

DECLARATIONS OF RESTRICTIONS,
COVENANTS AND EASEMENTS OF ABBOTSFORD
HOMEOWNERS ASSOCIATION, INC.

This DECLARATION OF RESTRICTIONS, COVENANTS AND EASEMENTS (hereinafter the "Declaration") is made as of May 17, 1991, by Belmont Builders, Inc., a Delaware Corporation (hereinafter the "Declarant"), and The Ryland Group, Inc., a Maryland corporation (hereinafter the "Vendor").

WITNESSETH :

Declarant is the owner of a certain tract of land situated partly in the City of Newark, New Castle County, Delaware containing approximately 40.5 ± acres of land (hereinafter referred to as the "Property") which tract of land is more particularly described in Exhibit "A" attached hereto and made a part hereof and is shown on a certain Construction Improvement Plan of "Abbotsford" dated September 10, 1990, and last revised October 10, 1990 and recorded on January 23, 1991, in the Office of the Recorder of Deeds in and for New Castle County, Delaware, on Microfilm No. 10741 prepared by Kidde Consultants, Inc. (hereinafter the "Plan"); and

Declarant desires to create on the Property a residential community to be know as "Abbotsford" with certain portions of the Property as Common Areas for the common benefit, use and enjoyment of the residents of Abbotsford; and

Declarant desires to ensure the attractiveness of Abbotsford and to provide for the maintenance of the Common Areas of Abbotsford; and

This Declaration is intended to set forth the rights and obligations of the Declarant, the Purchasers of any portion of the Property from the Declarant, its successors and assigns and the Mortgagees of any Purchasers as such rights and obligations relate to the development, sale and use of the Property; and

This Declaration is intended to be a Master Document governing the Property; and

Declarant desires to erect on a portion of the Property various buildings containing in the aggregate one hundred eighty-one (181) Residential Units and it is the Declarant's intention to sell such Units and to convey to the Abbotsford Homeowners' Association, Inc., a Delaware non-profit corporation, the remaining portions of the Property not sold as Units to be used as Common Areas as hereinafter defined, for the benefit of the owners of the Residential Units and Declarant; and

Declarant further desires to provide for the preservation and maintenance of the value, style of living and amenities on the Property and therefore hereby subjects the Property to certain restrictions, easements, covenants, conditions and charges as hereinafter set forth, all of which are for the benefit of the Property, the owners of any portion thereof and any other specific

parties hereinafter named; and

Declarant and Vendor have entered into a Purchase Agreement for the Property described herein and join in this Declaration for the purpose of subjecting the Property to the covenants, conditions and restrictions set forth herein:

NOW, THEREFORE, Declarant, intending to be legally bound hereby, declares that the real property described in Exhibit "A" and shown on the Plan is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, conditions and charges, all as hereinafter set forth, and all of which shall run with the land and shall be binding upon all parties having or acquiring any interest in the Property for the period of time hereinafter specified.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any Supplement hereto (unless the context clearly indicates otherwise) shall have the following meanings:

1. "Association" shall mean and refer to the Abbotsford Homeowner's Association, Inc., a non-profit corporation formed under the laws of the State of Delaware, its successors and assigns.
2. "Board" shall mean the Board of Directors of the Association.

3. "By-Laws" shall mean the By-Laws of the Association.
4. "City" shall mean the City of Newark.
5. "Common Areas" shall mean and refer to all those portions of the Property shown on the Plan and designated thereon as the Storm Water Management Reserved Space, and Traffic Islands, which areas are intended to be devoted to the common use and enjoyment of the owners of the Residential Units.
6. "County" shall mean New Castle County.
7. "Declaration" shall mean and refer to this Declaration of Restrictions, Covenants and Easements of Abbotsford dated as of May 17, 1991.
8. "Declarant" shall mean and refer to Belmont Builders, Inc., a Delaware corporation, its successors and assigns (other than the Association).
9. "Lot" shall mean any plot of land shown as a single lot on the Plan upon which Declarant intends to erect a residential unit and to convey title to such Lot and residential unit to a purchaser.
10. "Member" shall mean a member of the Association.
11. "Mortgagee", as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any unrecorded deed of trust, encumbering one or more of the lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "Mortgagee" shall mean any mortgagee and shall not be limited to institutional

mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration the terms "holder" and "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commissioner and the Commissioner of Veterans Benefits, or through other duly authorized agents.

12. "Owner" shall mean the then record owner, including the Declarant, or Vendor whether one or more persons, of the fee simple title to any Lot, but excluding any person having an interest, however described, merely as the security for the performance of an obligation, unless and until such person has acquired fee simple title pursuant to foreclosure, other legal proceedings or a deed in lieu of foreclosure.

(a) access to and ingress and egress to and from all portions of the Common Areas;

(b) use and enjoyment of the Common Areas;

(c) use and enjoyment of all footways, paths, sidewalks, walkways, streets and roads which are now or hereinafter may be located on the Property as shown on the Plan;

(d) the use of all utility lines including, but not limited to, sewer, water, electric and gas lines that are now or hereafter located on the Property for the purpose of providing service to the Property as whether or not located under, through, over or along any Lot or Common Areas, provided that this easement does not include service lines servicing only one unit;

(e) the use of the Storm Water Management Reserved Space and the existing drainage swales and easements shown on the Plan for drainage, collection, retention and discharge of storm water run-off.

Except as provided above no Person shall have the right to use any easement created herein, and none of the rights, privileges or easements created herein may be used by the public at large. However, the Declarant may dedicate the streets, sewer and water lines and associated utility easements to the City and/or the County.

TO HAVE AND TO HOLD all the aforesaid easements, privileges and rights at all times hereinafter, except and under and subject as hereinafter provided, as appurtenant to the Lots, Units, and the remainder of the Property.

Section 2. Utility Easements. There is hereby created an easement upon, across, over, through and under the Property for ingress, egress, installation, replacement, relocation, repair and maintenance of all utility and service lines and systems including,

but not limited to, water, sewer, gas, telephone, electricity, television or communication lines and systems. By virtue of this easement, it shall be expressly permissible for Declarant or the providing utility or service company to install and maintain facilities and equipment on said Property, to excavate for search purposes and to take such additional necessary action, provided such company restores any disturbed areas to the condition in which they were found. Notwithstanding anything to the contrary contained in this Section 2, (i) no sewers, electrical lines, water lines or other utility service lines or facilities for such utilities may be installed or relocated on the Property except as approved by Declarant so long as Declarant is engaged in developing or improving any portion of the Property, or by the Association thereafter, and (ii) it shall not be construed to apply to the relocation, installation, or removal of utility lines within a structure which serves only that structure.

Section 3. Declarant's Easement to Correct Drainage. For a period of two (2) years from the date of conveyance of each Lot, Declarant reserves an easement and right on, over and under the ground within that Lot for the right and privilege, but not the obligation, to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil or take any other similar action reasonably necessary, following which

Declarant shall restore the affected Lot as near as practicable to the condition in which it was found, which restoration shall include sodding and landscaping materials. Declarant shall give timely notice of intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice.

Section 4. Construction Easements and Rights. Notwithstanding any provision of this Declaration, so long as the Declarant or Vendor is engaged in developing or improving any portion of the Property, Declarant, Vendor, their agents, employees and contractors shall have an easement of ingress, egress and use over any portion of the Property conveyed to an Owner for (i) movement and storage of building materials and equipments, (ii) erection and maintenance of directional and promotional signs, and (iii) the conduct of sales activities, including maintenance of model residences. Such easements shall be subject to such rules as may be established by the Declarant to maintain reasonable standards of safety, cleanliness and general appearance of the Property.

Section 5. Easement For Access To Other Lands of Declarant. Notwithstanding any other provision of this Declaration to the contrary, as to Lot # 88, which lot shares its westerly boundary in common with other lands owned by Declarant not subject to this Declaration, Declarant retains and reserves unto itself, its successors and assigns all rights necessary and appropriate to utilize the said Lot # 88 for purposes either temporary or

permanent in nature for access, ingress and egress, to and from said retained lands.

This reservation of easement may include but shall not be limited to, an easement for construction by Declarant, its successors and assigns, of a temporary or permanent roadway for private and/or public use subject to the approval of any necessary municipal or State authority.

Section 6. Easement to Inspect. There is hereby created an easement in favor of the Association for ingress and egress from any Lot during reasonable hours to inspect the Lot for alleged violations of this Declaration and/or compliance with architectural standards and/or approved plans for alterations and improvements, provided the Owner of such Lot is given written notice of the purpose and time of inspection at least three (3) days in advance thereof.

Section 7. Duration of Easements. Except as otherwise set forth in this Article, the easements and rights granted and reserved herein are and shall run with the land and shall be perpetual and continue in full force and effect until modified or terminated pursuant to the provisions of this Declaration.

Section 8. Amended and/or Additional Easements. Declarant, until the earlier of (i) conveyance of 90% of all of the Units by Declarant or (ii) January 1, 1994, and the Association thereafter, may amend such easements, relocate such easements or grant additional easements, as necessary, during or after the

construction of the Units and other improvements on the Property without the joinder of any Owner, his mortgagee or other interested party, in order to accomplish the objectives of such easements as described herein provided however such amended and/or additional easements shall not detrimentally affect the use of any Lot:

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner, including Declarant and Vendor shall be a Member of the Association. Membership in the Association shall be appurtenant to each Unit and transfer of title to each Unit shall transfer automatically membership in the Association without the necessity of the delivery of any document. Membership in the Association shall not be separated from ownership of any Unit. All multiple Owners of any Unit shall be joined in one membership.

Section 2. Rights of Members. The rights of the Members, including voting rights, and the obligations of such Members, including dues for assessments as hereinafter more specifically described, shall be as provided in the By-Laws.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership: Class A Members shall consist of the Owners of all Units and the Class B Member shall be the Declarant and Vendor. Whenever more than one person shall be the record

title holders of any Unit, all such Owners shall appoint one person or entity for the purpose of voting in accordance with the By-Laws and such division of ownership shall not increase the number of votes per Unit.

Class A. Each Class A Member shall be entitled to One (1) vote for each Unit owned. Class A Members shall not include the Declarant unless and until its Class B membership has ceased and has been converted to Class A membership as hereinafter provided.

Class B. The Class B Membership shall be the Declarant and Vendor, the Declarant and Vendor shall be entitled to three (3) votes for every Lot or Unit which Declarant or Vendor owns. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever first occurs:

(a) the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or

(b) on January 1, 1997.

ARTICLE IV

THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Article II of this Declaration, every Class A Member shall have a right and easement of enjoyment in and to all Common

Areas and such easement shall be appurtenant to and shall pass with the title to every Unit.

Section 2. Title to Common Areas. The Declarant covenants that it will convey to the Association prior to conveyance of the first Lot to a Class A Member the Common Areas; and the Association shall accept from the Declarant the Common Areas and shall hold them subject to the provisions thereof.

Section 3. Extent of Members' Rights and Easements. The rights and easements of enjoyment granted hereby shall be subject to the following:

(a) The right and ability of the Declarant to encumber the Common Areas by Mortgage or other security instrument for the purpose of financing the construction of improvements, provided that when title to the Common Areas passes from Declarant to the Association such title must be free of all such mortgages and encumbrances;

(b) The right of the Association, as provided in its By-Laws, to suspend the enjoyment rights of any Member for a reason set forth therein or herein;

(c) The right of the Declarant or the Association to dedicate or transfer any or all of the Common Areas to any public municipality, authority, or the like, for all legal purposes and subject to such conditions as may be provided in the By-Laws, and provided no such dedication or transfer shall be effective unless an instrument signed by two thirds (2/3) of Members agreeing to such dedication or transfer has been recorded.

(d) The right of the Association to grant easements for the use of the Common Areas and the right of the Association to regulate the use of portions of the Common Areas for the benefit of Members.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 1. Creation of a Charge and Obligation for Assessments. Each owner of any Unit or Lot, by acceptance of a Deed thereof, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association such Annual, Special and Delinquency assessments as are established herein and paid in the manner hereinafter provided. The initial Annual assessment in the amount of One Hundred Dollars (\$100.00) shall commence immediately upon conveyance of the Unit from Declarant to Owner.

All such assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a lien on the land against which each such assessment is made. In the case of a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for the unpaid assessments and/or charges, without regard to the right of the grantee to recover from the grantor the amounts paid by the grantee for such assessments and/or charges. No Owner of any Unit or Lot may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Unit or Lot.

Section 2. Method of Assessment. All assessments shall be levied by the Board on behalf of the Association against each Unit and collected by the Board. The Board of Directors of the Association shall fix the amount of the Assessments as provided

hereinafter and set the date or dates such assessments shall become due.

Section 3. Assessments for Class A Members Shall Consist of:

(a) The Annual General Assessment: The Annual General Assessment shall be used exclusively to promote the health, safety and welfare of the Class A Members in particular to improve, maintain and operate the Common Areas including maintenance as provided for in Article IX, Section 1 hereof and including the funding of appropriate reserves for future repair and replacement. By a vote of a majority of the Directors, the Board shall fix the Annual General Assessment in an amount sufficient to meet the obligations imposed by the Declaration. In the event the Board fails to fix an assessment for any fiscal year, then each assessment established for the prior year shall be automatically continued until such time as the Board acts subject to the following provisions: (i) the maximum annual assessment may not be increased each fiscal year of the Association by more than 10% above the annual assessment for the previous fiscal year without a vote of the membership. Such an increase (above 10%) shall require a vote of 2/3 of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(b) Special Assessments: The Association may levy a Special Assessment against the Units for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto or to correct or remedy any violation of a governmental regulation or a nuisance with respect to the Common Areas. Special Assessments may be levied with the assent of two-thirds vote of each class of members who are voting in person or by proxy. A meeting of the members shall be duly called for this purpose.

(c) Delinquency Assessment: The Association may levy a special assessment to be known as a Delinquency Assessment against any Owner who demonstrates a chronic or deliberate disregard for any of the Rules, Regulations, Restrictions, or Covenants adopted by Abbotsford Homeowners' Association, Inc., including, but not limited to, the payment of regular assessments and the matters set forth in this Declaration. Such Delinquency Assessments shall be levied only by majority vote of the Board of Directors of the Association, shall require that notice of intent to make the levy shall have been sent to the Owner at least ten (10) days prior to the levy, shall not exceed \$ 5.00 per day, shall be collectible as other

assessments provided for herein and shall be construed as recompense for the extra time, trouble and expense connected with enforcing the rules and regulations against persons who persistently ignore and violate same.

Section 4. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment installment not paid within ten (10) days after the due date shall be delinquent. Thereupon, the Association shall provide written notice of such delinquency and may:

(a) declare the entire balance of such Annual or Special Assessment due and payable in full;

(b) charge a late fee in an amount to be set by the Board of Directors and entered in the Book of Resolutions;

(c) give registered or certified Notice to the Owner that in the event payment with accrued charges is not made within fifteen (15) days from the date of such notice then the Association may secure all legal remedies available;

(d) upon registered or certified Notice to the Owner, suspend the right of such Owner to vote until the Assessment and accrued charges are paid in full.

(e) in addition to the remedies set forth above, the Association shall be entitled to collect from such delinquent Owner all costs and expenses of any nature incurred by the Association in connection with the collection of such delinquent assessments and other fees and penalties, including court costs and attorneys' fees.

Section 5. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded first mortgage or deed of trust now or hereafter placed against a Lot, unless such lien for assessments hereunder has been duly recorded as such among the Land Records of New Castle County aforesaid prior to the recording of such mortgage or deed of trust. Sale or transfer of any Lot shall not affect the

assessment lien. However, any contract purchaser of a Lot shall be entitled, on written request to the Association, to a statement in writing from the Association setting forth the amount of any unpaid assessments against the Owner of the Lot due the Association and such purchaser shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the Owner-Grantor or the Lot in excess of the amount set forth in such statement. The sale or transfer of any Lot pursuant to foreclosure or any proceeding in lieu thereof, of a mortgage senior in priority to the assessment lien, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from any lien therefor.

Section 6. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments; charges and liens created herein: all properties to the extent of any easement or other interest therein dedicated and accepted by a public authority and devoted to public use; all Common Areas; and all properties exempted from taxation by the State or County government upon the terms and to the extent of such legal exemption.

Section 7. Uniform Rate of Assessments. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, or other periodic basis;

provided, however, that any Class B Member shall only be required to pay 25% of the assessment for each Lot owned by the Class B Member. Notwithstanding any provision contained in this Declaration to the contrary, Declarant hereby covenants and agrees for the benefit of each Class A member to pay any and all expenses incurred by the Association during the Deficit Period (as such term is hereinafter defined) in furtherance of its purposes to the extent that the annual and special assessments levied during the Deficit Period are insufficient to pay such expenses; provided, however, that at such time as the Declarant has paid what would equal one hundred percent (100%) of the assessments for its Lots which may receive the benefit of the reduced twenty-five percent (25%) assessment hereinabove referred to, then the Declarant shall only be obligated to pay any further assessments during that annual period in an amount equal to what would be due for such Lots had they been owned by a Class A member. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of recordation of this Declaration and ending on the date on which the Class B membership lapses under this Declaration.

ARTICLE VI

INSURANCE

Section 1. Insurance on Common Areas. The Association shall maintain and keep in full force and effect a policy of comprehensive general liability insurance with respect to the

Common Areas. The pro rata cost of said insurance to each Unit Owner shall be included in the Annual General Assessment identified in Article V, Section 3(a).

Section 2. Workman's Compensation. The Association, as part of its ordinary business expenses, shall keep in effect workman's compensation insurance and employer's liability insurance, if required by law.

Section 3. Amounts and Insurance. The insurance set forth in the is Article VI shall be maintained in a reputable insurance company authorized to transact business in the State of Delaware, and shall be in such amount as is reasonable and normal within the insurance industry as of the times that the risks are insured.

ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

Section 1. Review and Approval by Committee. No buildings, structures, fencing, decking or other improvements, shall be erected or placed on any Unit in the front yard area between the public roadway and that portion of the dwelling unit facing the roadway nor shall the exterior of the Unit be structurally altered until and unless plans and specifications showing the nature, kind, shape, height, materials, floor plans, exterior color schemes and location shall have been submitted to and approved in writing by a majority vote of the Architectural Review Committee.

Section 2. Members. The said Architectural Review Committee shall consist of at least three (3) members and shall be appointed by Declarant from time to time and shall include such Persons or Members as Declarant shall choose in its sole and exclusive discretion, until such time as 75% of the Units are conveyed, and thereafter the appointments shall be made by the Board of Directors of the Association. Any member of the Board of Directors of the Association. Any member of the Committee may be removed by the Declarant or the Board, as appropriate, at any time with or without cause. At least one member of the Architectural Review Committee shall be a member of the Board of Directors of the Association.

Section 3. Plans. All submissions of applications and plans shall be made to the Architectural Review Committee by Certified Mail Return Receipt Requested and must be in duplicate, one copy of which shall be retained by Declarant or the Association as the cause may be, regardless of the action taken.

Section 4. Approval. The Architectural Review Committee shall have the right to disapprove, subject to the procedure and guidelines established by the Board of Directors of the Association, any such plans or specifications for improvements which are not suitable in its opinion, for aesthetic or other reasons; and in passing upon such plans and specifications, it shall take into consideration the suitability of the proposed building or other structure, the materials of which it is to be constructed, the color scheme, the site upon which it is proposed

to erect same, the harmony thereof with the surroundings, and other dwellings and structures located on the Property, and the effect of such proposal on the outlook from adjacent or neighboring properties, keeping in mind the nature of the development scheme. In the event that after such presentation of such plans and specifications, the Architectural Review Committee fails to approve or disapprove said plans within 45 days of such presentation, such plans and specifications are deemed disapproved. Approval shall be evidenced by the signature of the Chairman of the Architectural Review Committee on each sheet of the plans submitted. Decisions rendered by the Architectural Review Committee may be appealed to the Board of Directors of the Association.

Section 5. Immunity. Neither Declarant nor any member of the Architectural Review Committee, nor the Board of Directors of the Association, nor any successor or assign(s) thereto or thereof, shall be liable in damages to anyone submitting any plans or request to them for approval, or to any Owner affected thereby by reason of a mistake in judgement, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or request. Every Owner who submits any plan or request to the Architectural Review Committee for approval agrees, by submission thereof, that he or she will not bring any such action or suit to recover any such damages.

Section 6. Enforcement. Declarant and the Association shall have the express power and the right to enforce strict compliance

with the provisions of this Article VII. The remedy provided in this Section 6 is not intended in any way to limit the rights and remedies available to Declarant or the Association by law.

Section 7. Provisions Inapplicable to Declarant and Vendor. Declarant and Vendor shall be exempt from the submission and approval requirements of this Article VII.

ARTICLE VIII

RULES AND REGULATIONS

There shall be a committee consisting of three (3) members, appointed by the Board of Directors of the Association known as the "Rules Committee," whose duties shall include the establishment and enforcement of reasonable rules and regulations for the Common Areas. Any member of the Rules Committee may be removed by the Board at any time with or without cause. The Board of Directors of the Association shall have the right upon the recommendation of the Rules Committee to suspend the voting rights of any Unit Owner violating such rules and regulations.

ARTICLE IX

MAINTENANCE

Section 1. Maintenance of the Common Areas. The Common Areas shall be kept and maintained by the Association. Such maintenance

shall include the maintenance and replanting of landscape materials in the Common Areas to maintain the landscaping design approved by the Board, and, whenever applicable, the City. The retention basin which is part of the Common Area may, at the discretion of the Association, be maintained in good order and repair through a professional maintenance consultant or firm. The cost of such maintenance, however provided, shall be assessed against each Unit Owner in accordance with Article V of this Declaration.

Section 2. Maintenance by Unit Owner. Each Unit Owner shall be responsible for and shall provide all maintenance not provided for in Section 1 of this Article IX, including maintenance of the interior and exterior of his/her Unit. In the event an Owner of any Lot in the development shall fail to maintain the Unit and the improvements thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right through its agents and employees, to enter upon said Unit and to repair, maintain, and restore the Lot and the exterior of the Unit. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE X

GENERAL PROVISIONS

Section 1. Flexibility of Development. Nothing contained herein shall be construed to require Declarant to develop the

Property or any part thereof or to convey any part of the Property. Declarant, until the first Unit is conveyed and/or the Association thereafter, shall have the right to change the location, size or permitted use of any part of the Common Areas or any easement or part thereof over the Property at any time, provided that no such change shall interfere with access to any Lot or the reasonable use of the Common Areas by the Owners.

Section 2. Compliance with Final Plan. Each Unit is intended to be, and only may be used as, a single family private residence, provided, however, that Declarant shall have the right to use Units as models and sales offices in connection with the sale of remaining Units. No use shall be made of any Unit which is contrary to the plan for the development of the Property as the same may be approved by the applicable governing authorities.

Section 3. Lot Size. No Lot shall be partitioned or in any other manner reduced in size. However, the Declarant hereby expressly reserves to itself, its successors or assigns, the right to make modification of any plan of Lots prior to the sale of a Lot shown thereon, provided the modification shall be with such approval as may be required by the City of the County.

Section 4. Restrictive Covenants. Without intending to limit the generality of the provisions of the Declaration, the following restrictions are imposed as a common scheme upon the Property.

(a) no trailer, accessory building, outbuilding, storage shed, tent, shack, barn, or other similar outbuilding, shall be built on any Lot at any time, either of a temporary or permanent character provided, however, that this prohibiting

shall not apply to shelters used by a builder during the construction of a structure, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences, or permitted to remain on a Lot after completion of construction.

(b) no antennas, satellite dishes, overhead wires, including telephone, electrical, or television cable or otherwise may be constructed on any Lot or cross over any Lot. All wires not located entirely within the enclosed portion of a structure must be buried beneath the surface of the ground. The provisions of this Section 4(b) may be waived upon the specific request of an Owner, which waiver shall be in writing and approved by the Declarant or the Architectural Review Committee.

(c) no yard shall be paved, except as approved by Declarant.

(d) no trucks, buses travel trailers, boat trailers, boats, utility trailers or campers whatsoever, and no disabled vehicles of any description shall be parked on the front yard of any Lot; except that pick-up trucks less than seven feet high and not in excess of 3/4 ton and enclosed vans less than seven feet high and not in excess of 10,000 lbs. G.V.W. are permitted. Small boats, utility trailers, campers, boat trailers, and disabled vehicles are permitted only within an enclosed garage.

(e) the existing slope or conformation of any Lot shall not be altered, nor shall any structure, retaining wall, planting or other activity be constructed or taken which retards, changes or otherwise interferes with the natural flow of surface or drainage waters to the actual or threatened injury of any other Lot, or which creates erosion or sliding problems.

(f) natural vegetation on any Lot shall not be substantially destroyed without written consent from the Architectural Review Committee.

(g) no Lots shall be used or maintained as a dumping ground for rubbish. All trash, garbage and refuse shall be stored in closed containers as inconspicuously as possible. No burning of trash, garbage, leaves and refuse shall be allowed. No materials or waste shall be so stored in such manner that they may be transferred off the Property by natural causes (wind, rain, etc.).

(h) no noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other Unit

Owners. The decision as to whether any activity is noxious or offensive shall be decided exclusively by the Association in such manner as it may elect to make such decision. No Owner of any Unit shall be permitted to carry on or otherwise engage in any business activity therein.

(i) no signs or advertising of any nature, except for a single real estate "for sale" sign, shall be permitted to be displayed on any Lot or Unit without prior approval of the Declarant or the Association. The foregoing provisions of this subsection shall not apply to the Declarant.

(j) no repairing of any motor vehicle in any portion of the Property shall be permitted.

(k) no animals of any kind other than usual household pets shall be kept or maintained on any part or portion of the Property or Lots, and no horses, cows, goats, hogs, poultry, pigeons, or similar animals shall be kept on any part or portion of the Property or Lots. Breeding of domestic animals of any kind on any part or portion of any Lot or Lots or in any building or structure thereon, is expressly prohibited. All domestic animals, when outside of its respective owner's Residential Unit, must be on a leash and otherwise comply with all local, municipal, county, and state laws and ordinances.

(l) no vegetable gardens shall be kept or maintained in any side or front yard areas, of any Lot.

(m) no swimming pools, whether above ground or in ground (excluding children's wading pools), shall be permitted without the approval of the Architectural Review Committee.

(n) privacy fences may be constructed along the side and the rear property lines of any Lot, provided they do not exceed a height of six feet. The type of fence to be constructed will require the approval of the Architectural Review Committee.

(o) no Unit shall be leased to more than two unrelated persons.

(p) no Unit shall be used for any commercial activity.

The foregoing provisions of this Section shall not apply to the Declarant and Vendor with the exception of subparagraph (o).

Section 5. Leasing. Any Owner desiring to lease his/her Unit shall include in such proposed lease a provision obligating the

prospective tenant to comply with all terms, conditions and covenants of this Declaration, the By-Laws and Rules and Regulations of the Association.

ARTICLE XI

RIGHTS OF MORTGAGEES

Each first mortgagee holding a mortgage on a Unit shall have to following rights:

(a) To have his/her or its name, and mailing address and the name and mailing address of his/her or its mortgagors recorded in the records of the Association, so that said Board of Directors of the Association or its agents can readily communicate with said mortgagee;

(b) To receive written notice of any default by the mortgagor in the performance of such mortgagor's obligations under this Declaration, the By-Laws of the Association which is not cured within thirty (30) days;

(c) To examine the books and records of the Association, the Board of Directors of the Association and their agents;

(d) To pay severally, or jointly with other mortgagees, taxes or other charges which are in default and which may become a charge against the Common Areas, or secure new insurance coverage on the lapse of a policy for such Common Areas; any first mortgagees making such payments shall be entitled to immediate reimbursement therefore from the Association;

(e) To have priority in the case of distribution to a Unit Owner of insurance proceeds or condemnation awards for damages to or a taking of any or all of the Common Areas.

ARTICLE XII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is

built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

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

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who is negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this

built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

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

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who is negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this

Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

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

ARTICLE XIII

AMENDMENT, TERMINATION AND ENFORCEMENT

Section 1. Amendment.

A. Amendment.

(i) The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period, by an instrument signed by no less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by no less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded. In addition to the above, no amendment of a material nature of this Declaration may be made unless approved by at least two-thirds (2/3) of the first mortgagees of all Lots (based on one vote for each first mortgage owned). A change to any of the following shall be considered material: any amendment affecting assessments, any property right, the right of an Owner to have, use or enjoy any easements or use the Common Areas, or the vested right of any party secured by a mortgage or deed of trust.

(ii) Anything set forth above to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented. This unilateral right, power and authority of the Declarant may be exercised only if either the Veterans Administration

or the Federal Housing Administration or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the United States of the Property or any part thereof or any Lot thereof, for federally approved mortgage financing proposed under applicable Veterans Administration, Federal Housing Administration or similar programs. If the Veterans Administration or the Federal Housing Administration or any successor agency approves the Property or any part thereof or any Lot thereon for federally approved mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B Members shall also require the prior assessment of the agency giving such approval.

Section 2. Termination.

A. Subject to the prior approval of Veterans Administration or Housing and Urban Development, the Declarant has the right to terminate the covenants and restrictions contained herein by vote of 90% of the Association Members to terminate such covenants and restrictions.

In the event that the Association is not then functioning, such termination may be made by any successor in interest, and the method of voting by either the Association or any successor shall be set forth in its By-Laws or other rules applicable at that time.

B. In the event that neither the Association nor any successor is in existence at any of the times provided for herein, such termination may be made by a 90% vote of the Owners, each Unit to have one (1) vote. A document memorializing such vote shall be signed by at least 90% of the Owners and shall be recorded and refer to these restrictions and covenants.

C. Any amendment or termination must be recorded in the land

records of New Castle County, Delaware in order to become effective.

D. The Association may not terminate its existence nor transfer its interest in the Common Areas unless an assignee or successor entity assuming responsibility for maintenance of the Common Areas is approved by the City.

Section 2. Enforcement.

A. If any Owner of any Unit or his heirs, successors or assigns, shall violate or attempt to violate any of these restrictions and covenants, it shall be lawful for Declarant, or its assigns, or the Association, individual Unit Owners, to prosecute any proceeding in law or in equity against the person or persons violating or attempting to violate any such covenants. No waiver of any of the foregoing restrictions as to any Unit or Lot shall constitute a waiver of such or any restrictions as to any other Unit or Lot. Nothing contained herein contained shall impair or defeat the lien of any mortgage or deed of trust. In the event that Declarant, or the Association, or individual Unit Owners commence an action at law or in equity to enforce any of these easements, restrictions and covenants, Declarant, or the Association, shall be entitled to recover reasonable attorney's fees and costs, as determined by any court or arbitrator having jurisdiction over the matter, from the Owner against whom said action is maintained. This provision shall be deemed to be accepted and agreed to by any Owner.

B. In the event that the Association fails to maintain the Common Areas in reasonable order and condition in accordance with the Plan, the City may serve, upon the Association or the Owners written notice which (i) sets forth the manner in which the Association has failed to maintain the Common Areas in reasonable condition; (ii) includes a demand that such deficiencies be corrected within thirty (30) days thereof; and (iii) states the date and place of a hearing thereon which shall be held within fourteen (14) days of the notice. At such hearing, the City may modify the terms of the original notice as to the deficiencies and may give an extension of time within which they shall be corrected. If the deficiencies set forth in the original notice or in any modifications thereof, shall not be corrected within said thirty (30) days or any extension thereof the City in order to preserve the taxable values of the properties within the development and/or to prevent the Common Areas from becoming a public nuisance may enter upon the Common Areas and maintain the same and/or correct any regulatory violations and/or nuisances on or caused by conditions of the Common Areas for a period of one (1) year. Such maintenance and/or corrective action shall not constitute a taking of said Common Areas nor vest in the public any rights to use the same. Before the expiration of said year the City shall upon its initiative or upon the request of the Association call a public hearing upon public notice to the Association or to the owners to be held by the Newark City Council (the "Council"). At such hearing, the Association or the Owners shall show cause why such

maintenance by the City shall not at its option continue for a succeeding year. If the Council shall determine that the Association is ready and able to maintain said Common Areas in reasonable condition, the City shall cease to maintain the Common Areas at the end of said year. If the Council shall determine that the Association is not ready and able to maintain said Common Areas in a reasonable condition, the City may at its discretion continue to maintain said Common Areas during the next succeeding year and subject to a similar hearing and determination in each year thereafter. The decision of the Council shall be subject to appeal to Court in the same manner and within the same time limits as provided for zoning appeals from a zoning hearing board's decision under the applicable statutes. The cost of such maintenance by the City shall be assessed ratably against the Lots that have the right to use and/or enjoy the Common Areas and shall become a lien upon said properties. The City at the time it enters upon the Common Areas for the purpose of maintenance and/or corrective action or at any subsequent time may file in the office of the Prothonotary of the Superior Court in and for New Castle County a Notice of Lien upon the properties affected which the City may lien hereunder.

Section 3. Annexation.

A. (i) Additional Property. Additional residential Lots and Common Areas may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members.

(ii) Annexation by Declarant. Additional land within the area described in Exhibit B attached hereto and made a part hereof may be annexed to the Property and made residential Lots and Common Areas of the Property by Declarant without the consent of members within ten (10) years of the

date this Declaration is recorded among Land Records of New Castle County aforesaid. Provided, however, if at the application of Declarant the Veterans Administration or the Federal Housing Administration or any successor agency approves the Property or any part thereof or any Lot thereon for federally approved mortgage financing purposes, thereafter any annexation shall be made only if the Federal Housing Administration and/or the Veterans Administration determine that the annexation is in accord with the general plan theretofore approved by them.

(iii) Recording. Any annexation made to the Property hereunder shall be done and become effective upon recording of an Amendment to this Declaration by Declarant among the Land Records of New Castle County aforesaid specifying the additional land to be annexed to the Property.

ARTICLE XIII

MISCELLANEOUS

Section 1. Notices. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as a Member on the records of the Association at the time for such mailing.

Any notice required to be given to the Association shall be deemed to have been given when mailed, postage pre-paid, to the last known address of the Association, or to the last known address of the President or Secretary.

Section 2. Condemnation. In the event any portion of the Common Areas shall be taken or condemned by the exercise of the power of eminent domain, then the award or other monies payable with respect thereto shall be paid to the Association to be handled

as it shall determine by proper corporate procedures.

Section 3. Severability. Invalidations of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Conflict. In the event of conflict among or between this Declaration, the Articles of Incorporation of the Association, and the By-Laws, this Declaration shall control, then the Articles of Incorporation of the Association, and then the By-Laws; except that in all cases where any of the documents named herein may be found to be in conflict with statute, the statute shall control.

Section 5. Interpretation. Unless the context otherwise requires the use herein, the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." The headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any substantive provisions thereof.

Section 6. FHA/VA Approval. If the Declarant applies for approval for any Lot of the FHA or the VA for mortgage financing, then in that event so long as there is Class B Membership, the following actions will require prior approval of the FHA or the VA: Annexation of additional properties, dedication of Common Area, and

EXHIBIT A

All that certain piece, parcel or tract of land known as ABBOTSFORD, located on the Southerly side of Barksdale Road, situated in the City of Newark, New Castle County, Delaware, according to a plan entitled, "Construction Improvement Plan Cover Sheet, ABBOTSFORD", and more particularly described as follows:

Beginning for the same at a point, said point being a corner for this parcel and Williamsburg Village; Thence, with lands N/F Williamsburg Village the following two courses and distances:

- 1) $S12^{\circ} 09'16''E$, 767.73' to a point; and,
- 2) $N77^{\circ} 50'44''E$, 379.97' to a corner for Lot 133;

Thence, thereby, $S73^{\circ} 26'10''E$, 18.38' to a point;

Thence, still with Lot 133 and in part with Lot 132, $S67^{\circ} 00'19''E$, 160.48' to a corner for Lot 132;

Thence, thereby, $S23^{\circ} 21'38''E$, 41.80' to a corner for open space dedicated to the City of Newark;

Thence, thereby, $N73^{\circ} 16'23''E$, 56.00' to the 100 year flood line;

Thence, following the 100 year flood line, as shown on said Plan, in a Southeasterly direction $405 \pm'$ to a point in line of lands N/F City of Newark. Said point being connected by a tie line $S47^{\circ} 58'24''E$, 390.87' from the last described point;

Thence, with lands N/F City of Newark, $S21^{\circ} 18'40''E$, 10.00' to a point in line of lands N/F B&O Railroad, thence, thereby, the following three courses and distances:

- 1) $S68^{\circ} 27'52''W$, 28.68' to a point;
- 2) $S68^{\circ} 05'45''W$, 1554.03' to a point; and,
- 3) $S67^{\circ} 14'13''W$, 420.16' to a corner for lands reserved for Route 4 extension/Christiana Parkway;

Thence, thereby, the following two courses and distances:

- 1) $N35^{\circ} 45'47''E$, 451.71' to a point; and,
- 2) $N00^{\circ} 02'31''W$, 437.30' to a point in line of lands N/F W.L. Gore;

Thence, thereby, the following two courses and distances:

- 1) $N81^{\circ} 09'28''E$, 578.57' to a point; and,

2) N07° 31'22"W, 784.72' to a point on the Southeasterly side of
Barksdale Road;

Thence, thereby, N78° 06'55"E, 597.85' to the point and place, at
beginning, containing therein 40.5 ± acre of land.

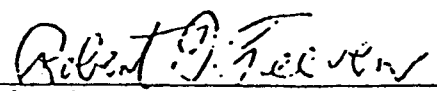
amendment of the Declaration.

IN WITNESS WHEREOF, the Declarant, Belmont Builders, Inc., a Delaware Corporation, has caused this Declaration of Restrictions, Covenants and Easements of Abbotsford to be duly executed the day and year first above written.

BELMONT BUILDERS, INC.
a Delaware Corporation

By: 

William C. Abernethy
Executive Vice President

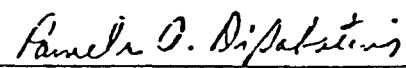
Attest: 

Robert F. Teeven
Secretary

THE RYLAND GROUP, INC.
a Maryland Corporation

By: 

MICHAEL M. BRODSKY, VICE PRESIDENT
MARKET MANAGER

Attest: 

PAMELA A. DISABATINO
ASSISTANT SECRETARY