of the Owner of Golf Course Unit, being all the Common Elements located within the Golf Course Area, including but not limited to: the tee-boxes, fairways, greens, cart paths and Golf Course Parking areas servicing the Golf Course Unit; and not part of any Unit, all as more particularly designated on the Declaration Plan.

"Residential Limited Common Elements" means a portion of the Common Elements reserved for the exclusive use of the Owners of the Residential Units being all the Common Elements located within the Residential Area, including but not limited to the paved and landscaped areas surrounding the Residential Units, all as more particularly designated on the Declaration Plan.

"Majority" means more than fifty (50%) percent in any context, unless a different percentage is expressly required.

"Mortgage" means a mortgage deed to secure debt, deed of trust, security agreement or other instrument conveying a lien upon or security title to a Unit and the Common Elements appertaining thereto, as security for a debt or for the performance of an obligation.

"Mortgagee" means the holder, guarantor, insurer of a mortgage or a beneficiary under a mortgage.

"Occupant" means any person, including without limitation, any guests, invitee, tenant, lessee or family member of an Owner,, occupying or otherwise using or visiting in a Unit.

"Officer" means an officer of the Association,

"Owner" means one or more persons including the Declarant who own a Unit in the Condominium. This term does not include a mortgagee in his capacity as such, but shall include any person, firm, corporation or entity capable of holding title to real estate in Delaware.

"Record" or "File for Record" means filing for record in the Office of the Recorder of Deeds in and for Sussex County, Delaware.

"Recreation Facilities" means any recreation facilities located or to be located within the Residential Area, which may include a swimming pool.

"Residential Area" means that portion of the Submitted Property depicted upon the Declaration Plan as the Residential Units and the Residential Limited Common Elements, including all improvements located thereon, parking areas located therein and all rights and easements appurtenant thereto.

"Residential Unit" means a Condominium Unit located in the Residential Area as shown on the Declaration Plan, and as more particularly described in the Condominium Instruments, particularly in Section 3.4.1, below.

"Schedule of Unit Information" means either of the schedules attached hereto which provide specific information pertaining to particular types of Units.

"Schedule of Golf Course Unit Information" means the schedule attached hereto as Schedule 3.3, which schedule shows the identifying number for the Golf Course Unit, the undivided interest in the Common Elements, the number of votes in the Association and share of liability for Common Expenses.

"Schedule of Residential Unit Information" means the schedule attached hereto as Schedule 3.4.1, which schedule shows for each Residential Unit its Identifying Number, its undivided interest in the Common Elements, number of votes in the Association and share of liability for Common Expenses.

"Site Plan" means that part of the Declaration Plan which depicts Heritage Village Condominium property, the Golf Course Area, the Residential Area and the anticipated location of improvements thereon.

"Specially Assigned Residential Limited Common Elements" means and refers to those portions of the Residential Limited Common Elements which are for the exclusive use by the appurtenant Residential Unit to which they are assigned, and are subject to the obligation of such Residential Unit Owner, individually, to maintain, repair and replace.

"Submitted Property" means the property lawfully submitted to the provisions of the Act and the Condominium Instruments from time to time by the recordation of Condominium Instruments in accordance with the Act. The Submitted Property is comprised of the land described in Schedule 3.2 and depicted upon the Declaration Plan, together with all improvements thereon and all rights and easements appurtenant thereto.

"Unit" means a portion of the Condominium intended for independent ownership and use, as more fully set forth and shown in the Condominium Instruments and the Act, and is sometimes referred to in the Condominium Instruments as Unit, Residential Unit or Golf Course Unit. The term "Unit" also includes the proportionate undivided interest in the Common Elements which is assigned to such Unit under the Declaration,

"Unit Designation" means one or more letters and numbers that identify each Unit.

"Golf Course Unit Designation" means one or more letters and numbers that identify the Golf Course Unit as set forth in the Schedule of Golf Course Unit Information and as shown on the Declaration Plan.

"Residential Unit Designation" means one or more letters and numbers that identify each Residential Unit, as set forth in the Schedule of Residential Unit Information and as shown on the Declaration Plan.

"Unit Owner" means an Owner, defined above, and shall include Residential Unit Owners and the Golf Course Unit Owner.

"Unsold" shall mean un-conveyed from the Declarant to a grantee of a Unit, other than a successor Declarant.

"Vote" means the vote in the Association appertaining to each Unit. With respect to matters allowing for or requiring a vote of all Unit Owners, each Unit Owner shall be entitled a vote based on the percentage of ownership in the Common Elements assigned to such Unit Owner in the Schedule of Unit Information. With respect to matters requiring a vote of a class of Unit Owners (i.e., the vote for such class' Director and matters pertaining to such class' Limited Common Elements) each Unit Owner shall be entitled a vote based on the percentage of ownership in the Limited Common Elements assigned to such Unit Owner in the Schedule of Unit Information.

1.2 Terms Have Meaning From Act. Terms used in one or more of this Declaration, the Declaration Plan and the Code of Regulations which are not expressly defined herein or therein, but which are expressly defined in the Act, shall have the meaning given to them in the Act.

ARTICLE 2

CREATION OF THE CONDOMINIUM

2.1 Submission to the Act. Declarant hereby submits the Submitted Property, as fully described in Schedule 3.2, and as depicted upon the Declaration Plan, to the Act. The Submitted Property and every interest therein shall, after the recording of this Declaration, be owned, held, transferred, sold, conveyed, used, leased, occupied, mortgaged and deeded in trust subject to the Act and the Condominium Instruments. Every person acquiring or having any interest in the Submitted Property by acceptance of a deed or other instrument of any kind, whether or not such deed or other instrument is signed by such person or otherwise agreed to in writing, shall take such interest subject to the Act and to the Condominium Instruments and shall be deemed to have agreed to the same.

2.2 Name and Location. The name of the Condominium is the "Heritage Village Condominium". The Condominium shall be an

expandable condominium as set forth herein. The Condominium is located on the south side of County Road 283 (known as Postal Lane), southwest of State Road 1, between Lewes and Rehoboth Beach, Delaware.

2.3 Governing Provisions. The Condominium, the Association and each Unit Owner shall be governed by the Act, the Condominium Instruments and any rules and regulations adopted by the Association pursuant to the Condominium Instruments.

ARTICLE 3

DESCRIPTION OF THE CONDOMINIUM

3.1 Expandable Condominium.

3.1.1 Pursuant to the provisions of the Act, and subject to the limitations and requirements herein and therein set forth, the Declarant shall have the absolute right, to be exercised prior to December 31, 2020, to annex to the Submitted Property described and identified by legal description in Schedule 3.2, and thereby to submit to each and every one of the provisions of this Declaration and the Act, any part of or all of the Expansion Lands, described in Schedule 3.1 and some of which are delineated on the Declaration Plan, together with the improvements constructed upon any of such portion of the Expansion Lands. Any such expansion or annexation shall be accomplished by recordation in the Records of an amendment to this Declaration and Schedules hereto and an amendment to the Declaration Plan.

3.1.2 Upon each annexation of land and improvements under this Article in the expansion of the Condominium, Schedule 3.2, Submitted Property, shall be amended to include the land being annexed to the Submitted Property; Schedule 3.1, Expansion Lands, shall be amended to remove that portion of the Expansion Lands being annexed to the Submitted Property; and Schedules 3.3 and 3.4, Schedule(s) of Unit Information, shall be amended to describe the Units, their identifying numbers and undivided interest in the Common Elements, etc.; respectively, of the Condominium as expanded. Such annexation of parcels of land and improvements shall not occur until construction of the respective Building(s) shall have been completed upon the parcel(s) of land to be so annexed and a certificate of occupancy has issued for such Building(s) and Units from the appropriate governmental or municipal authority.

3.1.3 Declarant shall bear the expenses, taxes and any other burdens of ownership of the Expansion Lands while such lands are being held for development. Declarant shall bear the costs of preparing and recording any amendments to the Declaration and the Declaration Plan necessary under this Article.

3.1.4 Upon the recordation of an amendment to this Declaration and the Declaration Plan for the purpose of expanding the Condominium, the undivided interests in the Common Elements pertaining to each Unit shall be recomputed based upon the total number of Residential Units in the Condominium. The Golf Course Unit shall be allocated one percent (1%), which percentage shall not be subject to reduction or reallocation without the express, written consent of the Golf Course Unit Owner. The remaining undivided percentage interest (ninety nine percent (99%) in the Common Elements shall be reallocated among the Residential Units, by operation of law, and set forth in an amended Schedule 3.4, Schedule of Unit Information. Any deed for a Unit in the Condominium shall be delivered subject to a conditional limitation that the percentage interest appurtenant to such Unit shall be automatically reallocated *pro tanto* on the recordation of such amendments.

3.1.5 Whenever in this Declaration or in any of the Exhibits hereto reference is made to Schedules 3.1, 3.2, 3.3 or 3.4, hereto, then such reference shall mean and refer to such Schedules as the same may from time to time be amended pursuant to the operation of this Article and the exercise of the rights herein reserved to the Declarant.

3.1.6 There is hereby reserved unto Declarant, its successors and assigns, an irrevocable power of attorney coupled with an interest for the purpose of reallocating the percentage interests and voting rights appurtenant to each of the Residential Units in the Condominium in accordance with the provisions of this Declaration and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article. Each Unit Owner and each mortgagee of a Unit in the Condominium shall be deemed to have acquiesced in the amendments to this Declaration and in amendments to the Declaration Plan for the purpose of adding additional Residential Units and Common Elements to the Condominium in the manner set forth in this Article and shall be deemed to have granted unto the Declarant, its successors and assigns, an irrevocable power of attorney coupled with an interest to effectuate, execute, acknowledge and deliver any such amendments. Each such Residential Unit Owner and mortgagee shall be deemed to have agreed and covenanted to execute such further instruments, if any, as may be required by the Declarant, its successors or assigns, to properly accomplish such amendments.

3.1.7 The consent of Residential Unit Owners shall be evidenced by an irrevocable, acknowledged and recordable Power of Attorney coupled with an interest, executed by such Residential Unit Owners at the time of their initial acquisition of title to a Residential Unit, authorizing the Declarant or its successors and assigns to expand the Condominium by subjecting additional property to the Condominium regime, as set forth herein, and in connection therewith to change, amend, reduce and/or reallocate the

proportionate undivided interests of such Residential Unit Owners in the Common Elements by the recording of an amendment to this Declaration executed by Declarant or its successors and/or assigns as attorney-in-fact for all such Residential Unit Owners.

3.1.8 The Declarant may add portions of the
Expansion

Lands to the Condominium, in any portion and in any sequence and at any time, subject only to the time limitation set forth in Section 3.1.1, herein. Upon the expiration of the time limitation set forth in Section 3.1.1, the Expansion Lands which are within the boundary lines of the Submitted Property shall be deemed to be a part of the Submitted Property, whether or not this Declaration and the Declaration Plan shall have been amended to so reflect, and the proportionate undivided interests of the Unit Owners shall be fixed as set forth in the last amendment pertaining thereto.

3.1.9 The Residential Condominium Units to be
created

in and constructed in the expansion of the Condominium are intended to be compatible in size, design, style, type and material as the existing Units. The Units will be of the same or similar quality of construction and materials, and the architectural style of the Units will be substantially the same or similar to that of the existing Units. However, Declarant reserves the right to change the size, design, style, type or materials of Units and improvements to the extent necessary and in order to meet requirements of the market or to achieve the best or most practicable development of the Condominium in the judgment of Declarant.

3.2 Submitted Property. The Submitted Property as described in Schedule 3.2 and shown on the Declaration Plan includes all improvements thereon and all rights and easements appurtenant thereto. The improvements may include one (1) Golf Course Unit, and up to one hundred forty-six (146) Residential Units, together with any other improvements shown on the Declaration Plan.

3.3 Golf Course Unit. The Golf Course Unit shall include the existing golf clubhouse and pro-shop (and any future extensions, additions or alterations thereto). The Golf Course Unit consists of the Unit (the Unit Boundaries and title lines of which shall be the same as the Unit Boundaries described for a Residential Unit, below), together with its interest in the Golf Course Limited Common Elements and its undivided interest in the Common Elements. To the extent the Act requires that the foundations, structural parts, supports, main walls, roofs, corridors, lobbies, stairways, entrances and exists of the clubhouse and pro shop be Common Elements, these Common Elements shall be deemed Golf Course Limited Common Elements. The Schedule of Golf Course Unit Information sets forth its identifying number, undivided interest in the Common Elements, votes in the Association and share of liability for
Common Expenses. The Golf Course Unit shall constitute for all purposes a separate parcel of real property which may be owned in fee simple and which, subject to¹² the provisions of the Act and the

Condominium Instruments, may be conveyed and encumbered. The undivided interest in the Common Elements for the Golf Course Unit shall not be altered except as expressly provided by the Act and this Declaration. Such undivided interest shall not be separated from the Golf Course Unit to which it pertains and shall be deemed to be conveyed or encumbered with the Golf Course Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. The Golf Course Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership of the Golf Course Unit by such Unit Owner. The Golf Course Unit Owner is restricted from utilizing the Residential Limited Common Elements, including the Recreational Facilities.

3.4 Residential Units

3.4.1 Residential Units. The Residential Area may contain up to one hundred forty six (146) Residential Units, the Identifying Letters and Numbers of which are set out on the Schedule of Unit Information and are shown on the Declaration. Each Residential Unit consists of the Unit together with its undivided interest in the Common Elements. The Schedule of Residential Unit Information, Schedule 3.4, sets forth for each Residential Unit its identifying number and undivided interest in the Common Elements, votes in the Association, and share of liability for Common Expenses. The allocation of undivided interests in the Common Elements and of the Common Expenses is as specified in the Schedule of Residential Unit Information. The votes in the Association are allocated to Residential Units as set forth in the Schedule of Residential Unit Information. Each Residential Unit shall constitute for all purposes a separate parcel of real property which may be owned in fee simple and which, subject to the provisions of the Act and the Condominium Instruments, may be conveyed and encumbered. The undivided interest in the Common Elements for each Residential Unit shall not be altered except as expressly provided by the Act and this Declaration. Such undivided interest shall not be separated from the Unit to which it pertains and shall be deemed to be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Residential Unit Owner shall automatically be a member of the Association, which membership shall continue during the period of ownership of the Residential Unit by such Unit Owner.

3.4.2 Residential Unit Boundaries. The title lines of each Residential Unit are situated as shown on the Declaration Plan and are described as follows:

(a) The vertical planes formed by the unfinished interior surfaces of such walls or windows as form part of the perimeter of such Unit shown on the Declaration Plan;

(b) The horizontal plane or planes formed by the unfinished interior surface of the uppermost ceiling of such Unit at its interface with the lower surface of the joists or trusses;

(c) The horizontal plane formed by the unfinished interior surface of the finished floor at its interface with the upper surface of the structural floor.

Except as noted below, each Residential Unit consists of all portions of the Building within the aforesaid title lines, including by way of illustration and not limitation:

(1) The airspace enclosed thereby;

(2) All non-loadbearing walls, partitions, dividers which are wholly contained within said title lines;

(3) The finished floors and ceilings within the Unit;

(4) All doors, door frames, doorways, door hinges and door sills appurtenant to such Unit, whether or not set in the exterior walls of the Building of which the Unit is a part;

(5) All windows, window frames, window tracks and window sills which are set in the exterior walls of the Building of which such Unit is a part, and any outside light fixture attached to the Common Elements but serving a particular Unit;

(6) All plaster, drywall, paint, wallpaper, tiles, panels and like finishing or decorative materials affixed to the surfaces defining the perimeter of the Unit;

(7) All electrical receptacles, outlets and fixtures located in the floors or ceilings of or in the perimeter of interior walls of such Unit and serving only such Unit;

(8) All plumbing fixtures located within such title lines;

(9) All piping, ducts and wiring serving only such Unit and located within such title lines;

(10) All baseboards located within such title lines;

(11) The air-conditioning ducts, heating ducts, ventilating ducts, condensers, compressors and air handlers serving only such Unit, whether or not located within such Unit;

(12) The fresh water pipes, discharge pipes, plumbing vents and all other plumbing, pipes, and conduits serving only such Unit and located within such title lines;

(13) The hot water heaters serving only such Unit and located within such title lines;

(14) All fixtures, appliances, machinery and equipment which are located wholly within such title lines and serve only such Unit.

Each Residential Unit also consists of all other parts of the Building (including fixtures, machinery and equipment) even though located outside of the title lines of such Unit, provided such other part of the Building serves only such Unit, including by way of illustration and not limitation, piping, wiring, conduits and ductwork serving only one Unit, electric heat pumps, electric meters and wiring serving only one Unit and exterior electric lights, fixtures and associated wiring which are wired through such electric meters. Excluded from each such Unit shall be all pipes, ducts, wires, cables, conduits, or other installations or systems serving more than one Unit or the Common Elements; all other apparatus and installations existing for common use which may be wholly or partially within the title lines of a Unit but which in whole or in part serve one or more other Units or the Common Elements and the Limited Common Elements, as herein defined.

3.5 Common Elements. The Common Elements consist of all portions of the Condominium other than the Golf Course Unit and the Residential Units. Certain portions of the Common Elements are Golf Course Limited Common Elements, reserved for the exclusive use by the Golf Course Unit Owner and subject to the obligations of the Golf Course Unit Owner to maintain, repair and replace all Golf Course Limited Common Elements. Certain portions of the Common Elements are Residential Limited Common Elements, reserved for the exclusive use by Residential Unit Owners, collectively, and subject to the obligations of Residential Unit Owners, collectively, to maintain, repair and replace such Residential Limited Common Elements. Residential Limited Common Elements may be specially assigned, as described below.

Common Elements shall not be subject to partition or division except that the Association may convey to the Declarant any portion of the Common Elements theretofore conveyed to the Association in exchange for other portions of the properties conveyed by the Declarant to the Association provided that all conveyances are approved by the Board of Directors of the Association and the Declarant. Upon such conveyance, the area thus conveyed to the Declarant shall cease to be a portion of the Common Elements and shall cease to be subject to the provisions of these covenants relating to the Common Elements, but the area thus conveyed to the Association shall become Common Elements and subject to the provisions of this Declaration relating to Common Elements.

3.6 Golf Course Limited Common Elements. The Golf Course Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of the Golf Course Unit Owner. Golf Course Limited Common Elements are not separate and apart from the Common Elements in general, but are limited only with respect to the exclusive use thereof by the Golf Course Unit Owner, and subject to the obligation of the Golf Course Unit Owner to maintain, repair or replace them at the sole cost and expense of the Golf Course Unit Owner.

3.7 Residential Limited Common Elements and Specially Assigned Residential Limited Common Elements. The Residential Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of the Residential Unit Owners, being one or more (but less than all) of the Condominium Units. Residential Limited Common Elements are not separate and apart from the Common Elements in general, but are limited only with respect to the exclusive use thereof by the Residential Unit Owners, and subject to the obligation of the Residential Unit Owners, collectively, to maintain, repair or replace.

3.7.1 Specially Assigned Residential Limited Common Elements are portions of the Residential Limited Common Elements which are for the exclusive use by the appurtenant Residential Unit to which they are assigned, and are subject to the obligation of such Residential Unit Owner, individually, to maintain, repair and replace. This obligation may only be modified by the Board of Directors of the Association, as set forth hereafter. Any exterior porches, balconies and open decks (including rooftop decks, if any) and stairwells contiguous to each Residential Unit serving only that Unit, and the ground level asphalt or concrete slab covered areas beneath any second level finished space which serve a single Residential Unit and which are appurtenant to such Unit shall be a Specially Assigned Residential Limited Common Element assigned to the Residential Unit having direct access thereto or direct use thereof.

3.7.2 The Residential Directors of the Association shall have the ultimate power and responsibility for determining whether the obligation for maintenance, repair and replacement of Specially Assigned Residential Limited Common Elements is to be the obligation of the appurtenant Residential Unit Owner, individually, or the collective obligation of all of the Owners of the Residential Units. The Residential Directors may, by majority vote, determine the amount of and levy any special Assessments for repairs of specially Assigned Residential Limited Common Elements consistent with its determination pursuant to this paragraph. Until such determination is made to the contrary, the costs and expenses of maintaining, repairing and replacing Specially Assigned Residential Limited Common Elements shall be the obligation of appurtenant Residential Unit Owner.

3.8 Unit Owner Rights and Obligations, Generally. All Unit Owners, as members of the Association, shall have the right to vote on Association matters in accordance with the votes allotted to the Unit(s) owned by that member. Although all Unit Owners have undivided interests in all Common Elements, only the Golf Course Unit Owner selects the Golf Course Director, and in turn, only the Golf Course Director will decide issues pertaining to Golf Course Limited Common Elements. Likewise, only Residential Unit Owners may vote for the election of Residential Directors, and in turn, only Residential Directors will decide issues pertaining to Residential Limited Common Elements. The Association, through the Golf Course Director and the Residential Directors shall have the right and duty to maintain, repair and replace the improvements constituting the Common Elements, subject to the foregoing specifically designated responsibilities, and to charge the Unit Owners for their proportionate share of the costs of such maintenance, repairs and replacements of the Common Elements. Any references herein to the rights or duties of the Association, generally, shall be construed to effectuate the relative rights and responsibilities of the Golf Course Unit Owner and Golf Course Director and the Residential Unit Owners and the Residential Directors, respectively. Unit Owners voting rights, election of Directors, meetings and the like are more fully set forth in the Code of Regulations.

In the event the Declarant shall at any time provide any services for potable water, sewage pump out, sewer, garbage and trash pickup, and street, sidewalk and street lighting maintenance to the Condominium, the Declarant is hereby given and granted the right, at its sole option, to assign and transfer its duties and obligations of providing such services to the Association along with all right, title, or interest to any service facilities the Declarant may have. Upon such assignment and transfer the costs related thereto shall become Common Expenses of the Association.

ARTICLE 4

EASEMENTS

In addition to the easements created by the Act, the easements described in this Article 4 from each Owner to each other Owner, to the Association, and to the Declarant are hereby granted, reserved and established, subject to and in accordance with the following terms and conditions:

4.1 Use and Enjoyment. Subject to the following provisions and limitations, the Golf Course Unit Owner shall have a right and easement of use and enjoyment in and to the Common Elements (except as otherwise limited by the Condominium Instruments) and the Golf Course Limited Common Elements and such easement shall be appurtenant to and shall pass with the title to the Golf Course Unit. Similarly, every Residential Unit Owner shall have a right and easement of use and enjoyment in and to the Common Elements

(except as otherwise limited by the Condominium Instruments) and the appurtenant Residential Limited Common Elements and such easement shall be appurtenant to and shall pass with the title to every such Residential Unit. The rights of use and enjoyment are subject to the following provisions:

4.1.1 The right of the Association (in each instance listed herein, after control thereof shall have been transferred from the Declarant to the Unit Owners pursuant to Section 7.2 herein), to control the use and enjoyment thereof as provided by the terms of this Declaration, which shall include, but not be limited to, the right of the Association to limit the use and enjoyment thereof to the Unit Owners and their respective occupants, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by a Residential Unit Owner and his Occupants.

4.1.2 The right of the Association to limit the number of guests of Residential Unit Owners.

4.1.3 The right of the Golf Course Unit Owner to the exclusive use of the Golf Course Limited Common Elements.

4.1.4 The right of the Residential Unit Owners to the exclusive use of the Residential Limited Common Elements, and for those so assigned, the right to the exclusive use of the Specially Assigned Residential Limited Common Elements appurtenant to their respective Residential Units.

4.1.5 The right of the Association to suspend the voting rights and the rights to use any facilities of the Condominium and Common Areas (including any Limited or Specially Assigned Limited Common Areas) by any Unit Owner and his Occupants for any period of time during which an Assessment against his Condominium Unit remains unpaid or for a reasonable time for infractions of any provisions of the Condominium Instruments or rules and regulations duly promulgated by the Association.

4.2 Structural Support

4.2.1 Residential Unit Structural Support. Each Residential Unit shall have an easement for structural support over the Common Elements and Residential Limited Common Elements, and each such Unit shall be subject to an easement for structural support in favor of all other Residential Units, Common Elements and Residential Limited Common Elements.

4.3 Utilities.

4.3.1 Golf Course Area Utilities. To the extent that any utility line, pipe, wire or conduit serving the Golf Course Unit or the Golf Course Limited Common Elements shall lie wholly or partially within the boundaries of the Common Elements generally,

such Common Elements shall be burdened with an easement for the use, maintenance, repair and replacement of such utility line, pipe, wire or conduit, such easement to be in favor of the Golf Course Unit or Golf Course Limited Common Elements served by the same and the Association.

4.3.2 Residential Area Utilities. The Common Elements and Residential Limited Common Elements shall be and are hereby made subject to the following easements in favor of the Residential Unit(s) benefited:

For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are a part of the Unit and which pass across or through a portion of the Common Elements or Residential Limited Common Elements;

- For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling or wall adjacent to a Unit which is part of the Common Elements or Residential Limited Common Elements, provided that the installation, repair, maintenance, use, removal or replacement of such fixtures, receptacles and the like does not unreasonably interfere with the common use of any part of the Common Elements or Limited Common Elements or impair or structurally weaken the Building;

For driving and removing nails, screws and bolts into the Unit-side surface of walls which are not part of the Common Elements or Residential Limited Common Elements; provided that such action will not unreasonably interfere with the common use of any part of the Common Elements or Residential Limited Common Elements or impair or structurally weaken the Building;

- For installation, repair, maintenance, use, and/or replacement of the Stormwater Management Pond located in the area of the Golf Course Limited Common Elements (closest to the Residential Area), that provides stormwater management and drainage of the Residential Limited Common Elements, subject to the obligation of the Residential Unit Owners, collectively, to: fund any such repair, maintenance, use and/or replacement, as well as any damage to this Stormwater Management Pond caused by the use of the Residential Limited Common Elements; and indemnify and hold harmless the Golf Course Unit Owner from any claims arising out of the repair, maintenance, use and/or replacement of this Stormwater Management

Pond. This "Maintenance Access Easement" is more fully described in Schedule 4.3.2, hereto.

The Residential Units shall be and are hereby made subject to an easement in favor of the Board of Directors and its agents or employees for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are part of the Common Elements or Residential Limited Common Elements and which pass across or through a portion of one or more Residential Units. It shall be understood and agreed that the Board of Directors and its agents and employees shall take reasonable steps to minimize any interference with a Residential Unit Owner's use of his Unit resulting from the Board of Directors' exercise of the rights it may have pursuant to this Article. Use of this easement shall be only upon prior notice during normal business hours, except that access may be had at any time in case of emergency,

4.3.3 Declarant's Right to Grant Utility Easements for Propane or Natural Gas, Electric, Lighting, Telephone and Cable. Declarant, for itself and any successors and assigns, reserves the right to subject the Submitted Property to agreements for propane or natural gas, electric service and lighting, telephone and cable service, and for the installation of underground cables, conduits and support structures and lighting elements, any of which may require continuous monthly charges to the Owner of each Unit. Upon acceptance of a deed to a Unit, each Unit Owner agrees to pay the associated continuing monthly charges. Declarant specifically reserves the right to contract on behalf of each Unit Owner with public utilities for street lighting and related services, and with private suppliers of propane or natural gas. Upon acceptance of a deed to a Unit, each Unit Owner agrees to pay to such public utilities or private suppliers the continuing monthly payment therefor.

4.3.4 Declarant's Right to Grant Utility Easements for Water and Sewer. Declarant, for itself and for any successors or assigns, further reserves the right to subject the Submitted Property to water or utility service, and to grant easements therefore, and to subject each Unit to such water and sewer service from public and/or private utilities which may require a continuous monthly charge to the Unit owner. Upon acceptance of a deed to a Unit each Unit Owner agrees to pay any such continuing monthly charge.

4.3.5 Easements for Utilities Serving Common Elements. An easement is hereby reserved for the benefit of public and/or private utilities providing services over all Common Elements (including all Limited Common Elements and Specially Assigned Common Elements) hereby or hereafter established for the settling, removal, and reading of water meters, the maintenance and replacement of electric, water, sewer and drainage facilities and the collection of garbage.

4.3.6 Easement Crossing Bethpage Drive (f/n/a Golf Course Way). An easement is hereby reserved for the benefit of the Golf Course Unit Owner for a crossing, across Bethpage Drive for golf carts, golf course maintenance equipment, vehicular and pedestrian traffic, and for underground utilities, all to allow the extension of the services and facilities associated with the Golf Course Unit operations, in the event all or part of the property to the west of the Submitted Property (n/f Blanch A. Warrington), is leased or purchased by the Golf Course Unit Owner, its successors and/or assigns. In the event this easement is utilized, the Golf Course Unit owner will bear all costs and expenses associated with the installation, maintenance, repair and replacement of the crossing and underground utilities, and shall provide appropriate signage, and if appropriate, lighting, for safety at the crossing.

4.3.7 Easement Along Bethpage Drive. The absolute right to grant an easement is hereby reserved to the Declarant and to the Golf Course Unit Owner, for vehicular traffic along Bethpage Drive, to allow access to Sussex County Road 283 and the Golf Course Area for the benefit of the property to the west of the Submitted Property (n/f Blanch A. Warrington), in the event this property is leased or purchased by the Declarant or the Golf Course Unit Owner, or the successors and/or assigns of either. In the event this right to grant an easement is exercised, the parties benefited by the easement will be responsible for an equitable apportionment of the maintenance, repair and replacement of Bethpage Drive, based upon the traffic usage of Bethpage Drive. The reserved rights of Declarant hereunder shall survive the expiration of Declarant's Control of the Association, as provided in Article 7, Section 7.2, and shall survive, notwithstanding Declarant's completion of the expansion of the Condominium and transfer of title to all Residential Units to third-party purchasers, but shall expire if not exercised prior to December 31, 2020. The reserved right to grant such easement shall be deemed a permanent and perpetual right running with and benefiting the Golf Course Unit.

Each Unit Owner and each mortgagee of a Unit in the Condominium shall be deemed to have acquiesced in the grant of this easement in the manner set forth herein and shall be deemed to have granted unto the Declarant and the Golf Course Unit Owner, or the successors and/or assigns of either, an irrevocable power of attorney coupled with an interest to effectuate, execute, acknowledge and deliver such easement. Each such Unit Owner and mortgagee shall be deemed to have agreed and covenanted to execute such further instruments, if any, as may be required by the Declarant and the Golf Course Unit Owner, or the successors and/or assigns of either, to properly accomplish such easement.

4.4 Encroachments. If any portion of the Common Elements or Limited Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common

Elements or Limited common Elements as a result of the construction, reconstruction, repair, renovation, restoration, shifting, settlement or movement of any portion of the Condominium, an easement for the encroachment and for the maintenance, repair and replacement thereof shall exist so long as the encroachment exists. In the event that any Unit, any adjoining Unit, or any adjoining portion of any Limited Common Elements or Common Elements shall be partially or totally damaged or destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then be repaired or reconstructed, encroachments of portions of the Common Elements or any Limited Common Elements upon any Unit, or of any Unit upon any other Unit or upon any portion of the Common Elements or Limited Common Elements due to such repair or reconstruction, shall be permitted, and easements for such encroachments and the maintenance, repair and replacement thereof shall exist. This easement is intended to apply only to the extent necessary and is not intended to deprive another Unit or the Association of a substantial property right or use.

4.5 Maintenance and Repair. There shall be an easement in favor of the Declarant, the Association and the Unit Owners through the Common Elements, the Units and the Limited Common Elements as may be reasonably necessary for the installation, maintenance, repair and replacement of Units, Common Elements and the Limited Common Elements and for inspection of the Units and Limited Common Elements for the purpose of verifying the performance by Unit Owners of all items of maintenance, repair and replacement for which they are responsible. Use of this easement shall be only upon prior notice during normal business hours, except that access may be had at any time in case of emergency.

4.6 Rights of Association. There shall be a general easement to the Association, its Directors, Officers, contractors, agents and employees (including, but not limited to any manager employed by the Association) to enter upon the Submitted Property or any portion thereof and to enter or gain access through the Units, the Common Elements and the Limited Common Elements and any Specially Assigned Limited Common Elements as may be reasonably necessary for the installation, maintenance, repair and replacement thereof, for making emergency repairs and for other work for the proper maintenance and operation of the Condominium and for the performance of their respective duties. Each Unit Owner shall afford to other Unit Owners and to the Association, their respective contractors, agents, representatives and employees, such access through such Unit as may be reasonably necessary to enable them to perform such work and to exercise and discharge their respective powers and responsibilities. Except in the event of emergencies, however, such easements are to be exercised only during normal business hours and upon advance notice to and with the permission of the Unit Owner or Occupant of a Unit directly affected thereby. The Association shall have the power to grant and accept permits, licenses and easements on, over, across and

through the Common Elements and Limited Common Elements and Specially Assigned Limited Common Elements for the installation, maintenance, repair and replacement of utilities, roads and for other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

4.7 Rights of Declarant. So long as Declarant owns any Unit primarily for the purpose of sale, Declarant and its duly authorized contractors, representatives, agents, and employees shall have a transferable easement for the maintenance of signs, and promotional facilities on the Submitted Property, together with such other facilities as in the opinion of the Declarant may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Units on the Submitted Property. The Declarant may use any unsold Unit as a model. During the period that Declarant owns any Unit, Declarant, its duly authorized contractors, representatives, agents and employees, shall have a transferable easement, on, over, through, under and across any Limited Common Elements, Specially Assigned Limited Common Elements and the Common Elements for the purpose of making improvements on the Submitted Property and for the purpose of doing all things reasonably necessary and proper in connection therewith.

4.8 Blanket Easements. There is hereby created a blanket, easement upon, across, over and under all of the Submitted Property subject to this Declaration for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, drainage, telephones, cable television, internet service lines and electricity. This blanket easement is expressly in favor of, but not limited to, the Declarant and the Association, its directors, officers, or agents. By virtue of this easement, it shall be expressly permissible for the electrical, gas, cable, internet and/or telephone company providing service to erect and maintain underground and other equipment on said property, and to affix and maintain electrical, gas, cable, internet and/or telephone wires, circuits, pipes and conduits on, above, across and under the Common Elements and Limited Common Elements and any Specially Assigned Limited General

Elements. An easement is further granted to all police, fire protection personnel, garbage collectors, ambulance, and like persons to enter upon the streets and Common Elements and Limited Common Elements and any Specially Assigned Limited Common Elements in the performance of their duties. Further, an easement is hereby granted to the Declarant and the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Limited Common Elements, Specially Assigned Limited Common Elements and Common Elements provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewer, electrical lines, cable lines, internet lines, water lines, gas pipes or lines, or other utilities may be installed or relocated on said Submitted Property except as initially approved by the Declarant or

thereafter approved by the Declarant or the Association. Should any utility furnishing a service covered by this general easement request a specific easement by separate recordable documents(s), Declarant or the Association shall have the right and authority to grant such easement. The easement provided for in this Section shall in no way abrogate other recorded easements on said Submitted Property.

The blanket easement created hereunder is intended to provide the Declarant and the Association the maximum flexibility for the location of easements benefiting the Units and the Common Elements. It shall not be construed to allow any utility supplier the right to avoid responsibility for the improper location of utilities. Easements for utilities shall be located, wherever practicable, so as to cause the least interference with the full enjoyment of the Units and the appurtenant Limited Common Elements.

Easements are hereby reserved over and through the Submitted Property for the use, benefit and enjoyment of the Declarant, its agents, employees, successors and assigns for the installation and maintenance of roads, streets and parking areas and for cable television services, sewage utility services, and such other reasonable services that the Declarant may, in its sole discretion, provide to the Units. Easements are hereby granted over and through the Submitted Property for the use, benefit and enjoyment of the Association, its agents, employees, successors and assigns for the installation and maintenance of any roads, streets, parking areas and such other properties or improvements in and adjacent to the Submitted Property owned by or entrusted to the Association. Said easement in favor of the Association shall include the rights of access, ingress and egress to fulfill its obligations under the Code of Regulations of said Association and all applicable Declarations and to enforce said Codes and Declarations against all Unit Owners in the Condominium. Easements of access, ingress and egress are hereby granted to governmental bodies over and through the Submitted Property as are reasonably necessary for the fulfilling of obligations and purposes as a governmental body and for the providing of services and utilities to the Condominium. Any easements and accesses herein granted or reserved by this and the preceding paragraph shall not obligate the person, corporation, county or other entity in whose favor the easement has been granted or reserved to provide the services or improvements for which the easements have been created, unless, in each instance, they are otherwise obligated to provide such service or improvement.

ARTICLE 5

MAINTENANCE AND REPAIR

5.1 Common Elements. The Association shall maintain, repair and replace all portions of the Common Elements, except as may be herein otherwise specifically provided. This responsibility is subject to the Association's right to delegate the responsibility

for and costs relating to the maintenance, repair and replacement of Specially Assigned Limited Common Elements, as provided elsewhere herein. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under the Act or this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, order, permit requirement or directive of any county, state, federal or other governmental authority.

5.2 Unit Owner. Each Unit Owner shall maintain, repair and replace all portions of his Unit, and the Specially Assigned Limited Common Elements appurtenant to such Unit, except those portions, if any, which are to be maintained, repaired or replaced by the Association. The Unit Owner shall maintain, repair and replace all fixtures, equipment and appliances installed in his Unit or located within the boundaries thereof, and all conduits, wires, pipes or other apparatus located within the boundaries of such Owner's Unit or deemed to be a part thereof as provided herein. Each Unit Owner shall perform his responsibilities in such a manner so as not to unreasonably disturb other persons in other Units. Each Unit Owner shall promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible. The Association shall have the right but not the obligation to make any repair or replacement or to do any cleaning or maintenance which is the responsibility of the Unit Owner if the Unit Owner fails or refuses to do so, and in such event the Unit Owner shall be obligated to pay for the cost incurred by the Association for such work. The Association's Board of Directors shall have the sole right by majority vote to determine when any such repairs or replacements are made. The sums spent by the Association pursuant to this authority shall be conclusive upon the Unit Owner(s) to be assessed. Each Unit Owner shall also be obligated to pay for the cost of repairing, replacing, or cleaning any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of such Unit Owner or any of his occupants. The cost of any such repair, replacement, maintenance or cleaning thereof next coming due to which the Unit Owner is subject shall constitute a lien against the Unit in like manner as other Assessments.

5.2.1 Golf Course Unit Owner. The Golf Course Unit Owner shall keep the Golf Course Unit and its appurtenant Golf Course Limited Common Elements in a clean, orderly and safe condition and appearance at the Golf Course Unit Owner's expense.

5.2.2 Residential Unit Owners. Each Residential Unit Owner shall:

(a) Keep the Residential Unit, together with its appurtenant Specially Assigned Residential Limited Common Elements, in a reasonably clean, orderly and safe condition and appearance at the Unit Owner's expense; and

(b) Not paint or otherwise alter the exterior appearance of the Residential Unit or its appurtenant Specially Assigned Residential Limited Common Elements without the Association's prior written consent.

ARTICLE 6

ASSESSMENTS

6.1 Assessments Generally.

The Association's Board of Directors shall collectively have the power under the Act and the Condominium Instruments to determine Assessments for the payment of Common Expenses. As more fully set forth herein and in the Code of Regulations, the Association's Board of Directors shall include a Golf Course Director, who shall decide issues pertaining to general and any special Assessments of the Golf Course Unit arising out of or pertaining to the Golf Course Limited Common Elements, and three (3) or more Residential Directors, who shall decide issues pertaining to general and any special Assessments of the Residential Units, arising out of or pertaining to the Residential Limited Common Elements. The Association's Board of Directors as so comprised shall levy and collect all general and special Assessments pertaining to these respective Limited Common Elements (except as provided in Article 6, Section 6.2.3), which Assessments shall have all of the legal force and effect provided in the Act and the Condominium Instruments. All Directors comprising the Association's Board of Directors shall collectively decide issues pertaining to Common Elements which are not designated as Limited Common Elements, specifically including Bethpage Drive, as depicted upon the Declaration Plan.

The Condominium Instruments are intended to confirm: the responsibility of the Golf Course Unit Owner for Assessments relating to the Golf Course Limited Common Elements and the collective responsibility of the Residential Unit Owners for Assessments relating to the Residential Limited Common Elements, including the Recreational Facilities. The Directors for each of the classes of Units shall prepare separate budgets and separately account for all items of income and expense pertaining to the separate classes of Limited Common Elements, The only Common Element not designated a Limited Common Element hereunder, and subject to general Assessment of all Unit Owners in accordance with a Unit Owner's Undivided Percentage Interests ("UPI") in the Common Elements (as contrasted with the Unit Owner's percentage interest in the respective appurtenant Residential Limited Common Elements) is Bethpage Drive.

6.2 The Golf Course Unit Assessments.

6.2.1 Lien. The Golf Course Unit Owner covenants and

agrees to pay to the Association all Assessments (general and special, Golf Course Limited Common Element Assessments, or any other Assessments properly levied by the Association) provided by the Act and by this Declaration which shall be fixed, established and collected from time to time as hereinafter provided. The formula for allocating percentage liability for the Common Elements and Golf Course Limited Common Element Expenses and Assessments are as set forth in the Schedule of Golf Course Unit Information, attached hereto as Schedule 3.3. All Assessments and other charges provided by this Declaration, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a continuing charge against the Golf Course Unit. The Golf Course Unit shall be conveyed subject to a lien for any unpaid Assessments subject to the provisions of 25 Del. C. §§ 2236 and 2237 and Section 6.1.2 hereof. The Golf Course Unit Owner may not waive or otherwise escape liability for Assessments by non-use of the Common Elements or the Golf Course Limited Common Elements.

6.2.2 Golf Course Annual Assessments. The amount of all Golf Course Limited Common Element Expenses shall be assessed against the Golf Course Unit. The Golf Course Annual Assessment shall be established by the Golf Course Director. If the estimated budget proves inadequate for any reason at anytime during the year, then the Golf Course Director may levy at any time a further Assessment against the Golf Course Unit Owner and notify such Unit Owner accordingly. If for any reason an annual budget is not made by the Golf Course Director, a payment in the amount required by the last prior Assessment shall be due upon each Assessment due date until changed by a new Assessment. Golf Course Limited Common Element Expenses of the Association to be paid through Golf Course Annual Assessments shall include, but shall not necessarily be limited to, the following Sections (a) through (g), inclusive, and the due date(s) of any such special Assessments shall be specified by the Golf Course Director:

(a) Utility charges for utilities serving the Golf Course Limited Common Elements.

(b) The cost of any master or blanket policies of insurance purchased for the benefit of the Golf Course Unit Owner and the Association as required by this Declaration, including fire and other hazard coverage, public liability coverage, and such other insurance coverage as the Golf Course Director determines to be in the interests of the Association and the Golf Course Unit Owner.

(c) The expense of maintenance, operation and repair of the Golf Course Limited Common Elements.

(d) Such other expenses as may be determined from time to time by the Golf Course Director to be Golf Course Limited Common Element Expenses, including, without limitation, taxes and governmental charges not separately assessed against the Golf Course Unit but attributable to the Golf Course Limited Common Elements.

(e) The establishment and maintenance of an adequate reserve fund or funds for the periodic maintenance, repair and replacement of those Golf Course Limited Common Elements which the Golf Course Director may be obligated to maintain and of a reserve to cover operating contingencies or deficiencies arising from unpaid Assessments or liens, emergency expenditures and other matters, as may be authorized from time to time by the Golf Course Director. The purpose of such fund is to insure that funds will be available for the Golf Course Director to meet unforeseen expenditures, to pay one-time expenses at the beginning of the Association such as legal, accounting and other services, and to acquire insurance or additional equipment or services deemed necessary or desirable by the Golf Course Director. Amounts paid into such fund shall not be considered as advance payment of the annual Assessment.

The Golf Course Annual Assessment for Golf Course Limited Common Element Expenses described above shall be paid by and collected from the Golf Course Unit Owner. The Golf Course Unit Owner shall be obligated to pay such Assessment to the Association within thirty (30) days of the date of billing(s). In any year in which there is an excess of Assessments and other income over expenditures, the Association's Golf Course Director, by resolution and without the necessity of a Vote of the Golf Course Unit Owners, shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's Assessments or to allocate the same to one or more reserve accounts of the Association described above. The first annual Assessment payable under this paragraph shall be prorated according to the number of days remaining in the Association's fiscal year after the date of which this Declaration is filed for record.

6.2.3 Special Provisions Pertaining to Golf Course Unit Assessments. Notwithstanding anything to the contrary in this Section 6, the Golf Course Unit Owner (either directly or through the Golf Course Director) may elect to pay directly all costs and expenses related to the Golf Course Unit and the Golf Course Limited Common Elements. In such event, and provided the Golf Course Unit Owner shall provide the Association written notice of such election, together with proof of public liability insurance which covers the Golf Course Limited Common Elements (and may also cover the Golf Course Unit) with companies and in form acceptable to the Association and naming the Association as a named insured, with a minimum limit of \$1,000,000.00 for any occurrence and \$2,000,000.00 in the aggregate. The Golf Course Unit Owner shall

provide the Association proof of such coverage at the time of such election and shall provide proof of such continued coverage at each renewal of the policy or policies. In the event such election is made, the Golf Course Unit shall be responsible to the Association only for the Common Expenses, to be assessed against the Golf Course Unit in accordance with the Golf Course Unit Owner's Undivided Percentage Interests ("UPI") in the Common Elements in the Master Schedule of Golf Course Unit Information, and as set forth in the Code, Section 6A.

6.3 The Residential Unit Assessments.

6.3.1 Lien. Each Residential Unit Owner covenants and agrees to pay to the Association all Assessments (general and special, Residential Limited Common Element Assessments, or any other Assessments properly levied by the Association) provided by the Act and by this Declaration which shall be fixed, established and collected from time to time as hereinafter provided. The formula for allocating percentage liability for Common Expenses and Residential Limited Common Element Expenses and Assessments assigned to each Residential Unit are as set forth in the Schedule of Residential Unit Information, attached hereto as Schedule 3.4. All Assessments and other charges provided by this Declaration, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a continuing charge against each such Unit. Each Unit shall be conveyed subject to a lien for any unpaid Assessments subject to the provisions of 25 Del. C. §§ 2236 and 2237 and Section 6,2.2 hereof. No Unit Owner may waive or otherwise escape liability for Assessments by non-use of the Common Elements, the Residential Limited Common Elements or abandonment of his Unit. Notwithstanding the foregoing or any other provision contained in this Declaration, the Declarant, until control of the Association shall have been transferred from the Declarant to the Unit Owners pursuant to Section 7.2 herein, shall be entitled to assume some or all of the Common Expenses and Residential Limited Common Element Expenses in lieu of paying Assessments for unsold Residential Units. At such time as control of the Association shall have been transferred from the Declarant to the Unit Owners pursuant to Section 7.2 herein, Declarant shall pay Assessments for any remaining unsold Residential Units.

6.3.2 Residential Unit Annual Assessments. The amount of the Common Expenses shall be assessed against each Residential Unit Owner in accordance with the Residential Unit Owner's Undivided Percentage Interests ("UPI") in the Common Elements in the Master Schedule of Residential Unit Information, and as set forth in the Code, Section 6A. The amount of all Residential Limited Common Element Expenses not specifically assessed against one or more but less than all of the Residential Units pursuant to the provisions of this Declaration, less the amount of all undistributed and unreserved excess of assessments and other income over expenditures, as established by the Residential Directors, shall be assessed against each Residential

Unit in accordance with the Residential Unit Owner's Percentage Interest in Residential Limited Common Elements ("RCLE") in the Master Schedule of Unit Information. These two items shall together constitute the "Residential Unit Annual Assessment" ("RUA Assessment"). During that portion of the Association's initial fiscal year, the RUA Assessment shall be as set forth in the Code. At least thirty (30) days prior to the annual meeting of the Association, the Residential Directors shall prepare and submit in writing to all Residential Unit Owners and the Board of Directors an estimated budget of the Residential Limited Common Element Expenses for the next succeeding fiscal year. If the estimated budget proves inadequate for any reason at anytime during the year, then the Residential Directors may levy at any time a further Assessment against the Residential Unit Owners and notify such Unit Owners accordingly. If for any reason an annual budget is not made by the Residential Directors, a payment in the amount required by the last prior Assessment shall be due upon each Assessment due date until changed by a new Assessment. Residential Limited Common Element Expenses of the Association to be paid through RUA Assessments shall include, but shall not necessarily be limited to, the following subsections (a) through (g), inclusive, and the due date(s) of any such special Assessments shall be specified by the Residential Directors:

(a) Management fees and expenses of administration, including management fees, legal fees, accounting fees, and employment expenses.

(b) Utility charges for utilities serving the Residential Limited Common Elements and charges for other common services.

(c) The cost of any master or blanket policies of insurance purchased for the benefit of all Residential Unit Owners and the Association as required by this Declaration, including fire and other hazard coverage, public liability coverage, and such other insurance coverage as the Residential Directors determines to be in the interests of the Association and the Residential Unit Owners.

(d) The expenses of maintenance, operation and repair of the Residential Limited Common Elements as well as any maintenance upon the Residential Units which is the responsibility of the Association, if such expense is not covered by a special Assessment.

(e) Charges for any utilities provided to the Residential Units and not separately metered, which shall be a Residential Limited Common Expense of the Residential Unit Owners, collectively.

(f) Such other expenses as may be determined from time to time by the Residential Directors to be Residential Limited

Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against each Residential Unit.

(g) The establishment and maintenance of an adequate reserve fund or funds for the periodic maintenance, repair and replacement of those Residential Limited Common Elements which the Residential Directors may be obligated to maintain and of a reserve to cover operating contingencies or deficiencies arising from unpaid Assessments or liens, emergency expenditures and other matters, as may be authorized from time to time by the Residential Directors. A working capital fund shall be established for the initial months of the operation of the Condominium equal to at least \$500.00 per Residential Unit, which shall be collected with respect to each Residential Unit at the time of conveyance of such Unit by Declarant to a purchaser and shall be deposited in and maintained in a separate account of the Association for the use and benefit of the Residential Unit Owners, collectively. The purpose of such fund is to insure that funds will be available for the Residential Directors to meet unforeseen expenditures, to pay one-time expenses at the beginning of the Association such as legal, accounting and other services, and to acquire insurance or additional equipment or services deemed necessary or desirable by the Residential Directors. Amounts paid into such fund shall not be considered as advance payment of the RUA Assessment.

The RUA Assessment for Residential Limited Common Element Expenses described above shall be paid by and collected from the Residential Unit Owners in accordance with their respective liabilities for Assessments. Each Residential Unit Owner shall be obligated to pay such Assessments to the Association within thirty (30) days of the date of billing. In any year in which there is an excess of Assessments and other income over expenditures, the Association's Residential Directors, by resolution and without the necessity of a Vote of the Residential Unit Owners, shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's Assessments or to allocate the same to one or more reserve accounts of the Association described above. Any of the foregoing provisions of this paragraph which may be construed to the contrary notwithstanding, no Assessment shall be payable under this paragraph by any Residential Unit Owner until this Declaration is filed for record. The first RUA Assessment payable under this paragraph shall be prorated according to the number of days remaining in the Association's fiscal year after the date of which this Declaration is filed for record.

6.3.3 Residential Unit Special Assessments. Any Residential Limited Common Element Expenses occasioned by the conduct of less than all Residential Unit Owners or their Occupants may be specially assessed by the Residential Directors against the Residential Unit or Units, the conduct of any Owner or occupant of which occasioned any such Limited Common Expenses. The special allocation of assessments provided for in this paragraph shall be

levied by the Association's Residential Directors in their reasonable judgment, and the amount and due date(s) of such Assessments so specially allocated by the Board shall be as specified by the Board. In no event shall the Association or any member of the Board have any liability for any judgment or decision made reasonably and in good faith under this paragraph.

6.3.4 Residential Unit Special Assessments for Capital Improvements. In addition to the special and general Assessments authorized above, and in addition to the special Assessments for reconstruction or repair of casualty damage, the Association's Residential Directors may levy a special Assessment for the purpose of defraying, in whole or in part, the cost of any capital addition to or capital improvement of the Residential Limited Common Elements (including the necessary fixtures and personal property related thereto), which is for the benefit of all Residential Unit Owners; provided, however, the total amount of the special Assessment levied by the Association's Residential Directors under and pursuant to the provisions of this Section shall not exceed the sum of \$500.00 per Residential Unit in any one calendar year unless approved by a majority of the Residential Unit Owners at a meeting duly called and held for such purpose. Residential Unit Owners shall be assessed for special Assessments under this Section in accordance with the liability for Assessments of their respective Condominium Units, and the due date(s) of any such special Assessments shall be specified by the Association's Residential Directors.

6.4 Non-Payment of Assessments; Remedies of Association. Any Assessment, or portion thereof, not paid when due shall be delinquent, and the Association's Board of Directors shall have the duty to enforce the collection of all delinquent Assessments. Any Assessment, or portion thereof, not paid within thirty (30) days after the due date shall constitute a lien on such Owner's Condominium Unit when filed of record in the Office of the Prothonotary of the Superior Court, Sussex County, in the manner provided for filing statutory liens against real property, if the same is not paid within thirty (30) days after the due date, then a late charge, the greater of Fifteen Dollars (415.00) or fifteen percent (15%) of the amount of each Assessment or installment thereof not paid when due, shall also be due and payable to the Association. If any Assessment or portion thereof is delinquent for a period of more than thirty (30) days, and then is not paid within ten (10) days after written notice is given to the Unit Owner to make such payment, interest on the unpaid balance of the Assessment for the year in question shall be assessed at an additional charge of eighteen percent (18%) per annum on the unpaid balance from the original due date of the Assessment until paid, and the Unit Owner shall also pay to the Association all costs and reasonable attorney's fees incurred by the Association in the enforcement of such obligation and/or lien. Such notice shall be sent by U.S. Mail, postage prepaid, to the Unit Owner at the address the Unit Owner may have designated to the Association in

writing, specifying the amount of the Assessments then due and payable, together with authorized late charges and additional interest accrued thereon. The Association Board of Directors may suspend the Vote of the Unit Owner or the rights of the Unit Owner and his Occupants, invitees and guests, to use the Recreation Facilities during the period in which any Assessment or portion thereof remains unpaid and after at least ten (10) days written notice is given to the Unit Owner, as aforesaid. The Association may bring an action at law against the Unit Owner obligated to pay the same or foreclose its lien against such Owner's Condominium Unit, in which event late charges, interest and costs of collection shall be added to and included in such lien, with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Condominium Unit, and reasonable attorneys' fees. For the purposes of this Article, the amount of delinquent Assessments, late charges, accrued interest and the amount of accelerated Assessments, if any, shall be considered an indebtedness and shall be evidenced by this Section 6.4 and therefor evidence of indebtedness shall exist hereby. All payments on account shall be applied first to the aforesaid costs of collection, then to late charges, then to interest, and then to the Assessment lien first due. Each Unit Owner vests in the Association Board of Directors the right and power to bring all actions against him personally for the collection of such Assessments as a debt and to enter and foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all Unit Owners. The Association, acting through the Board, shall have the power to bid in the Condominium Unit at any Foreclosure sale and to acquire, hold, lease, encumber and convey the same. No Unit Owner may waive or otherwise escape liability for Common Elements by abandonment of his Condominium Unit. The rights and remedies conferred herein shall be in addition to, and not in lieu of, those set forth in Subchapter VII of the Act. (25 Del. C. §§ 2232-2237).

6.5 Sale or Transfer of Condominium Unit, Except as provided in Section 6.6 hereof and 25 Del. c. §§ 2236-2237, the sale or transfer of any Condominium Unit shall not affect the Assessment lien.

6.6 Deed in Lieu of Foreclosure. Notwithstanding anything contained in this Declaration or the Act which may be construed to the contrary, in the event any First Mortgagee that is an Institutional Mortgagee shall acquire title to any Condominium Unit by virtue of any deed in lieu of Foreclosure of a First Mortgage, such a First Mortgagee shall not be liable for, nor shall such Condominium Unit be subject to a lien for, any Assessment chargeable to such Condominium Unit on account of any period prior to the time such First Mortgagee shall so acquire title to such Condominium Unit; provided, however, that Common Expenses

collectible thereafter from all Unit Owners, including such First Mortgagee shall be paid as set forth in this Declaration.

ARTICLE 7

ADMINISTRATION

7.1 Administration by the Association. The Association shall administer the Condominium, and have the rights and duties with respect thereto, as set out in and subject to the Act and the Condominium Instruments.

7.2 Control by Declarant. The Declarant shall have the right to appoint or remove all Directors and Officers or to exercise powers and responsibilities otherwise assigned to the Association Board or Officers by the Act or the Condominium Instruments, as follows:

(a) with respect to the Golf Course Director: until the surrender by Declarant of such rights by an express writing directed to the Association and notice to the Golf Course Unit Owner, without the need for consent or joinder by any other person; and

(b) with respect to the Residential Directors: until the first to occur of (i) a date within ninety (90) days from the date upon which all of the Residential Units shall have been conveyed by Declarant to Owners other than Declarant; or (ii) the surrender by Declarant of such rights by an express writing directed to the Association and noticed to the Residential Unit Owners, without the need for consent or joinder by any other person; and

Upon the expiration of the period of Declarant's rights, such rights shall automatically pass to the Unit Owners (including Declarant if Declarant then owns one or more Condominium Units). Thereafter, a special meeting (which may be the next annual meeting) of the Association shall be called as set forth in the Code. At such special meeting the Unit Owners shall elect a Board of Directors.

7.3 Duties and Powers. The duties and powers of the Association shall be those set forth in the Act, this Declaration and the other Condominium Instruments, together with those reasonably implied to effect the purposes of the Association. Except to the extent otherwise required by the Act, this Declaration or the other Condominium Instruments, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, by action through the Officers, without any further consent or action on the part of the Unit Owners. Subject to and in accordance with the provisions or limitations set forth in the Code, each Director and each Officer shall be entitled to be indemnified by the Association in connection with any threatened,

pending or completed action, suit or proceeding with respect to which such person was or is a party by reason of the fact that such person is or was a Director or Officer.

7.4 Property. All funds received and title of all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring the same, shall be held for the benefit of the Unit Owners as herein provided and for the purposes herein stated. The shares of the Unit Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except as an appurtenance to a Condominium Unit. In any year in which there is an excess of Assessments over expenditures, such surplus shall be applied in accordance with the provisions of Article 6.

7.5 Rules and Regulations. Without limiting the generality of this Article, the Board of Directors shall have the power and authority to make, amend and revoke reasonable rules and regulations concerning the use of the Units and the Common Elements as set forth in the Code.

7.6 Professional Management. The Board of Directors may employ an individual, staff or a professional management firm to manage the operation and affairs of the Condominium and the Association. Any such employment shall be pursuant to a written agreement executed on behalf of the Association by its President and Secretary. All such management agreements shall be terminable by the Association for cause upon thirty (30) days' written notice and without termination fee; and upon ninety (90) days prior written notice and without termination fee without cause, and the term thereof may not exceed one year. To the extent permitted by law, the Board of Directors shall be authorized to delegate to such person, staff or management firm such of the duties and powers of the Association and of its Board of Directors and Officers as the Board of Directors shall determine. The Declarant or any person affiliated with Declarant may be employed as the person, staff or professional management firm pursuant to this Section.

7.7 Enforcement of Directors Duties. In the event that the Board of Directors shall fail to perform any duty or duties which, under the terms and provisions of the Act, this Declaration, or the other Condominium Instruments, are to be performed by it, any Owner or First Mortgagee who is aggrieved by such failure shall have the right to proceed in equity to compel the Board of Directors to perform such duty or duties. In no event, however, shall any Director have any liability to any Owner or First Mortgagee for any failure by the Board of Directors to perform any such duty or duties, except to the extent provided by the laws of Delaware.

ARTICLE 8

INSURANCE

8.1 General Authority. The Association shall, subject to Section 2238 of the Act, obtain and maintain at all times (a) insurance for all or part of the insurable improvements on the Submitted Property (with the exception of improvements, and betterments made by the respective Owners or Occupants) against loss or damage by fire or other hazards, and including extended coverage, vandalism, malicious mischief, debris removal, cost of demolition, windstorm and water damage, in an amount consonant with full replacement value of such insurable improvements, (b) any such fidelity coverage against dishonest acts on the part of its Directors, Officers, employees agent and volunteers responsible for handling funds belonging to or administered by the Association in any amounts as the Board may determine in its sole discretion, (c) comprehensive public liability insurance, in amounts established by the Board of Directors from time to time, but in no event shall such amount be less than \$1,000,000.00 for any occurrence and \$2,000,000.00 in the aggregate, with umbrella excess liability coverage of \$5,000,000.00 for any occurrence and in the aggregate; and (d) such other types of insurance either required by the Federal, state or any other applicable governmental authority or law or authorized by the Board of Directors from time to time. Such casualty, liability and fidelity coverage shall be maintained in accordance with and satisfy all of the applicable rules, regulations and provisions of the Federal, state or any other applicable governmental authority. When any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished to each Owner by the officer required to send notices of meetings of the Association. Notwithstanding any insurance coverage which might be obtained and maintained by the Association, each Unit Owner shall obtain and maintain property insurance to cover such Owner's personal property within the Unit. Unless the Association elects to provide property insurance therefore, each Unit Owner shall also be responsible, individually, to obtain and maintain property insurance for improvements and betterments to the Unit made by the respective Owner(s) thereof.

As provided in Article 6, Section 6.2.3, the Golf Course Director may elect to separately insure the Golf Course Limited Common Elements (which coverage may also include the Golf Course Unit). The Board of Directors shall adjust the remaining insurance needs of the Association accordingly, in the event of either of the foregoing elections.

ARTICLE 9

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

This Article 9 shall be construed according to the separate insurance policies that are in effect in accordance with the provisions of Article 8, above.

In the event of damage by fire or other casualty to the Submitted Property or any part thereof, the provisions of this Article and Section 2239 of the Act shall govern the repair and reconstruction. The terms "repair" or "reconstruction" as used herein shall mean repairing or restoring the Submitted Property to substantially the same condition in which it existed prior to the fire or other casualty (excluding improvements and betterments made by an Owner or Occupant) with each Unit and the Common Elements having the same boundaries as before. Any repair or reconstruction may reasonably take into account changes in construction and design techniques and materials and the cost or availability thereof. The term "substantial loss" relative to Units and/or Common Elements serving exclusively a Unit shall mean a loss involving damage or destruction which renders more than two-thirds (2/3rds) of the Units and/or Common Elements serving exclusively a Unit unusable for its intended purpose. The term "substantial loss" relative to the Common Elements not serving exclusively a Unit shall mean a loss involving damage or destruction having a cost of restoration or repair of more than two-thirds (2/3rds) of the replacement cost of the improvements which are damaged or destroyed by casualty.

9.1 Damage and Destruction.

9.1.1 Claims, Adjustments and Repair Estimates.

Immediately after any damage or destruction to all or any part of the Submitted Property covered by insurance purchased by the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance with respect to property losses of owners and obtain reliable and detailed estimates of the cost of repair or reconstruction of such damaged or destroyed property.

9.1.2 Common Elements. In the case of damage or destruction to Common Elements not serving exclusively a Unit, such damage or destruction shall be repaired or reconstructed unless both (i) there is a substantial loss of the Common Elements not serving exclusively a Unit resulting from such damage or destruction and (if) within sixty (60) days of the date of such casualty, Owners having four-fifths (4/5th) of the Votes in the Association vote not to repair or reconstruct.

9.1.3 Units. In the case of a casualty causing damage or destruction to a Unit and/or Common Elements serving exclusively a Unit, such damage or destruction (including any

damage or destruction to any Common Elements serving exclusively such Unit) shall be repaired or reconstructed unless each of the following occur: there is a substantial loss of all the Units (including any damage or destruction to any Common Elements serving exclusively such Unit) contained in any one section in the Condominium; and (ii) within sixty (60) days of such casualty, 75 of the Owners of damaged or destroyed Units vote and agree in writing not to repair or reconstruct. Should the owners so decide not to repair or reconstruct damaged or destroyed Units, then such damaged or destroyed Units shall not be repaired or reconstructed and the provisions of §2239 of the Act shall govern and control the ownership of such damaged or destroyed Units. The undivided interest in the Common Elements, votes in the Association and share of liability for Common Expenses appertaining to such Condominium Units shall thenceforth appertain to the remaining Condominium Units on the basis of an equal share per Unit.

9.1.4 Extension of Time. If for any reason the amount of insurance proceeds to be paid as a result of a casualty, or reliable and detailed estimates of the cost of repair or reconstruction of such casualty, are not made available within sixty (60) days after such casualty, then the sixty (60) day period specified above shall be extended until such information is made available; provided, however, that such period of time shall in no event exceed One Hundred Twenty (120) days after such casualty.

9.1.5 Application of Proceeds: Common Elements and Units Not Repaired. If it is determined in accordance with the provisions hereof that any damaged Common Elements not serving exclusively a Unit shall not be repaired or restored, then the insurance proceeds appertaining thereto shall be divided among the Owners in accordance with their percentage or fractional interests in the Common Elements. If it is determined in accordance with the provisions hereof that any damaged Unit shall not be repaired or restored, then the insurance proceeds appertaining thereto shall be paid to the owner of such damaged Unit in proportion to the total damage for which proceeds are received, and thereupon such Owner shall have no further right, title or interest in the Condominium. In all cases where there is a Mortgagee endorsement with respect to a Unit, any insurance proceeds shall be disbursed to the Owner and such Mortgagee jointly, who shall use such proceeds as they alone may determine. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee. The Association shall cause the debris to be removed from any area on which was located a damaged Unit or damaged Common Elements which are not to be repaired or restored and shall landscape and restore such area to a clean, safe and attractive condition, and the Board of Directors shall have the right to levy a special Assessment against all of the Owners of the Condominium Units to raise the funds necessary to defray the costs of such work in excess of any amounts which may be available from any reserve funds of the Association maintained for such purpose.

9.2 Manner of Repair and Reconstruction. All repairs, reconstruction or rebuilding to be made as a consequence of a fire or other casualty shall be made in accordance with the following provisions:

9.2.1 Common Elements. If the damage to be repaired or reconstructed is to the Common Elements, and if the insurance proceeds payable as a result of such damage or destruction is less than 10% of the total annual revenues anticipated to be received by the Association under the then current budget of the Association, such repair or reconstruction shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specifications as may be approved for such purpose by the Board of Directors. If the damage to be repaired or reconstructed is to the Common Elements, and if the insurance proceeds available as a result of such damage or destruction is greater than ten percent (10%) of the total annual revenues anticipated to be received by the Association under the then current budget of the Association, such repair or reconstruction shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specifications as may be approved for such purpose by the Board of Directors; provided, however, that in the event the Board of Directors shall approve plans and specifications for the repair or reconstruction of such damaged property which differ materially from those of the damaged property prior to the occurrence of such damage, such plans and specifications shall be submitted for the approval of a majority of the Association, if a request to such effect is submitted in writing signed by Owners together possessing at least fifteen percent (15%) of the total Vote of the Association no later than 14 days after the meeting at which the Board of Directors approve such differing plans and specifications.

9.2.2 Units. If the damage to be repaired or reconstructed is to any Unit, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged Unit prior to the occurrence of such damage.

9.2.3 Responsibility for Repair or Reconstruction. All of the work of repairing or reconstructing any portion of the Submitted Property, the damage to or destruction of which resulted in the payment of any insurance proceeds under any insurance policy maintained by the Association, shall be the responsibility of the Association and shall be performed under the supervision of the Board of Directors. In discharging such supervisory responsibility, the Board of Directors shall be authorized, but shall not be obligated, to employ as its agent or consultant such building supervisors, engineers or architects as the Board of Directors shall determine. Any fees which shall be payable to any such building supervisor, engineer, or architect as shall be employed by

the Board of Directors shall be a Common Expense of the Association.

9.3 Costs of Repair and Reconstruction.

9.3.1 Common Elements. The costs of repairing or reconstructing any portion of the Common Elements not exclusively serving any Unit which shall be damaged or destroyed shall be paid with any insurance proceeds which shall be paid to the Association on account of such damage or destruction. If such insurance proceeds, together with any amounts as may be available from any reserve funds maintained by the Association for such purposes, are not sufficient to defray such costs of repair or reconstruction, then the Board of Directors shall levy a special assessment against the Golf Course Unit Owner (as to costs of repair or reconstruction of Golf Course Limited Common Elements) or the Residential Unit Owners (as to costs of repair or reconstruction of Residential Limited Common Elements) to raise the excess funds necessary to defray such costs.

9.3.2 Units and Common Elements Exclusively Serving Units. The costs of repairing or reconstructing each Unit which shall be damaged or destroyed, together with any portion of the Common Elements exclusively serving such Unit which shall be damaged or destroyed, shall be paid with the insurance proceeds which shall be paid to the Association on account of such damage or destruction for such Unit. If any amounts shall remain after all of the costs and expenses of repairing and reconstructing the Unit are paid, such amounts shall be paid jointly to the Owner and his Mortgagee. If the amount held by the Association for such Unit is not sufficient to defray such cost of repair and reconstruction, the Board of Directors shall levy a special assessment against the Owner(s) of the Units so involved to raise the excess funds necessary to defray such costs.

ARTICLE 10

ARCHITECTURAL CONTROL, USE RESTRICTIONS
AND LEASING OF RESIDENTIAL UNITS

To assure a community of congenial Residential Unit Owners and thus protect the value of the Residential Units, the Submitted Property shall be subject to the restrictions set forth in this Article and in the rules and regulations of the Association.

10.1 Approval Required for Changes. To preserve the architectural appearance of the Condominium, no construction, painting or other changes of any nature whatsoever shall be commenced or maintained by any Residential Unit Owner other than Declarant with respect to any portion of the Condominium, including any Limited Common Elements and any Specially Assigned Limited Common Elements, nor shall any addition to or change or alteration therein be made, unless and until the plans and specifications

showing the nature, kind, shape, color, height, materials and location of the same shall have been submitted and approved in writing as to harmony of design and location in relation to surrounding structures and topography by the Board of Directors or by an architectural committee appointed by the Board of Directors. An Owner may make improvements and alterations within his Residential Unit; provided, however, that no Owner shall make any structural alterations in a Residential Unit, or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety, soundness or structural integrity of that unit or any other Unit or otherwise materially lessen the support of any portion of the Condominium. No Owner shall impair any easement without first obtaining the written consent of the Association and of the Owner or Owners and their Mortgagees for whose benefit such easement exists. Any alteration or impairment of the easements granted to or reserved by the Declarant or the Association shall first have the approval of the beneficiary of such easement.

10.2 Lighting. The design, type, location, size, intensity and color of all exterior lights (including both those mounted as part of the original design of the Submitted Property or otherwise in place at the time of the conveyance of any Unit to an Owner and those mounted with the consent of the Board of Directors) shall be subject to the prior written approval of the Board of Directors.

10.3 Uses and Purposes.

(a) Golf Course Unit: Except for Declarant's rights as set forth herein, the Golf Course Unit shall be and the same hereby is restricted to use as a golf course (which may be public or private) or as open space, as allowed under the Conditional Use approved by Sussex County Planning and Zoning Commission pertaining to the Submitted Property), and the operation thereof shall be subject to such rules, regulations and restrictions as the Golf Course Director may establish, from time to time.

(b) Residential Units: Except for Declarant's rights as set forth herein, all Residential Units shall be, and hereby are restricted to residential use only. No commercial, industrial, or professional business use shall be made of any Residential Unit at any time.

10.4 Business Activities and Signs. No "For Sale" or "For Rent" signs or other *signs* or advertising posters of any kind shall be maintained or permitted in the Residential Area of the Submitted Property or in any vehicle or vessel thereon. Notwithstanding the foregoing, the provisions of this Section shall not apply to any signs maintained on the Submitted Property by Declarant, its agents, representatives or assigns, during the period that Declarant has any Unit for sale, or to the First Mortgagee of any Unit being sold pursuant to a Foreclosure sale.

10.5 Pets. No pets shall be kept or maintained on any portion of the Residential Area of the Submitted Property, except as provided herein. Household pets (not to exceed four (4) per Residential Unit) are allowed, provided that no such pets shall be maintained in a manner which constitutes a nuisance to other Residential Unit Owners. No structure for the care, housing or confinement of any pet shall be constructed or maintained on any part of the Common Elements. Pets shall be kept under leash when walked or exercised in any portion of the Common Elements. No pet shall be permitted to leave its droppings on any portion of the Common Elements and the owner of such pet shall immediately remove all droppings.

10.6 Use of Common Elements. The use and enjoyment of the Common Elements (including the Limited Common Elements) by the Owners, their Occupants and Guests shall be subject to such reasonable rules and regulations as may be made and amended from time to time in accordance with Section 7.5 of this Declaration. This Section is for the mutual benefit of all Owners and is necessary for the protection of all Owners.

10.7 Risks Assumed Relating to Golf Course Activities. By purchasing a Residential Unit in the Condominium, each such Unit Owner acknowledges that the Unit is located adjacent or in close proximity to the Golf Course Area and that the Unit Owner has assessed the location of the Unit in relation to the layout and operation of the Golf Course. Each Unit Owner further acknowledges that owning property adjacent or in close proximity to the Golf Course Area, and the Unit owned in particular, involves certain risks which may have an affect on Unit Owner's enjoyment of the Unit. Each Unit Owner acknowledges that such risks may include (as examples and not as a limitation on the generality of such risks): golf balls being hit into the Unit and the Residential Limited Common Elements all with the potential of causing bodily injury or physical damage to property; and golfers coming into the Residential Limited Common Elements to retrieve errant golf balls. Unit Owner hereby expressly assumes such risks and agrees that neither Declarant nor the Golf Course Unit Owner nor any entity managing the Golf Course Area shall be liable to Unit Owner or anyone else claiming any loss or damage, including without limitation, indirect, special or consequential losses or damages, arising from personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise relating to the proximity of such Unit to the Golf Course, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, Golf Course Unit Owner or any entity managing the Golf Course. Unit Owner hereby agrees to indemnify and hold harmless Declarant, the HVA, the Golf Course Unit Owner or any entity managing the Golf Course Area against any and all claims by Unit Owner's guests, invitees or licensees with respect to the above. Nothing in this section shall be construed to restrict or limit any power of Declarant, the Golf Course Unit Owner or any entity managing the

Golf Course Area to change the design of the Golf Course, and such changes, if any, shall not nullify, restrict or impair Unit owner's covenants and duties contained herein.

10.8 Antennas. No antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on any portion of the Common Elements, unless such have been approved or installed by the Declarant or the Association. Hookups for cable television shall be provided to each Unit at such time that community cable service becomes available. The Declarant or the Association shall as a Common Expense provide service to the Buildings. Unit owners shall bear the expense of individual hook-ups and service charges.

10.9 Motor Vehicle, Trailers, Boats, Etc. Automobiles (including cars, pick-up trucks, passenger vans, sport-utility vehicles) and licensed motorcycles shall be operated and parked only upon those portions of the Common Elements designated for such purpose on the Declaration Plan or by the Board of Directors. Other motor vehicles, including, without limitation, mobile homes, motor homes, truck campers and house trailers of any kind shall be prohibited. Unlicensed motorcycles, any other unlicensed motorized vehicles and boat trailers shall also be prohibited. Nothing contained herein shall preclude the Declarant or Association from using motorized equipment for sales, services, maintenance or any activity undertaken on behalf of the Declarant or Association involving the Condominium. The prohibitions set forth in this subsection shall not apply to the Golf Course Limited Common Elements.

10.10 Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Submitted Property, except in areas and/or containers specifically designated for such purpose, nor shall any odors be permitted so as to render any portion of the Submitted Property unsanitary, unsightly, offensive or detrimental to persons using or occupying other portions of the Submitted Property. No nuisance shall be permitted to exist or operate upon any portion of the Submitted Property so as to be offensive or detrimental to persons using or occupying other portions of the Submitted Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horn, whistles, bells or other sound devices, shall be located, used or placed on the Submitted Property.

10.11 Prohibited Activities. Noxious or offensive activities shall not be carried on in any Unit or in any part of the Common Elements. Each Owner and occupant shall refrain from any act or use of his Unit or the Common Elements which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the other Owners and Occupants, or which could result in the cancellation of insurance on any Unit or any portion of the Common Elements, or which could be in violation of any law or governmental code or

regulation. The assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any portion of the Submitted Property. Individual propane tanks in excess of 30 pounds are prohibited.

10.12 Governmental Regulations. All governmental building codes, health regulations, zoning restrictions, permit conditions and the like applicable to the Submitted Property shall be observed and are hereby incorporated by reference herein as if set forth word for word. All Unit Owners shall acknowledge, adhere to, and comply with any and all Such governmental regulations. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provisions of this Declaration, the more restrictive provisions shall apply. Any Unit Owner violating any governmental regulation shall indemnify and hold harmless the Association and/or the Declarant from any damage or liability resulting therefrom, including the payment of any fines, civil penalties, costs of compliance, costs of clean-up, and all attorney's fees related thereto.

10.13 Appearance. In order to protect the first-class quality and reputation of the Condominium, no outside clothes lines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any portion of the Submitted Property, nor shall any clothing, rugs or any other items be hung on any portion of the Common Elements.

10.14 Sale Period. Notwithstanding any provisions contained in this Declaration to the contrary, during the period of the sale of the Residential Units it shall be expressly permissible for Declarant, its contractors, agents, employees, assigns and representatives, to maintain and carry on, upon such portion of the Submitted Property as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the completion and sale of the Residential Units, including, but without limitation, business offices, signs, model Units, and sales offices. The right to maintain and carry on such facilities and activities shall include specifically the right to use the parking facilities on the Submitted Property for such purposes and to use any Units owned by Declarant as model Units, such model Units being located and described as provided herein and in the other Condominium Instruments.

10.15 Leasing. The following provisions shall apply to sales or leases of Residential Unite.

10.15.1 Any Residential Unit Owner, including the Declarant, its successors and assigns, may lease his Residential Unit(s), except for transient purposes, as set forth in Section 10.15.2, herein. Any lease shall be subject in all respects to the provisions of the Condominium Instruments and the rules and

regulations of the Association; any failure by the lessee to comply with the terms of such Condominium Instruments shall be a default under the lease, and any such lease shall so provide. In the event of non-compliance by any tenant of a Residential Unit with the terms of the Condominium Instruments, the Board of Directors shall have the right to require the Owner or lessee of such Unit to terminate such lease because of such default and to levy a charge or fine against the Owner of such Unit for such non-compliance.

10.15.2 No Residential Unit shall be leased for transient or hotel purposes (i.e., rented for any period of less than seven (7) days or to occupants who are customarily furnished customary hotel services in connection with such rental). Any leases for other residential use shall be made subject to the Restrictions and the Condominium Instruments.

ARTICLE 11

GENERAL PROVISIONS

11.1 Amendment.

11.1.1 Amendments Generally. This Declaration may be amended at any time and from time to time by the affirmative vote of Owners having at least three fourths (3/4ths) of the total Vote of the Association; provided, however, that any alteration to the proportionate undivided interest in the Common Elements may be altered only by the recording of an amendment duly executed by all affected Unit Owners. For purposes of construing this section, each class of Unit Owners (Golf Course Unit Owner and Residential Unit Owners) shall be considered affected if the proposed alteration pertains to the proportionate undivided interest in the Limited Common Elements of such class. So long as the same shall not (a) adversely affect the title to any Unit, (b) change the percentage of undivided ownership interest in and to the Limited Common Elements appurtenant to any Unit, (c) materially alter or change any Owner's right to the use and enjoyment of his Unit or the Common Elements as set forth in this Declaration, or (d) otherwise make any material change in this Declaration, each Owner agrees that, if requested to do so, such Owner will consent to the amendment of the Condominium Instruments, (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with, or remove any conflict or inconsistency with, the provisions of any applicable governmental statute, rule, regulation, including without limitation the provisions of the Act, or judicial determination which shall be in conflict therewith, or (ii) if any such amendment is necessary to enable any governmental agency to insure mortgage loans on the Units based on the statutes, laws, rules or regulations applicable to or promulgated by such agency. Except as expressly permitted or required by the Act and this Declaration, any amendment to this Declaration which would change the boundaries of any Unit, the undivided interest in the Common Elements, the number of Votes in the Association or the

liability for Common Expenses appertaining to any Unit shall be approved in writing by all Owners. Any provision in this Declaration which may be construed to the contrary notwithstanding, any amendment to this Declaration, which would change, alter, modify or rescind any right, title, interest or privilege herein expressly granted to any mortgagee shall require the prior written approval of such Mortgagee. Amendments to this Declaration or the other Condominium Instruments may be proposed by Declarant, by the Board of Directors, or by petition signed by Owners having at least forty-five percent (45⁹,) of the total Votes of the Association. Agreement of the required majority of Owners to any amendment of the Condominium Instruments shall be evidenced by the certification of the Secretary of the Association. Any such amendment of the Condominium Instruments, including this Declaration, shall become effective only when recorded or at such later date as may be specified in the amendment itself. The written consent of any Mortgagee required with respect to such amendment shall also be recorded with such amendment.

11.1.2 Amendments by Declarant. So long as Declarant holds title to one or more Residential Units which are being offered for sale (or to Expansion Lands), no amendment shall be made to this Declaration, the Declaration Plan, the Code of Regulations or the rules and regulations, which has not been approved and executed by the Declarant. In addition, and notwithstanding any other provisions in this Declaration or the Code of Regulations dealing with amendments of this Declaration and the Declaration Plan, Declarant shall have the right, acting alone, at any time and from time to time, to amend this Declaration and the Declaration Plan:

(a) To reflect the "as built" condition of the Submitted Property, including without limitation the Buildings, the Units, the Common Elements and the Limited Common Elements (specifically including any delineation line defining the Golf Course Limited Common Elements and the Residential Limited Common Elements; subject, however, to the provisions of the Agreement for the purchase of any Unit; and provided, however, that if any such amendment shall alter the description or increase or decrease the proportionate interest in the Common Elements of any Unit which has been theretofore conveyed by Declarant, such amendment shall require the joinder of the Unit Owner thereto either in fact or as otherwise permitted herein;

(b) To make such amendments, modifications, additions or deletions in or to the Declaration or Declaration Plan as may be necessary, in the judgment of Declarant, to: (i) cure any ambiguity or to correct or supplement any provision of the Declaration or the Declaration Plan which is defective or inconsistent with any other provision of the Declaration or with the Act, or (ii) conform to the then current requirements of the Federal National Mortgage Association or the Federal Home Mortgage Corporation with respect to condominium projects; provided,

however, that if any such amendment shall alter the description or increase or decrease the proportionate interest in the Common Elements of any Unit which has theretofore been conveyed by Declarant, such amendment shall require the joinder of the Unit Owner thereto either in fact or as otherwise permitted herein;

(c) To make such amendments, modifications, additions or deletions in or to the Declaration and Declaration Plan as may be deemed necessary in the judgment of Declarant to meet the particular requirements of law or any lending institution or title insurance company, so as to change the size, number and location of Buildings, Units, Common Elements or other Improvements, including the proportionate interest in the Common Elements of any Unit (provided, nevertheless, the total number of Units shall not exceed the limitation on the total number of Units contained herein); subject, however, to the provisions of the Agreement for the purchase of any Unit; and provided, however, that if any such amendment shall alter the description or increase or decrease the proportionate interest in the Common Elements of a Unit which has theretofore been conveyed by Declarant, such amendment shall require the joinder of the Unit Owner thereto either in fact or as otherwise permitted herein;

(d) To expand the Condominium by annexing all or any part of the Expansion Lands to the Condominium, together with improvements thereon, adding additional Units to the Condominium regime, and to make amendments, modifications, additions or deletions in or to the Declaration and Declaration Plan to accommodate and reflect the inclusion of such additional Units in the Condominium, including adjustments to Unit Owners' proportionate undivided interests in the Common Elements, pursuant to the provisions of Articles 3 herein; and

(e) To effect changes in the location or size of any proposed Building(s) for the purpose of improving views to and from Buildings, improving parking areas, harmonizing the Property with the needs for utility sources, or otherwise achieving the best or most practicable development of the Condominium in the judgment of the Declarant.

11.2 Eminent Domain. In the event that all or part of the Submitted Property shall be taken by any authority having the power of eminent domain, the allocation of the award for such condemnation and all related matters, such as the reallocation of undivided interests in the Common Elements, liabilities for Assessments and Votes, shall be handled as follows;

11.2.1 If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any First Mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this

Declaration or of any other Condominium Instrument establishing the Condominium will entitle the Owner or other person to priority over any Mortgagee with respect to the distribution of the proceeds of any award or settlement relating to such Unit.

11.2.2 In the event all or any part of the Submitted Property shall be taken in condemnation or by eminent domain, each Owner hereby grants an irrevocable power of attorney to the Association to represent such Owner in any and all condemnation proceedings, negotiations, settlements and agreements with the condemning authority. The award for such taking shall be payable to the Association for the use and benefit of the Owners and their respective Mortgagees as their interest may appear and shall be disbursed by the Board as hereinafter provided.

11.2.3 If the taking is confined to the Common Elements, the Board of Directors shall arrange for restoration of the remaining Common Elements and the Board of Directors shall disburse the proceeds of the condemnation award in the same manner as required for the disbursement of insurance proceeds where damage or destruction to the Common Elements is to be repaired or reconstructed, as provided in Article 9 hereof.

11.2.4 If the taking includes any part of a Unit, whether or not there is included in the taking any part of the Common Elements, such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided in Article 9 hereof, whereupon:

(a) The Board of Directors, using the proceeds of such condemnation award, shall acquire, on behalf of the remaining Owners, the Unit(s) of the Owner or Owners whose Units(s) have been taken in whole or in part, at a price equal to the fair market value of such Unit(s) as of the date immediately preceding the condemnation thereof. Such price shall be determined by majority vote of three (3) appraisers, one of whom shall be selected by the Owner or Owners affected, one of whom shall be selected by the Board of Directors and the third of whom shall be selected by the two (2) appraisers so selected. All appraisers so selected shall be members of the American Institute of Real Estate Appraisers (or any successor Association or body of comparable standing if such institute is not then in existence), disinterested, have at least ten (10) years experience in the appraisal of real estate, and be familiar with property values in Sussex County, Delaware.

(b) After acquisition of the Unit(s) as aforesaid, the undivided interest in the Common Elements, Votes of the Association and share of liability for Common Expenses appertaining to such Unit(s) shall thenceforth appertain to the remaining Unit(s) on the basis of an equal share per Unit, The method of distributing the remainder of the condemnation award, if any, shall be determined by the Board of Directors.

11.3 Rights of Third Parties. This Declaration shall be recorded pursuant to the provisions of the Act for the benefit of Declarant, the Owners and their Mortgagees as herein provided, and by such recording, the Owners shall have the right to cancel, extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining Owner or third person.

11.4 Termination. The Common Elements shall remain undivided, and unless the Condominium form of ownership hereby established is terminated in accordance with the Act, no Owner or any other person shall bring any action for partition or division of the whole or any part of any Unit or of the whole or any part of the Common Elements. The Condominium may be terminated or abandoned only by the agreement of all Owners, provided that all holders of Mortgages encumbering the Unit(s) consent thereto and agree as may be required by the Act.

11.5 Enforcement. Each Owner shall comply strictly with the provisions of the Condominium Instruments and rules and regulations of the Association. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Association or, in a proper case, any aggrieved Owner or Owners, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent a threatened violation or breach thereof. In addition to all other remedies, the Association, or a duly authorized agent thereof, shall have the right to enter upon any portion of the Common Elements including any Limited Common Elements, where a violation exists and, at the expense of the violating owner, abate or remove any erection, thing or condition that may be or exist contrary to the intent and meaning of the Condominium Instruments or rules and regulations, if after notice and hearing as set forth in the Code, it shall not have been corrected by such Owner. Neither the Association, nor its agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Should the Association employ legal counsel to enforce any of the foregoing or any other rights or remedies of the Association, all costs incurred in such enforcement, including the Association's reasonable attorneys' fees, shall be paid by the violating owner. Inasmuch as the enforcement of the provisions of the Condominium Instruments and rules and regulations is essential for the protection of present and future Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that the Association or, in any proper case, any aggrieved Owner or Owners, in addition to all other remedies, may require and shall be entitled to the remedy by injunction to restrain any such violation or breach or threatened violation or breach. No delay, failure or omission on the part of the Association or any aggrieved owner or Owners in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or

subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against the Association or its Officers or Directors for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, of the provisions and regulation, however long continued, or for the imposing of provisions which may be unenforceable.

11.6 Exhibits. All exhibits referred to in and attached to this Declaration or any other Condominium Instrument are hereby incorporated in this Declaration or such other Condominium Instrument in full by this reference.

11.7 Duration. Unless the Condominium is terminated as herein otherwise provided, the provisions of this Declaration shall run with and bind the land, shall be binding upon and inure to the benefit of all Owners and Mortgagees, their heirs, executors, legal representatives, successors and assigns, and shall be and remain in effect perpetually to the extent permitted by Delaware law.

11.8 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors, will best effect the intent of the general plan of the Condominium. The provisions hereof shall be liberally interpreted, and if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The effective date of this Declaration shall be the date it is filed for record. In the event of any conflicts or inconsistencies between the Act, this Declaration or the Code, the terms and provisions of the Act and this Declaration, in that order, shall prevail.

11.9 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

11.10 Rights of Mortgagees and Unit Owners. In addition to the rights of Mortgagees elsewhere provided, each mortgagee shall: (a) be entitled to written notice from the Association of any default by the Owner of the Unit mortgaged in the performance of his obligations under the Condominium Instruments which is not cured within sixty (60) days specifically including any delinquency in payment of an Assessment; (b) be entitled to receive notice of and to designate a representative to attend and observe all meetings of Owners, but not meetings of the Board of Directors; (c) be entitled to receive written notice of any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which a Mortgagee holds a Mortgagee; (d)

be entitled to receive thirty (30) days prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (e) be entitled to receive written notice of any proposed action which would require the consent of a specified percentage of the Mortgagees; and (f) be furnished copies of annual financial reports within 120 days after the end of the Association's fiscal year; provided, however, that such Owner or Mortgagee shall first file with the Association a written request (setting forth the name of such Owner or Mortgagee and the Unit Designation of the Unit with respect to which such request is made) that notices of default, notices of meetings and copies of financial reports be sent to a named agent or representative of the mortgagee or Owner at an address stated in such notice. Further, each mortgagee and Unit Owner shall, upon request, be entitled to inspect the books, records, and financial statements of the Association (including the Condominium Instruments and other documents) during normal business hours. Any First Mortgagee shall, upon written request, be entitled to a financial statement of the Association for the immediately preceding fiscal year.

11.11 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of the Declaration are declared to be severable.

11.12 Captions. The captions of each Article and Section hereof refers to its contents and are inserted only for convenience and are in no way to be construed as defining, extending or otherwise modifying or adding to the particular Article or Section.

11.13 Restriction on Other Actions. Notwithstanding anything to the contrary contained in the Condominium Instruments, except as provided by the Act in case of substantial loss to the Units or termination and as provided herein in the case of condemnation, termination, partition or in the case of substantial loss to the Common Elements, unless at least two-thirds (2/3rds) of the First Mortgagees (based upon one vote for each first mortgage owned) and Owners (other than the Declarant) of the Units have given their prior written approval, neither the Association nor the Owners shall be entitled to:

11.13.1 Except for special Assessments levied pursuant to Article 6 hereof, and except for the distribution of hazard insurance proceeds pursuant to Article 9 hereof, change the pro rata interest or obligations of any Unit for the purpose of: (a) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b)

determining the pro rata share of ownership of each Unit in the Common Elements.

11.13.2 By act or omission, seek to encumber, sell or

transfer the Common Elements, except in the case of reassignment of Common Elements pursuant to Section 3.5 hereof (neither the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium nor the transfer, sale or encumbrance of an undivided interest in the Common Elements, as an appurtenance to a Unit, shall be deemed a transfer within the meaning of this subparagraph).

11.13.3 Use hazard insurance proceeds for losses to any

part of the Submitted Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Submitted Property. Notwithstanding anything to the contrary contained in the Condominium Instruments, the provisions of this Section may be amended only by the vote of Owners having at least two-thirds (2/3rds) of the total vote of the Association provided, however, that during such time as Declarant owns any Unit(s), such amendment shall require the agreement of Declarant and owners to which two-thirds (2/3rds) of the Votes in the Association appertain, exclusive of any Vote or Votes appertaining to any Unit(s) then owned by Declarant.

11.14 No Rights Created in General Public. The provisions of this Declaration and the By-Laws, as the same may be amended from time to time, are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public.

11.15 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

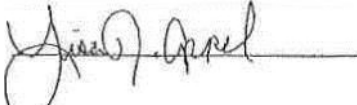
11.16 Covenant of Further Assurances. Any party which is subject to the terms of this Declaration, including all Unit Owners and any other persons acting for or through such Unit Owners, shall execute, acknowledge and deliver to such other party as appropriate, such instruments, in addition to those specifically provided for herein, and to take such other action as reasonably requested to effectuate the provisions of this Declaration or by the Code or of any transaction contemplated by this Declaration or by the Code or to confirm or perfect any right to be created or transferred pursuant to this Declaration or the Code or pursuant to any such transaction.

If any Unit Owner or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which such Unit Owner or other

party is required to execute, acknowledge and deliver, or to take pursuant to this Declaration or the Code, then the Board of Directors or officers of the Association are hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner or other party,

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed under seal pursuant to due authority as of the date and year first above written.

THOMPSON HERITAGE, LLC



(• ii.eiarrrt---(SEAL) By:
J. Matthew Thompson, Manager

STATE OF 42,44./own,LAA

SS.

COUNTY OF OLIA')

I, the undersigned Notary Public, do hereby certify that J. Matthew Thompson, personally came before me this 1/3rd day of _____, 2007, and acknowledged that he is the Manager Thoms Heritage, LLC, a Delaware limited liability company, party to this indenture, known to me personally to be such, and acknowledged this indenture to be his act and deed and the act and deed of the limited liability company.

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

j

Notar-y Public

NOTARIAL SEAL Kristin M. Couche,
Notary Public City of Westchester, Chester
County My commission expires June 28, 2009

CONSENT OF UNIT OWNER

IN WITNESS WHEREOF, the undersigned, original Declarant and Owner of the Golf Course Unit, also known as Unit GC, Villas at Heritage Condominium, hereby consents to this Amended and Restated Declaration of Condominium and further consents to the identification of the Golf Course Unit (currently developed as a nine (9) hole public golf course known as the 'Heritage Golf Club') as "Unit GC, Heritage Village Condominium".



Five D Limited Liability Company

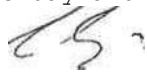


By: Donal L. Derrickson, Manager

STATE OF DELAWARE)
) SS.
COUNTY OF SUSSEX

I, the undersigned Notary Public, do hereby certify that DONALD L. DERRICKSON, personally came before me this 2-¹⁴-day of t.14-vvil.lity, 2007, and acknowledged that he is the Manager of Five D Limited Liability Company, a Delaware limited liability company, party to this indenture, known to me personally to be such, and acknowledged this indenture to be his act and deed and the act and deed of the Limited Liability Company.

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



Notary Public
ROBERT a GIBBS
NOTARIAL OFFICER PURSUANT TO
29 DEL CODE SECT. 4323
ATTORNEY AT LAW
DELAWARE

SCHEDULE 3.1

EXPANSION LANDS

Lands held for submission to the Delaware Unit Property Act in expansion of the Heritage Village Condominium ("Condominium") are generally referred to as "Expansion Lands". Larger areas of the Expansion Lands (designated "Zone 1" and "Zone 2") are particularly described hereafter, Expansion Lands also include certain areas within the perimeter of the Submitted Property designated as "Future Construction". The larger areas designated as "Expansion Lands" and depicted upon the Heritage Village Condominium Declaration Plan are more fully described as follows:

EXPANSION LANDS ZONE 1
HERITAGE VILLAGE CONDOMINIUM
(PART OF TAX PARCEL NO. 334-6.00-355.00)

Description of property situate in Lewes and Rehoboth Hundred, Sussex County, State of Delaware, being lands designated "EXPANSION LANDS" as shown on the ".FIRST AMENDMENT TO CONDOMINIUM DECLARATION PLAN FOR HERITAGE VILLAGE CONDOMINIUM", dated January 5, 2007, last revised January 25, 2007, Consisting of 2 Sheets, prepared by Kerins and Associates, Professional Engineers and Land Surveyors, Drawing No. 2169\survey\fab worksheet. Being more particularly bounded and described as follows to wit:

Beginning at a point in common with lands designated "Residential Limited Common Elements" through lands of "Heritage Village Condominium" (Tax Parcel No 334-6.00-355.00), said point being further located from the intersection of the southeasterly side of Postal Lane (Variable Width R/W) with the southwesterly side of Bethpage Drive (50' wide R/W); thence, along said southwesterly side of Bethpage Drive the following two (2) described courses and distances: 1) along lands now or formerly of

Blanche A. Warrington (Tax Parcel No. 334-6.00-682.00), South 38°58'-38" East, 217.70 feet to a corner in common with lands now or formerly of Blanche A. & Samuel C. Warrington II (Tax Parcel No. 334-12.00-55.01), and 2) on said lands now or formerly of Blanche A. & Samuel C. Warrington II, South 40°-19'-00" East, 1394.68 feet to the southwesterly terminus of Bethpage Drive; thence, crossing said southwesterly side of Bethpage Drive to the southeasterly side of Bethpage Drive, North 49°-25'-20" East, 50.00 feet, to the southeasterly side of Bethpage Drive; thence, leaving said southeasterly side of Bethpage Drive through said lands of "Heritage Village Condominium, North 49°-25'-20" East, 198.91 feet to the point and place of Beginning; thence, continuing through said lands of "Heritage Village Condominium", the following six (6) described courses and distances: 1) North 49°-25'-20" East, 55.73 feet, 2) North 80°-51'-10" East, 119.53 feet, 3) North 27°-51'-34" East, 171.45 feet, 4) North 58°-47'-40" East, 59.92 feet, 5) North

44°-14'-55" East, 161.45 feet, and 6) South 69°-09'-30" East, 89.96 feet to a corner in common with lands now or formerly of Coroc/Rehoboth 1 LLC (Tax Parcel No. 334-6.00-353.00); thence, on a line in common with lands now or formerly of Coroc/Rehoboth 1 LLC, South 45°-33'-23" East, 692.33 feet to a line in common with the subdivision of "Maplewood"; thence, thereby, South 54°-44'-01" West, 895.65 feet to a corner in common with said lands now or formerly of Blanche A. & Samuel C. Warrington II; thence, on a line in common with lands now or formerly of Blanche A. & Samuel C. Warrington II, North 40°-19'-00" West, 100.81 feet to a point on line of said lands now or formerly of Blanche A. & Samuel C. Warrington II; thence, leaving said lands now or formerly of Blanche A. & Samuel C. Warrington II through lands of "Heritage Village Condominium" the following five (5) described courses and distances: 1) North 54°-43'-55" East , 316.80 feet, 2) North 40°19'-00" West, 501.78 feet, 3) South 80°-51'-10" West, 46.32 feet, 4) South 49°-25'-31" West, 26.66 feet, and 5) North 40°-34'-29" West, 82.39 feet to the point and place of Beginning.

Containing within said described metes and bounds 425,739 square feet (9.7736 acres) of land, be the same more or less.

EXPANSION LANDS ZONE 2
HERITAGE VILLAGE CONDOMINIUM
(PART OF TAX PARCEL NO. 334-6.00-355.00)

Description of property situate in Lewes and Rehoboth Hundred, Sussex County, State of Delaware, being lands designated "EXPANSION LANDS - ZONE 2" as shown on the "FIRST AMENDMENT TO CONDOMINIUM DECLARATION PLAN FOR HERITAGE VILLAGE CONDOMINIUM", dated January 5, 2007, last revised January 25, 2007, consisting of 2 Sheets, prepared by Karins and Associates, Professional Engineers and Land Surveyors, Drawing No. 2169\survey\fab worksheet. Being more particularly bounded and described as follows to wit:

Beginning at a point on the southerly side of Postal Lane (Variable Width R/W) said point being further located from a corner in common with lands now or formerly of Talles-Robbins Rehoboth, LLC" (Tax Parcel No 334-6.00-355.04); thence, along said southerly side of Postal Lane the following two (2) described courses and distances: 1) Southwesterly, along a 885.83 foot radius curve to the right, said curve having a chord bearing of South 88°-46'-31" West a chord distance of 28.72 feet, an arc distance of 28.72 feet to a point of tangency, and 2) South 89°-42'-16" West, 275.13 feet to the point and place of Beginning; thence, through lands designated "Golf Course Limited Common Elements", the following twelve (12) described courses and distances: 1) South 01°-12'-21" West, 165.01 feet, 2) North 83°-41'-28" West, 76.44 feet, 3) South 06°-22'-39" West, 71.27 feet, 4) South 64°-22'-08" West, 70.27 feet, 5) South 72°-21'-10° West, 50.39 feet, 6) North 68°-45'-18" West,

49.31 feet, 7) North 10°-45'-10" West, 134.69 feet, 8) North 06°04'-00" East, 20.61 feet, 9) South 83°-39'-38° East, 152.00 feet, 10) North 08°-42'-48" East, 63.75 feet to a point of curvature, 11) Northwesterly, along a 68.00 feet radius curve to the left, said curve having a chord bearing of North 00°-03'-58" West, a chord distance of 20.76 feet, an arc distance of 20.84 feet, to a point of reverse curvature, and 12) Northeasterly, along a 28.00 feet radius curve to the right, said curve having a chord bearing of North 23°-54'-28" East, a chord distance of 30.30 feet, an arc distance of 32.01 feet to the aforesaid southerly side of Postal Lane; thence, thereby, Northeasterly, along a 816.83 foot curve to the right, said curve having a chord bearing of North 85°-20'-03" East, a chord distance of 94.97 feet, an arc distance of 95.03 feet to the point and place of Beginning.

Containing within said described metes and bounds 40,736 square feet (0.9352 acres) of land, be the same more or less.

Pursuant to Article III, Section 3.1.1 of the Declaration, any part or all the aforescribed Expansion Lands may be annexed to the Submitted Property described and identified in the following Schedule 3.2, and thereby submitted to each and every one of the provisions of this Declaration and the Act, of the Expansion Lands described in this Schedule 3.1. Upon such expansion or annexation, this Schedule 3.1 shall be amended accordingly. The aforescribed Expansion Lands are subject to the provisions of Article III, Section 3.1.8.

SCHEDULE 3.2
SUBMITTED PROPERTY

Beginning at a point in the Southeasterly right-of-way line of County Road 283, said point being 0.2 feet Southeast of a concrete monument found in the right-of-way of County Road 283, said point marking a common corner between this tract and lands now or formerly of Warrington; thence turning and running by and with the Southeasterly right-of-way line of County Road 283, North 50 degrees 59 minutes 17 seconds East 147.91 feet to a point where the right of way line of County Road 283 intersects with right-of-way line of County Road 283 "Realigned"; thence turning and running by and with the Southeasterly right-of-way line of County Road 283 "Realigned" the following four (4) courses and distances viz; (1) North 62 degrees 50 minutes 59 seconds East 121.84 feet to a point; (2) in a curve to the right whose radius is 816.83 feet, whose cord is North 75 degrees 53. minutes 30 seconds East, whose cord distance is 362.07 feet, an arc distance of 365.10 feet to a concrete monument; (3) North 89 degrees 42 minutes 16 seconds East 275.13 feet to a concrete monument; and (4) in a curve to the left whose radius is 885.83 feet, whose cord is North 84 degrees 39 minutes 43 seconds East, whose cord distance which extends beyond this property is 123.62 feet, an arc distance of 28.72 feet to a point, said point marking a common corner between this tract and a 2.89 acre tract of lands now or formerly of Talles-Robbins, Rehoboth, LLC; thence turning and running by and with the lands now or formerly of Talles-Robbins, Rehoboth, LLC the following four (4) courses and distances, viz; (1) South 03 degrees 21 minutes 59 seconds East 283.16 feet to a point; (2) South 70 degrees 30 minutes 21 seconds East 619.55 feet to a point; (3) North 40 degrees 04 minutes 34 seconds East 54.77 feet to a point in line of other lands now or formerly of Talles-Robbins, Rehoboth, LLC; and (4) South 49 degrees 55 minutes 55 seconds East 518.01 feet to an iron pipe found in line of lands now or formerly of R.R. Rehoboth, Inc.; thence turning and running by and with the lands now or formerly of R.R. Rehoboth, Inc. the following two (2) courses and distances viz: (1) South 43 degrees 24 minutes 40 seconds West 286.63 feet to an iron pipe; and (2) South 45 degrees 33 minutes 23 seconds East 692.33 feet to an iron pipe found at the base of a tree, said iron pipe marking a common corner between this tract of land and lands now or formerly of R.R. Rehoboth, Inc. and in line of lands of Maplewood Subdivision; thence turning and running by and with Maplewood Subdivision, South 54 degrees 44 minutes 01 seconds West 895.65 to a concrete monument found, said concrete monument marking a common corner between this tract of land Maplewood Subdivision, another tract land and lands now or formerly of Blanch A. Warrington; thence turning and running by and with the lands now or formerly of Blanche A. Warrington, North 40 degrees 19 minutes 00 seconds West 2,074.80 feet to a point said point, marking a common corner between this tract of land and lands now or formerly of Blanche A. Warrington and lands now or formerly of

Warrington; thence turning and running by and with the lands now or formerly of Warrington, North 38 degrees 58 minutes 38 seconds West 217.70 feet to a point in the Southeasterly right-of-way line of County Road 283, the point in place of beginning, said to contain 44.83 acres more or less.

Together with a perpetual easement and right-of-way, over a contiguous 2.89 acre parcel, which said easement was reserved in a Deed dated April 5, 1999 between J.G. Townsend, Jr. & Co. and Talles-Robbins, Rehoboth, L.L.C., which Deed is of record in the Office of the Recorder of Deeds, aforesaid in Deed Book 2375, Page 116 and which said easement was conveyed to the owner of the aforescribed lands, its successors and assigns, to continue to run with the land burdened thereby for the benefit of the land described herein.

Being the same lands and premises conveyed to Five D Limited Liability Company, by Deed of J.G. Townsend, Jr. & Co., dated and recorded June 14, 1999, in the Office of the Recorder of Deeds, aforesaid, in Deed Book 2396, Page 137, portions of which were subsequently conveyed to the Declarant hereunder as more fully described in the introductory portion of this Amended and Restated Declaration.

EXCEPTING FROM THE SUBMITTED PROPERTY all those certain lots, pieces and parcels of land held for expansion of the Condominium, as depicted upon the First Amendment to Condominium Declaration Plan for Heritage Village Condominium (Site Plan portion) as: "EXPANSION LANDS" or "FUTURE CONSTRUCTION", more fully described in Exhibit 3.1, above.

The Submitted Property includes Unit GC, Heritage Village Condominium (the Golf Course Unit).

SCHEDULE 3.3

SCHEDULE OF GOLF COURSE UNIT INFORMATION

Unit Number	UPI ¹	% GCLCE ²
GC	<u>1.00%</u>	<u>100.00%</u>
Total	1.00%	100.00%

Undivided percentage interest ("UPI") in and to the Common Elements. The percentage interest reflected here is not subject to reduction and reallocation as the Condominium is expanded, as more fully set forth in Article 3 of the Declaration. The total UP/ for the Golf Course Unit shall remain It, pursuant to Article 3, Section 3.1.4.

&GCLCE - Percentage Interest in Golf Course Limited Common Elements. The figure represents the identified Golf Course Unit's percentage interest in the Golf Course Limited Common Elements and forms the basis of such Golf Course Unit Owner's vote in the Association and such Golf Course Unit Owner's percentage responsibility for, and of costs of maintaining, repairing and/or replacing the Golf Course Limited Common Elements. The total %GCLCE shall be 100V.

SCHEDULE 3.4

SCHEDULE OF RESIDENTIAL UNIT INFORMATION

Unit Number	UPI ³	% RLCE ⁴
Total	99.0%	100.00%

3

Undivided percentage interest ("UPI") in and to the Common Elements. The percentage interest reflected here is subject to reduction and reallocation as the Condominium is expanded, as more fully set forth in Article 3 of the Declaration. The total UPI for all Residential Units shall be 99%, pursuant to Article 3, Section 3.1.4,

RLCE - Percentage Interest in Residential Limited Common Elements. The figure represents the identified Residential Unit's percentage interest in the Residential Limited Common Elements and forms the basis of such Residential Unit Owner's vote in the Association and such Residential Unit Owner's percentage responsibility for, and of costs of maintaining, repairing and/or replacing the Residential Limited Common Elements. The percentage interest reflected here is also subject to reduction and reallocation as the Condominium is expanded, as more fully set forth in Article 3 of the Declaration. The total %RLCE shall be 100%.

SCHEDULE 4.3.2

MAINTENANCE ACCESS EASEMENT FOR STORMWATER MANAGEMENT AREA
HERITAGE VILLAGE CONDOMINIUM
(PART OF TAX PARCEL NO. 334-6.00-355.00)

Description of property situate in Lewes and Rehoboth Hundred, Sussex County, State of Delaware, being lands designated

"MAINTENANCE ACCESS EASEMENT FOR STORMWATER MANAGEMENT AREA" as shown on the "FIRST AMENDMENT TO CONDOMINIUM DECLARATION PLAN FOR HERITAGE VILLAGE CONDOMINIUM", dated January 5, 2007, last revised January 25, 2007, Consisting of 2 Sheets, prepared by Karins and Associates, Professional Engineers and Land Surveyors, Drawing No. 2169\survey\fab worksheet. Being more particularly bounded and described as follows to wit:

Beginning at a point on common line with lands designated "expansion lands" through lands of "heritage village condominium" (Tax Parcel No 334-6.00-355.00), said point being further located from the intersection of the southeasterly side of Postal Lane (Variable Width R/W) with the southwesterly side of Bethpage Drive (50' wide R/W); thence, along said southwesterly side of Bethpage Drive the following two (2) described courses and distances: 1) along lands now or formerly of blanche a, warrington (Tax Parcel No. 334-6.00-682.00), South 38°-58'-38" East, 217.70 feet to a corner in common with lands now or formerly of blanche a. & samuel c. warrington ii (Tax Parcel No. 334-12.00-55.01), and 2) on said lands now or formerly of blanche a. & samuel c. warrington South 40°-19'-00" East, 1394.68 feet to the southwesterly terminus of Bethpage Drive; thence, crossing said southwesterly side of Bethpage Drive to the southeasterly side of Bethpage Drive, North 49°-25'-20" East, 50.00 feet, to the southeasterly side of Bethpage Drive; thence, leaving said southeasterly side of Bethpage Drive through said lands of "heritage village condominium, the following four (4) described courses and distances: 1) North 49°-25'-20" East, 254.64 feet, 2) North 80°-51'-10" East, 119.53 feet 3) North 27°-51'-34" East, 171.45 feet and 4) North 58°-47'-40" East, 20.87 feet to the point and place of Beginning; thence, through lands designated "golf course limited common elements", the following fourteen (14) described courses and distances: 1) North 44°-29'-26" West, 128.05 feet, 2) South 34°-53'-54" West, 39.28 feet, 3) North 55°-21'-19" West, 70.26 feet, 4) North 65°-36'-54" West, 36.91 feet, 5) North 36°-05'-49" West, 46.56 feet, 6) North 42°-58'-51" West, 97.34 feet, 7) North 51°-40'-24" West, 122.49 feet, 8) North 17°06'-27" East, 35.08 feet, 9) North 81°-00'-10" East, 66.63 feet, 10) South 44°-10'-09" East, 131.68 feet, 11) South 62°-36'-26" East, 104.94 feet, 12) South 39°-53'-13" East, 100.92 feet, 13) South 34°53'-54" West, 7.92 feet, and 14) South 44°-29'-26" East, 140.75 feet to a point on a line with said lands designated " expansion lands "; thence, thereby, South 58°-47'-40" West, 30.82 feet to the

point and place of Beginning.

Containing within said described metes and bounds 34,645 square feet, (0.7953 acres) of land, be the same more or less.

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RECORDER OF DEEDS
JOHN F. BRADY
07 FEB - 1 PM 12: 23
SUSSEX COUNTY
DOC. SURCHARGE PAID

