

EXHIBIT “A”

Tax Map & Parcel Nos.:
1-34 16.00 849.00 through
913.00 (inclusive), 43.01, 44.00,
916.00 through 950.00 (inclusive),
952.00 through 961.00 (inclusive)
Prepared by & Return to:
Steen, Waehler & Schrider-Fox, LLC
92 Atlantic Avenue, Unit B
P.O. Box 1398
Ocean View, DE 19970

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SILVER WOODS IN OCEAN VIEW**

This Declaration of Covenants, Conditions and Restrictions (the "Declaration") is made and executed this 27th of September, 2016, by Robert L. Thornton and Silverstock WP LLC, a limited liability company organized and existing under the laws of the State of Delaware, both of P.O. Box 449, Bethany Beach, Delaware 19930.

WHEREAS, Robert L. Thornton is the fee simple owner of certain real property located in Baltimore Hundred, Ocean View, Sussex County, Delaware, as set forth in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Property"), and, together with Silverstock WP LLC, desires to develop therein a mixed use planned community which shall initially consist of one hundred eleven (111) Single Family Lots and Common Areas for the benefit of the residential portion of the mixed use planned community. The Common Areas shall also benefit the neighboring residential community identified as "Silver Woods" that is located in an unincorporated area of Sussex County and that is described in Exhibit "C" attached hereto and made a part hereof ("Phase I"), as well as the benefit of the Annexed Property in future sections of Silver Woods in Ocean View that become a part of the mixed use planned community Development, all as more particularly set forth and described herein; and

WHEREAS, Robert L. Thornton and Silverstock WP LLC (hereinafter collectively referred to as "the Developer") desire to provide for the preservation of the values and amenities in said community and for the maintenance of said Common Areas and facilities and, to this end, desire to subject the Property to the covenants, restrictions, easements, charges and liens, as hereinafter set forth, for the benefit of the Property and each owner thereof; and

WHEREAS, the Developer deems it desirable for the efficient preservation of values and amenities in said community to create an entity to which will be delegated and assigned the powers of maintaining and administering the Common Areas, community facilities and recreational amenities, and administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Developer will cause a non-profit, non-stock corporation, to be known as the Silver Woods Community Association, Inc., to be incorporated under the laws of the State of Delaware for the purpose of exercising the functions aforesaid.

NOW THEREFORE, the Developer hereby declares that the following covenants, restrictions, easements, charges and liens shall run with, burden and bind the Property, and the Developer hereby declares the Property, as described in Exhibit "A", which is attached hereto and incorporated herein by reference, is and shall be held, transferred, sold, conveyed, occupied and used subject to the restrictions hereinafter set forth and during the period of time hereinafter set forth; and subject to all easements, rights of way and restrictions previously placed upon the Property as recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, by the Developer, or its predecessors in title.

ARTICLE I
DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

A. “Annexed Property” shall mean some or all of that property presently identified as Sussex County Tax Map and Parcel No. 1-34 16.00 914.00, consisting of approximately 11.10 +/- acres, and identified as Parcel A, Commercial District on the Record Plat; some or all of that property presently identified as Sussex County Tax Map and Parcel No. 1-34 16.00 951.00, consisting of approximately 9.82 +/- acres, and identified as Parcel B, Multi-Family District on the Record Plat; some or all of that property presently identified as Sussex County Tax Map and Parcel No. 1-34 16.00 45.00, consisting of approximately 16.73 +/- acres, and identified as part of Parcel C, Mixed Use District on the Record Plat; some or all of that property presently identified as Sussex County Tax Map and Parcel No. 1-34 16.00 47.00, consisting of approximately 5.10 +/- acres, and identified as Parcel D, Assisted Living District on the Record Plat; and such additional property as may be further identified on the Record Plot and located contiguous to the property described in Exhibit “A” and which the Developer may acquire or, pursuant to agreement with the owner of such property, may acquire the right to annex into the Development and be made subject to this Declaration, in accordance with this Declaration, by the recordation of one (1) or more Declarations of Annexation.

B. “Assisted Living Parcel” shall mean any portion or parcel of land within the Development that is devoted to an assisted living use and that has been subjected to this Declaration.

C. "Assisted Living Unit" shall mean a single unit in a detached assisted living structure or as a portion of an assisted living structure within the Development, providing a separate living space for the individual owner or lessee of said separate living space.

D. "Association" shall mean the Silver Woods Community Association, Inc., a Delaware non-profit, non-stock corporation, its successors and assigns.

E. "Board" shall mean the Board of Directors established pursuant to the Bylaws of the Association (referred to as the "Executive Board" in DUCIOA).

F. "Commercial Unit" shall mean a single unit in a detached structure or as a portion of a structure within the Development providing complete, independent facilities for a permitted commercial use, including without limitation, attached and/or detached units for commercial use within a Condominium. Permitted commercial uses shall be those that are authorized and permitted by the zoning regulations for the Town of Ocean View, which may include, but which may not be limited to, one or more of the following: restaurant, hotel, convenience store (with or without a gas station component), retail store, professional or business office, grocery store, and/or drugstore.

G. "Common Areas" shall mean those areas of land designated as such on the Record Plot, which is incorporated herein by reference. The Common Areas may include, but may not be limited to: (1) all private streets and entrance, whether within or adjacent to the Property; (2) all areas for stormwater management, erosion and sediment control; (3) water supply facilities; (4) sanitary sewer facilities; and (5) all community recreation facilities, which may include, but may not be limited to, a swimming pool and clubhouse, whether within or outside the Property. All Common Areas are intended to be devoted to the common use and enjoyment of the members of the Association, as herein defined, the members of the neighboring Silver Woods Property

Owners Association, Inc. (in some or all instances); and are not dedicated for use by the general public. All Common Areas shall be subject to the restrictions created herein and shall be subject to all restrictions, easements and rights-of-way previously granted by the Developer or its predecessors in title.

H. "Condominium" shall mean any condominium regime created pursuant to the requirements of Delaware law. Any Condominium and units therein that may be created within the Development shall be subject and subordinate to the covenants, conditions and restrictions contained in this Declaration. Each such Condominium may have common property and facilities ("Condominium Common Elements") that are maintained for the exclusive use of its Condominium unit owners and shall have the authority and obligation, pursuant to its Condominium governing documents, to impose and collect assessments ("Condominium Assessments") from the Condominium unit owners only to operate, maintain, repair and replace its Condominium Common Elements. Such Condominium Assessments shall be in addition to the Assessments imposed by the Silver Woods Community Association, Inc., pursuant to this Declaration. No Condominium shall have the authority to erect or install gates, barricades, walls, speed bumps or other such similar structure on any road, street, alley or parking lot located anywhere within the Development unless written approval for such an erection or installation has first been obtained from the Developer or Association.

I. "Declaration of Annexation" shall mean all Declarations recorded by the Developer in which property not described in Exhibit "A" is made subject to this Declaration.

J. "Developer" shall mean Robert L. Thornton and Silverstock WP LLC, their successors and assigns.

K. "Developer Control Period" shall mean the period during which the Developer has control over the Association and during which the Developer, or persons designated by the Developer, may appoint and remove certain members of the Board of Directors (referred to as the "Executive Board" in DUCIOA). Said Developer Control Period shall commence upon the recordation of this Declaration and shall continue until the earlier of (i) sixty (60) days after the conveyance of seventy-five percent (75%) of the Lots, Living Units, Commercial Units and Assisted Living Parcels shown on the Record Plot to a party other than a Participating Builder; (ii) as to Lots and Living Units for residential purposes, two (2) years after Developer has ceased to offer units for residential purposes for sale in the ordinary course of business; (iii) as to Lots and Living Units for residential purposes, two (2) years after any right to add new Lots or Living Units for residential purposes was last exercised; (iv) at such time as may be required by other applicable laws; (iv) as to the nonresidential Commercial Units and Assisted Living Parcels, seven (7) years after any right to add new nonresidential Commercial Units or Assisted Living Parcels was last exercised; (v) the day Developer, after giving written notice to the Owners, records an instrument voluntarily surrendering all rights to control activities of the Association; or (ii) December 31, 2041.

L. "Developer Rights Period" shall mean the period during which the Special Declarant Rights and any other rights and responsibilities that are reserved exclusively to the Developer pursuant to this Declaration or other governing document for the Association may be exercised. Said Developer Rights Period shall commence upon the recordation of this Declaration and shall continue until the earlier of the conveyance of all Lots, Living Units, Commercial Units, Assisted Living Parcels and/or other parcels shown on the Record Plot, as the same may be amended and/or added to from time to time, or until December 31, 2041.

M. "Development" shall mean, with a capital letter, the Property, both as it is described in Exhibit "A" and as it may at any time and from time to time be enlarged by additions from Annexed Property, together with all appurtenant easements, leases and licenses as they are described in this Declaration and as are enlarged, diminished or otherwise modified at any time and from time to time by amendment of this Declaration duly recorded.

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

O. "Living Unit" shall mean a single unit in a detached structure or as a portion of a structure within the Development providing complete, independent living facilities for one (1) or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation, including without limitation, single family detached houses/dwelling units, single family townhouse units or duplexes, multifamily units within a Condominium, and/or single family detached houses/dwelling units in a Condominium.

P. "Lot" shall mean any unimproved or improved subdivided plot of land within any community, portion or parcel of the Property, with the exception of Common Areas and Condominium Common Elements (if any), that is devoted to residential use and that has been subjected to this Declaration and that is depicted on the Record Plot, as the same may be amended from time to time.

Q. "Member" shall mean all those Owners who are members of the Association as provided in Article II, Section 1 of this Declaration.

R. "Mortgage" shall mean any mortgage, deed of trust, or similar instrument granted as security for the performance of any obligation.

S. "Owner" shall mean the record owner, whether one or more persons or entities, holding a fee simple title to any Lot, Living Unit, Commercial Unit and/or Assisted Living Parcel, but shall not mean or refer to any owner in Phase I or mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

T. "Participating Builder" shall mean a person or entity that acquires from the Developer any part of the property subjected to this Declaration for the purpose of building a residential structure, commercial structure or assisted living structure for sale or lease to another in the ordinary course of business of such person or entity.

U. "Record Plot" shall mean the plot of record for Silver Woods in the Office of the Recorder of Deeds, in and for Sussex County, recorded in Plot Book 221, at Page 19, et seq., and any amendments thereto approved by the Town of Ocean View and endorsed as an amendment by the Developer.

V. "Special Declarant Rights" shall mean those rights reserved by the Developer and each Participating Builder as provided in Article VI, Section 23 of this Declaration.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot, Living Unit, Commercial Unit or Assisted Living Parcel which is subject to assessment or shall be eligible for an assessment at a later time, shall be a Member of the Association; provided, however, that any such person or entity who holds such interest merely as security for performance of an obligation shall not be a Member, unless and until such person or entity has succeeded to such Owner's interest by enforcement of such security interest. Membership shall be appurtenant to and may not be separated from the ownership of any Lot, Living Unit, Commercial Unit or Assisted Living Parcel that is subject to

assessment. The Developer and each Participating Builder shall be considered an Owner of each Lot, Living Unit, Commercial Unit or Assisted Living Parcel held by it.

Section 2. The Association shall have two (2) classes of voting membership: Class A and Class B.

(a) The Class A Members shall be the Owners of Lots and Living Units in the Development and shall be entitled to one (1) vote for each Lot or Living Unit owned. When more than one (1) person holds an interest in any Lot or Living Unit, all such persons shall be Members. The vote of such Lot or Living Unit shall be exercised as the Owners themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot or Living Unit.

(b) The Class B Members shall be the Owners of the Commercial Units and Assisted Living Parcels in the Development and shall be entitled to one (1) vote for every one thousand (1,000) square feet of commercial or assisted living space owned, carried to the first decimal point when less than one thousand (1,000) square feet of space is at issue. When more than one (1) person holds an interest in any Commercial Unit or Assisted Living Parcel, all such persons shall be Members. The vote of such Commercial Unit or Assisted Living Parcel shall be exercised as the Owners themselves determine, but in no event shall more than one (1) vote for every one thousand (1,000) square feet of commercial or assisted living space owned, carried to the first decimal point when less than one thousand (1,000) square feet of space is at issue, be cast with respect to any Commercial Unit or Assisted Living Parcel.

Section 3. The Developer shall organize and establish the Association by the filing of a Certificate of Incorporation for the Association no later than the date the first Lot or Living Unit in the Development is conveyed, all in accordance with § 81-301 of DUCIOA.

ARTICLE III
PROPERTY SUBJECT TO DECLARATION

Section 1. Property. The real property subject to this Declaration is all that property located in Baltimore Hundred, Sussex County, Delaware, as described in Exhibit "A", attached hereto and incorporated herein by reference, and as shown on the Record Plot, except the Annexed Property depicted thereon which is not made subject to this Declaration. This Declaration and the lands subject to this Declaration shall also be subject to any restrictions, easements or rights of way previously granted by the Developer, or its predecessors in title, as recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware.

Section 2. Annexed Property.

(a) During the Developer Rights Period, the Developer shall have the unilateral right, but not the obligation, to expand the Development by adding all or any part of the Annexed Property through the preparation and recordation of one (1) or more Declarations of Annexation with the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware.

(b) The right of the Developer to add all or any portion of the Annexed Property to the Development shall not be construed as imposing on the Developer any obligation to add all or any portion of the Annexed Property to the Development, to construct any improvements thereon, or to restrict or limit its use in any manner.

(c) Annexed Property added to the Development, together with all improvements thereon, shall be deemed submitted to the terms of this Declaration. For all purposes of the Association, including, but not limited to, voting, the number of Lots and Living Units in the Association may be increased to include up to a maximum of seven hundred (700) additional Lots and Living Units in the aggregate; and up to three hundred (300) additional

Commercial Units and/or Assisted Living Parcels in the aggregate; all to be located on that portion of the Annexed Property added to the Development.

(d) Improvements to portions of the Annexed Property added to the Development shall be subject to the standards and restrictions set forth herein.

ARTICLE IV

PROPERTY RIGHTS IN THE GENERAL COMMON AREAS

Section 1. Title to Common Areas. The Developer shall convey legal title in the Common Areas to the Association, but it may retain legal title to the Common Areas until such time as the Developer has completed improvements thereon, and until such a time as, in the opinion of the Developer, the Association shall be able to maintain the same. However, notwithstanding any other provision herein, the Developer hereby covenants for itself, its successors and assigns, that it shall convey all its rights, title and interest in the Common Areas to the Association, free and clear of all liens, but subject to all previous restrictions of record and this Declaration.

Section 2. Extent of Member's Easements. The rights and easements of enjoyment created hereby in the Common Areas shall be subject to the following:

(a) The rights of the Association, in accordance with its Certificate of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage the Common Areas, except the roads, as shown on the Record Plot. The rights of a mortgagee in any affected Common Area shall be subordinate to the rights of the Owners hereunder, provided, however, that no such borrowing or mortgaging shall be made unless approved by the vote of eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Lots not owned by the Developer or a Participating Builder.

(b) The right of the Association to take such steps as are reasonably necessary to protect any mortgaged Common Areas against foreclosure.

(c) The right of the Association as provided in its Certificate of Incorporation and Bylaws, to suspend the enjoyment rights and privileges of any Member in any easement or in any Common Areas, for a period during which any assessment against such Member remains unpaid, and for any period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations.

(d) The right of the Association to dedicate or transfer all or any part of its interest in the Common Areas (subject to easements created hereunder, or previously created of record) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer or determination as to purpose or as to the conditions thereof, shall be effective unless approved by the vote of eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Lots not owned by the Developer, has been recorded.

(e) The right of the Developer prior to the conveyance of the Common Areas to the Association, and of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public water, sewer, drainage, gas, electricity, telephone, cable television and other utilities.

(f) The right of the Association to adopt rules and regulations in accordance with § 81-320 of DUCIOA governing the use by the Owners of the Common Areas, Lots, Living Units, Commercial Units or Assisted Living Parcels, which rules and regulations shall not apply to any Participating Builder. Such rules and regulations may include the regulation of rentals in

the residential portion of the Development and govern specific leasing standards, including, but not limited to, permitted signage or advertising, minimum lease terms and maximum number of occupants permitted to occupy a residential Lot or Living Unit; the display of American flags (consistent with federal law and § 81-320 of DUCIOA); and/or the display and placement of political signs (consistent with § 81-320 of DUCIOA). Any rules and regulations adopted by the Association shall be a governing document of the Association.

(g) The right of the Association, by and through its Board of Directors, to levy a reasonable monetary fine for a violation of this Declaration or other governing document of the Association, in an amount to be determined by the Board after written notice and an opportunity to be heard before the Board has been given to the violating Owner in question, all in accordance with § 81-302 of DUCIOA. Any monetary fine imposed by the Board shall be collectible in the same manner as assessments hereunder.

(h) The right of the Association to charge fees to the Silver Woods Property Owners Association, Inc., for its pro rata share of the maintenance and management expenses for the recreational amenities used by the Phase I owners, as more fully described in Article VII, Section 22 (c) of this Declaration.

(i) The right of the Developer to convey the Common Areas to the Association, which shall be evidenced by the recording of a quitclaim deed at the Office of the Recorder of Deeds, in and for Sussex County, Delaware, together with such other transfer or assignment of Developer's rights document that Developer, in its sole discretion, may deem to be necessary or appropriate.

Section 3. Delegation of Use. Any Owner of a Lot or Living Unit may delegate his rights of enjoyment to the Common Areas and facilities to the members of his family, tenants,

guests, or contract purchasers (and members of the family of any tenant or contract purchaser) who reside in the Lot or Living Unit or to such other persons as may be permitted by the Association.

Section 4. Obligations of the Association. The Association shall:

- (a) Take title to, own, manage, maintain and operate the Common Areas and facilities, improvements and landscaping thereon, including but not limited to, the roads, recreational areas, and areas for stormwater management, erosion and sedimentation control, for the use and benefit of all Members of the Association.
- (b) Enforce the covenants, restrictions, and easements under this Declaration.
- (c) Operate and maintain the Common Area irrigation system, if any, as more particularly described and set forth in Article VI, Section 18 of this Declaration.
- (d) Maintain the yard areas of each Lot, as more particularly described and set forth in Article VI, Section 18 of this Declaration.

Section 5. Use by Phase I Owners. The Association shall make available for use all recreational amenities constructed in the Common Areas from time to time to all owners of lots in Phase I subject to the provisions of Article IV, Section 2 (h) and Article VI, Section 22 (c) of this Declaration.

ARTICLE V
COVENANT FOR MAINTENANCE AND
TO ACCEPT AND DISCHARGE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessments. The Developer, for itself and its successors and assigns, and for each Lot, Living Unit, Commercial Unit and Assisted Living Parcel within the Property, hereby covenants, and each Owner of any Lot, Living Unit, Commercial Unit and Assisted Living Parcel, by acceptance of a deed or other

transfer document therefor, whether or not it shall be expressly established in such Deed or other transfer document, hereby covenants and agrees to pay the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, operating expenses or reserves, and/or a repair and replacement reserve; (3) monetary fines, if imposed, pursuant to the provisions of Article IV, Section 2 (g); and (4) an initial assessment as required by Section 5 of this Article V, such assessments to be fixed, established and collected as hereinafter provided. The annual assessment, special assessment, monetary fine and initial assessment, together with interest at the legal rate, costs and reasonable attorney's fees, shall be a charge on the Lot, Living Unit, Commercial Unit and Assisted Living Parcel, and shall be a continuing lien upon the Lot, Living Unit, Commercial Unit and Assisted Living Parcel against which each such assessment or charge is made. Each such assessment or charge, together with interest at the legal rate, costs, and reasonable attorney's fees incurred for the collection thereof, shall also be the personal obligation of the person who was the Owner of the Lot, Living Unit, Commercial Unit or Assisted Living Parcel at the time when the assessment or charge was due. A personal obligation for delinquent assessments or charges shall not pass to the Owner's successor in title (other than as a lien on the land), unless expressly assumed by the successor in title.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be for the purpose of promoting the recreation, health, safety and welfare of the residents and Owners in the Property; for the improvement and maintenance of the Common Areas of the Property; and for services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, repair and replacement of the roads and street lights; the payment of taxes and insurance thereon; repair, replacement and additions thereto; the maintenance of the yard areas on each Lot or Living Unit; for the cost of

labor, equipment, materials, management and supervision for all of the above; for operating reserve funds and reserve funds for repair and replacement of the Common Areas and the facilities thereon; and/or for a purpose of discharging a duty or obligation of the Association.

Section 3. Basis and Maximum Annual Assessment. Each respective Lot, Living Unit, Commercial Unit and Assisted Living Parcel shall thereafter be subject to an annual assessment to be paid to the Association. The amount of such annual assessment, which may be different for improved Lots and Living Units versus unimproved Lots and Living Units, and for Commercial Units and/or Assisted Living Parcels versus the residential Lots and Living Units, shall be established by the Association each year. The annual assessment for improved Lots and Living Units shall be charged or assessed equally against each improved Lot and Living Unit within the Property, irrespective of whether owned by the Developer, a Participating Builder, or any other Owners. The annual assessment for unimproved Lots and Living Units shall be charged or assessed equally against each unimproved Lot and Living Unit within the Property, irrespective of whether owned by the Developer, a Participating Builder, or any other Owners. A Lot or Living Unit shall have unimproved status for purposes of determining the applicable annual assessment until such time as a main dwelling has been constructed on the Lot or Living Unit and a Certificate of Occupancy issued by the Town of Ocean View therefor. The annual assessment for Commercial Units shall be charged or assessed equally against each Commercial Unit within the Property. The annual assessment for Assisted Living Parcels shall be charged or assessed equally against each Assisted Living Parcel within the Property. The fiscal year of the Association shall correspond with the calendar year, beginning on January 1st and ending the following December 31st. The first assessment year shall be as determined by the Developer, provided that notwithstanding the foregoing, the first assessment year shall be no later than the

calendar year in which the first conveyance of any Lot or Living Unit from the Participating Builder or Developer to a third party purchaser for value (which purchaser shall not be a Participating Builder, as defined in Article I of this Declaration) has occurred; and, notwithstanding anything herein to the contrary, the amount of the first and subsequent annual assessment shall be fixed by the Board of Directors in its sole discretion until the Developer Control Period ends. Thereafter, the annual assessment shall be determined in accordance with Section 4 of this Article V. Each annual assessment shall be due and payable on or before thirty (30) days after it has been fixed and levied. It shall be the duty of the Association to notify all Owners, whose addresses are listed with the said Association, within thirty (30) days after said annual assessment has been fixed or levied, giving the amount of the annual assessment for said year, when due, and the amount due from each Lot, Living Unit, Commercial Unit or Assisted Living Parcel owned by each such Owner. Failure of the Association to levy the assessment for any one (1) year shall not affect the right of the Association to do so for any subsequent year.

Section 4. Establishment of Annual Assessment Rate. The Board of Directors of the Association shall, after consideration of current maintenance costs and future needs of the Association, set the annual assessment in an amount deemed appropriate and may provide for the payment thereof in monthly or quarterly installments; provided however, that if any periodic payment obligation is not paid on its due date, the full annual amount of the assessment shall be due. The annual assessment amount shall be approved in accordance with §§ 81-315 and 81-324 of DUCIOA.

Section 5. Initial Assessment. Each Owner, upon closing upon the title to a Lot, Living Unit, Commercial Unit or Assisted Living Parcel (excluding the closing upon the title to a Lot or Living Unit by a Participating Builder) shall pay to the Association an initial assessment.

The initial assessments shall be used by the Association as working capital to insure availability of cash for expected and unexpected expenditures, to build up a reserve for capital expenses and improvements, or to acquire equipment or service deemed necessary by the Association. Initial assessments shall be paid in addition to regular assessments and shall be collectible in the same manner if unpaid. The initial assessments to be paid are as follows:

(a) All Owners of Lots or Living Units (excluding Participating Builders), upon closing upon the title to any Lot or Living Unit shall pay an initial assessment to the Association, collectible at closing, in the amount of Eight Hundred Dollars (\$800.00) per Lot or Living Unit. This applies to the initial sale of any Lot or Living Unit from either the Developer or a Participating Builder to an Owner, as well as the subsequent resale of any Lot or Living Unit.

(b) Each Participating Builder, upon closing upon the title to any Commercial Unit, shall pay an initial fee to the Association, collectible at closing, in such amount as may be negotiated and agreed upon by the Developer and Participating Builder, per Commercial Unit.

(c) Each Participating Builder, upon closing upon the title to any Assisted Living Parcel, shall pay an initial fee to the Association, collectible at closing, in such amount as may be negotiated and agreed upon by the Developer and Participating Builder, per Assisted Living Parcel.

(d) All other Owners of Commercial Units or Assisted Living Parcels (excluding Participating Builders), upon closing upon the title to any Commercial Unit or Assisted Living Parcel shall pay an initial assessment to the Association, collectible at closing, in such amount as may be determined from time to time on an annual basis by the Board of Directors for the Association, as applicable, per Commercial Unit or Assisted Living Parcel. This applies to the initial sale of any Commercial Unit or Assisted Living Parcel from either the Developer or a

Participating Builder to an Owner, as well as the subsequent resale of any Commercial Unit or Assisted Living Parcel.

Section 6. Special Assessment for Capital Improvements and Operating Reserve. In addition to the annual assessment authorized by Article V, Section 3 of this Declaration, the Association may levy in any assessment year a special assessment (which must be fixed at one uniform rate for each Lot or Living Unit; at one uniform rate for each Commercial Unit; and one uniform rate for each Assisted Living Parcel) applicable to that year only, 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 the necessary fixtures and personal property related thereto, repair and replacement of the roads and street lighting, and for operating the Common Areas, for which a reserve fund does not exist or is not adequate. A special assessment shall be approved in accordance with § 81-324 of DUCIOA.

Section 7. Monetary Fines. The Board of Directors has the power and duty to impose monetary fines for violations of this Declaration and/or any other governing document for the Association. Such assessment shall be imposed in the manner set forth in Article IV, Section 2(g) of this Declaration.

Section 8. Date of Commencement; Due Date. The liability of any Owner for annual assessment as to any Lot, Living Unit, Commercial Unit or Assisted Living Parcel shall commence on the conveyance of such Lot, Living Unit, Commercial Unit or Assisted Living Parcel to such Owner, prorated for the remaining portion of said year. The due date of the annual assessment is set forth in Article V, Section 3 of this Declaration. The due date of any special assessment under Article V, Section 6 of this Declaration shall be fixed in any resolution

authorizing such assessment. The due date of any monetary fine shall be established by the Board or its designated committee.

Section 9. Effect of Nonpayment of Assessments; the Personal Obligation of the Owner; the Lien; Remedies of the Association. If any assessment or other charge (such as a monetary fine) is not paid on the date when stated to be due in the notice of the assessment or charge, then the assessment shall be deemed delinquent. If the delinquent payment is a periodic payment (i.e. monthly, quarterly, etc.), the entire assessment or charge shall be deemed delinquent, and shall, together with such late fees, interest thereon and the cost of collection thereof, including reasonable attorney's fees, as hereinafter provided, continue as a lien on the Lot, Living Unit, Commercial Unit, Assisted Living Parcel and any structure built thereon which shall bind such Lot, Living Unit, Commercial Unit and Assisted Living Parcel in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. In addition to such lien rights, the obligation of the assessment or charge shall be a personal obligation of the then Owner to pay such assessment or charge; however, the personal obligation shall not pass to his successors in title (other than as a lien on the land) unless expressly assumed by the successor in title. If the assessment or charge is not paid within thirty (30) days of the due date, the assessment or charge shall be subject to late fees in such amount as may be determined by the Board of Directors from time to time and shall bear interest from the date of delinquency at the legal interest rate authorized by 6 Del. C. § 2301, as amended. The Association may bring legal action against the Owner personally obligated to pay the same and/or may enforce or foreclose the lien against the Lot, Living Unit, Commercial Unit or Assisted Living Parcel. In the event a judgment is obtained, such judgment shall include interest on the assessment or charge from its due date and reasonable attorney's fees, together with the costs of collection. No Owner of a Lot,

Living Unit, Commercial Unit or Assisted Living Parcel may waive or otherwise escape liability for an assessment of his or its Lot, Living Unit, Commercial Unit or Assisted Living Parcel. The Association reserves the right to suspend the enjoyment rights and privileges of any Member in any easement or Common Area for the period during which any assessment or charge against such Member remains unpaid.

Section 10. Subordination of the Lien to the First Mortgage. A lien for assessments or other charges provided for herein (hereinafter "assessment lien") shall be subordinate to the lien of any first mortgage on the Lot, Living Unit, Commercial Unit or Assisted Living Parcel, except as otherwise provided by § 81-316 of DUCIOA. Sale or transfer of any Lot, Living Unit, Commercial Unit or Assisted Living Parcel shall not affect the assessment lien. However, sale or transfer of any Lot, Living Unit, Commercial Unit or Assisted Living Parcel by foreclosure of any first mortgage or any proceedings in lieu thereof shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer, except as otherwise provided by § 81-316 of DUCIOA. No sale or transfer shall relieve such Lot, Living Unit, Commercial Unit or Assisted Living Parcel from liability for any assessments or other charges thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

(a) All properties dedicated to and accepted by a governmental body, agency or authority, and devoted to public use; and

(b) All Common Areas.

ARTICLE VI

RESTRICTIVE AND PROTECTIVE COVENANTS

Section 1. Utility Easements.

(a) The Developer, its successors and assigns, and the Association hereby reserve the right to grant easements over, under, on and through the Common Areas, all roads, and the designated areas of the Lots, Living Units, Commercial Units or Assisted Living Parcels as shown on the Record Plot for the installation, construction, reconstruction, relocation, removal, maintenance, repair, operation, inspection of sewer, water drainage, electric, gas, television, telephone, and cable telephone and television facilities and wires, lines, conduits and other necessary and proper attachments in connection therewith, for the benefit of the Property, the Developer, any federal, state or local authority, commission or agency having jurisdiction thereover, or any corporation, either public, quasi public or private, supplying or serving the Property.

(b) The Developer reserves unto itself, its successors and assigns, a drainage and/or sidewalk and/or utility easement from the right-of-way in the front yard and/or rear yard of all and centered on all side and rear Lot, Living Unit, Commercial Unit or Assisted Living Parcel lines as provided in and shown on the Record Plot. Developer further reserves a drainage and/or utility easement along the interior side of all perimeter boundary lines as provided in and shown on the Record Plot.

Section 2. Prior Restrictions. The Property is subject to all those prior easements, rights of way and restrictions placed upon the Property by the Developer's predecessors in title as such may be recorded among the land records in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware.

Section 3. Residential Use. All Lots and Living Units in the Property shall be used for residential purposes exclusively except to the extent provided with respect to the Special Declarant Rights. No structure, except as hereinafter provided, shall be erected, altered, placed

or permitted to remain upon a Lot other than one (1) detached single family dwelling with attached garage building (hereinafter sometimes referred to as the main dwelling) and structures allowed pursuant to the Special Declarant Rights. Accessory buildings of any and every kind shall not be permitted on any Lot or Living Unit. The use of a main dwelling shall not include any activity normally conducted as a business except pursuant to the Special Declarant Rights. All improvements on a Lot shall be in conformity with the Silver Woods Architectural Guidelines attached hereto as Exhibit "B" and incorporated herein by reference, except that Participating Builders and the Developer shall be exempt from the Silver Woods Architectural Review Committee application, review, and approval process. Participating Builders and the Developer shall, however, be required to satisfy all Design Guidelines set forth and contained in the Silver Woods Architectural Guidelines attached hereto as Exhibit "B", except as otherwise noted therein. Notwithstanding the other provisions of this Section 3, certain areas as shown on the Record Plot may be conveyed to the Association for the recreational general Common Area, and such may be improved by an in-ground swimming pool, clubhouse, and structures related to the use and enjoyment of such recreational facilities. Satellite antennas are allowed provided that they are no larger than twenty-four (24) inches in diameter and are located behind the apex line of the roof of the main dwelling.

Section 4. Restrictions as to Trailers and Modulares. No trailer, mobile home, double wide or similar type structure which moves to a building site on wheels attached to its own undercarriage or by trailer, tent, shack, garage, barn or other type of outbuilding, shall at any time be used as a residence, temporarily or permanently. No trailer, mobile home, double wide, tent, shack, garage, or barn shall be utilized as a main or single dwelling unit or for any other purpose on any Lot, Living Unit, Commercial Unit or Assisted Living Parcel in the Property. A

modular home, manufactured home, sectional home or pre-fabricated home or building may be permitted, but only as/if approved by the Silver Woods Architectural Review Committee (hereinafter "SWARC").

Section 5. Restrictions Against Business Use and Use Before Completion. Except as permitted pursuant to the Special Declarant Rights, no numbered Lot or Living Unit within the Property shall be used at any time to conduct business, nor shall a Lot or Living Unit be used for any purpose whatsoever except for the purpose of private dwelling or residence; provided, however, that nothing contained herein shall be construed so as to prohibit no impact home offices, so long as no stock in trade is kept or commodities sold; there are no employees, patrons, customers or clients visiting the Lot; and there are no signs and/or other advertising of any kind. No building shall be used as a residence until the exterior is fully completed, according to the plans and specifications approved by the SWARC therefor, as such approval is hereinafter provided. No one shall reside on any Lot or Living Unit, casually, temporarily or permanently, except in a dwelling completed according to the plans and specifications approved as hereinafter provided and for which a use and occupancy permit has been issued by the Town of Ocean View.

Section 6. Residential Rental Restrictions. The rental of residential Lots and Living Units in the Development shall be permitted, but shall be restricted to single family rentals only. All lease agreements must be in writing and must be for the entire dwelling and the entire Lot or Living Unit. The Association must be furnished with a copy of any and all lease agreements. Specific leasing standards, including, but not limited to, permitted signage or advertising, minimum lease terms and maximum numbers of occupants permitted to occupy a Lot or Living Unit concurrently, may be imposed by the Association in accordance with Article IV,

Section 2(f) of this Declaration. However, no such leasing standards imposed by the Association shall prohibit outright the leasing of any Lot or Living Unit.

Section 7. Use of Non-Residential Property and Use Before Completion. The Commercial Units within the Property may be used to conduct commercial activities and the Assisted Living Parcels within the Property may be used to provide assisted living services, provided such activities are permitted uses according to the zoning regulations of the Town of Ocean View and provided the initial use of any Commercial Unit or Assisted Living Parcel is approved by the Developer. No buildings devoted to a commercial or assisted living activity shall be used or occupied until completed according to the plans and specifications approved as hereinafter provided and for which a use and occupancy permit has been issued by the Town of Ocean View.

Section 8. Non-Residential Rental Restrictions. The rental of Commercial Units and Assisted Living Parcels, including the Assisted Living Units located therein, in the Development shall be permitted, but shall be restricted to uses authorized and permitted by the zoning regulations for the Town of Ocean View. All lease agreements must be in writing. The Association must be furnished with a copy of any and all lease agreements. Specific leasing standards, including, but not limited to, permitted signage or advertising, and maximum numbers of occupants permitted to occupy a Commercial Unit, Assisted Living Parcel, including the Assisted Living Units located therein, shall be as authorized and permitted by the zoning or other applicable regulations for the Town of Ocean View. No amendment to this Declaration may revise, modify or remove any provision set forth in this Article VI, Section 8 without the approval of the Developer during the Developer Rights Period and, thereafter, without the approval of seventy-five percent (75%) of the then existing Commercial Units and Assisted Living Parcels.

Section 9. Architectural Review Committee, Approval of Building Plans.

(a) In order to insure the development and maintenance of Silver Woods as a development of high standards, there shall be a three (3) member Silver Woods Architectural Review Committee (SWARC). The initial members shall be appointed by the Developer, need not be Members of the Association, and shall serve until such time as either (i) they resign (in which case their successors may be appointed by Developer if such resignation occurs during the Developer Control Period), or (ii) their successors, all of whom shall be Members of the Association, are designated by the Board. The SWARC is vested with the power to approve all buildings, structures, improvements and landscaping to be placed upon any Lot and, following the Developer Rights Period, concerning any Commercial Unit, Assisted Living Parcel, Condominium or other multifamily structure within the Development, except as otherwise provided herein. During the Developer Rights Period, the Developer shall have the sole authority and power to control all buildings, structures, improvements and landscaping concerning Commercial Units, Assisted Living Parcels, Condominiums and/or Living Units in other multifamily structures within the Development and may, at any time during said Developer Rights Period, impose architectural guidelines specific to Commercial Units, Assisted Living Parcels, Condominiums and/or Living Units in other multifamily structures within the Development by the recordation of one (1) or more amendments to this Declaration.

(b) The SWARC may retain an architect to assist the SWARC in its responsibilities. The SWARC may charge a reasonable review fee, which may include, but not be limited to architectural review fees incurred by the SWARC, in connection with any application submitted for review pursuant to this Section 9.

(c) No building, structure, fence, wall or other erection shall be commenced, erected, maintained or used, nor shall any addition to or change or alterations therein, or in the use thereof, be made upon any of the Lots, Living Units, Commercial Units and Assisted Living Parcels which are the subject matter of this Declaration by an Owner other than a Participating Builder, no matter for what purpose or use, until complete and comprehensive plans and specifications showing the nature, kind, shape, height, materials, floor plans, exterior architectural scheme, location and frontage on the Lot, Living Unit, Commercial Unit or Assisted Living Parcel, approximate cost of such building, structure or other erection, the grading and landscaping of the Lot, Living Unit, Commercial Unit or Assisted Living Parcel to be built upon or improved, the location of the driveway (when applicable) and the type of driveway material, which shall be concrete, and such other required information shall be submitted to and approved in writing by the Developer or the SWARC, as applicable, or their successors. The plans shall be submitted to the Developer or SWARC, as applicable, for approval. If the Developer or SWARC, as applicable, fails to approve or deny any application within thirty (30) days following receipt of the complete application, including but not limited to the payment of any required review fees, the party making the submission for approval shall deliver written notice to the Developer or SWARC, as applicable, of its failure to act and, if approval is not granted or denied by the Developer or SWARC within fifteen (15) days thereafter, the plans and specifications shall be deemed to be denied. A copy of all such plans and specifications shall be lodged permanently with the said Developer, SWARC, or their successors; provided, however, that nothing herein shall require the aforesaid approval as to interior decorations, alterations or changes.

(d) The SWARC or its successors shall have the right to refuse to approve any such plans or specifications, grading or landscaping plans or changes, which are not suitable or desirable in the sole discretion of the SWARC, or its successors, for purely aesthetic or other reasons; and in passing on such plans, the SWARC shall take into consideration the suitability of the proposed building or other improvements or erections and/or the materials of which the building or other improvements or erections are to be built, and the site upon which it is proposed to be built, the harmony thereof with the surrounding Lots, Living Units, Commercial Units, Assisted Living Parcels and/or Common Areas, and the effect of such improvements, additions, alterations or changes used, as planned, on the adjacent or neighboring property, and any and all factors which in its opinion, would affect the desirability or suitability of such proposed improvements, erections, alterations or changes.

(e) In addition to the powers stated above, the SWARC shall administer and enforce the Silver Woods Architectural Guidelines, which is a document containing information regarding the review procedures and design requirements for all fee simple, single family Lots in the Development. A copy of the Silver Woods Architectural Guidelines is attached hereto as Exhibit "B" and incorporated herein by reference. Each Lot purchaser, except any Participating Builder, shall receive a copy of the Silver Woods Architectural Guidelines at the time of purchase and agrees to be bound by said standards and any changes thereto. The Developer may amend or modify the Silver Woods Architectural Guidelines in its sole discretion, at any time during the Developer Rights Period, subject to the requirement of consent of every Participating Builder, provided the Participating Builder is still actively constructing homes in the Development. After the Developer Rights Period, the Silver Woods Architectural Guidelines may be amended or modified by a vote of two-thirds (2/3) of the members of the Association.

Any amendments or modifications of the Silver Woods Architectural Guidelines shall be sent to each Lot Owner within thirty (30) days of approval.

(f) In addition to the powers stated above, the SWARC shall, after the Developer Rights Period, administer and enforce any architectural guidelines imposed by the Developer applicable to Commercial Units, Assisted Living Parcels, Condominiums and/or Living Units in other multifamily structures within Silver Woods. After the Developer Rights Period, any such architectural guidelines applicable to Commercial Units, Assisted Living Parcels, Condominiums and/or Living Units in other multifamily structures may be amended or modified by a vote of two-thirds (2/3) of the members of the Association. Any such amendments or modifications shall be sent to each Commercial Unit, Assisted Living Parcel, Condominium and/or other multifamily Living Unit Owner within thirty (30) days of approval.

(g) The SWARC, the Association, and the Developer shall have the right to enforce the provisions of this section and the requirements of the Silver Woods Architectural Guidelines against any person or persons violating or attempting to violate said requirements by appropriate legal action.

Section 10. Resubdivision. No Lot, Living Unit, Commercial Unit or Assisted Living Parcel shall be resubdivided, sold or otherwise alienated in a lessor or smaller parcel, except that the Developer reserves the right to resubdivide any Lots, Living Units, Commercial Units and Assisted Living Parcels not previously conveyed to a Participating Builder during the Developer Rights Period.

Section 11. Sanitation. Public sewer and water shall be available to each Lot, Living Unit, Commercial Unit and Assisted Living Parcel. No individual wastewater disposal systems

or wells shall be allowed. All user fees shall be the sole and exclusive expenses of the Owner of said Lot, Living Unit, Commercial Unit and Assisted Living Parcel.

Section 12. Signs and Advertising Regulated. No signs, notice or advertising matter of any nature and description shall be erected, used or permitted upon any of the Lots, Living Units, Commercial Units or Assisted Living Parcels, except (i) after securing the written permission of the Developer and/or the Association or its successors or assigns, or (ii) pursuant to the Special Declarant Rights.

Section 13. Garbage Receptacles. Garbage receptacles for each Lot or Living Unit must be stored in the garage. On garbage collection day, said receptacles may be placed by the side of the road, but they must be returned to their regular storage location in the garage no later than nightfall on said garbage collection day. Garbage receptacles for each Commercial Unit or Assisted Living Parcel must be contained with one (1) or more enclosures of a size sufficient for all garbage receptacles (whether for trash, recycling or other) serving the Commercial Unit or Assisted Living Parcel and must be installed in such a location on the parcel as will be the least visible from Common Areas or other Lots, Living Units, Commercial Units and/or Assisted Living Parcels, provided the garbage collection company can still reasonably access said garbage receptacles. The foregoing determination concerning the location of the garbage receptacles shall be made by the Developer during the Developer Rights Period and, thereafter, by the Board, in their sole discretion. The Developer and/or Board shall also have the power to publish specifications for garbage receptacle enclosures for the Commercial Units and Assisted Living Parcels from time to time, and shall also have the power to require more frequent pickups if deemed necessary by the Developer or Board, in their sole discretion, in situations where excessive odor and/or loose trash are present.

Section 14. Storage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view; but some may be installed within the main dwelling or building or buried underground or properly screened from view, in accordance with the Silver Woods Architectural Guidelines.

Section 15. Construction and Demolition. Once construction or demolition of any building has been commenced on any Lot, Living Unit, Commercial Unit or Assisted Living Parcel, such construction or demolition shall proceed without delay until the same is completed, including the driveway (when applicable), except where such completion is impossible or results in great hardship to the Owner or builder due to strikes, fires, national emergencies or national calamities (collectively, "Force Maejure"). Cessation of work upon the construction or demolition of any building once started and before completion thereof for a continuous period of sixty (60) days by any Owner or Participating Builder, subject to the extension of such period due to Force Maejure, shall be prima facie evidence of an attempt to abandon the same in its partially completed or demolished state and shall be deemed to be a public nuisance. There is no time limit for which construction must commence upon the purchase of any Lot, Living Unit, Commercial Unit and Assisted Living Parcel.

Section 16. Fences. No fence whatsoever shall be erected or allowed to remain on any Lot, Living Unit, Commercial Unit and Assisted Living Parcel, except as provided in the Silver Woods Architectural Guidelines.

Section 17. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly, or unkempt conditions of buildings or grounds upon a Lot, Living Unit, Commercial Unit and Assisted Living Parcel (except in the course of construction thereon) which shall tend to substantially decrease the beauty of the Property as a

whole, or the beauty of the specific area. No noxious or offensive activity shall be permitted upon any Lot, Living Unit, Commercial Unit and Assisted Living Parcel, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance of the Property. Yard sales are prohibited on an individual Lot or Living Unit basis, but may be permitted by the Association if the yard sale is a community-wide event and approved by the Association in advance. There shall not be maintained upon any Lot, Living Unit, Commercial Unit or Assisted Living Parcel any plant, animal, device or thing of any sort, the normal activities of which is in any way noxious, dangerous, unsightly, unpleasant or of such a nature as may diminish or destroy the enjoyment of the Property. Specifically included under this section is the prohibition against any livestock being kept on any Lots, Living Units, Commercial Units and Assisted Living Parcels. The keeping of any non-domestic animals shall be deemed a nuisance per se under this section; but the keeping of domestic cats and dogs, or other traditional household pets, unless the activity of such pets is in any way noxious, dangerous, unsightly or unpleasant, shall not be prohibited under this section. No disabled vehicle will be allowed to remain in view as a nuisance, nor shall any unlicensed vehicle be allowed to remain, more than a reasonable period of time not to exceed fifteen (15) days.

Section 18. Landscaping.

(a) No landscaping, shrubs or trees to be placed on any Lot, Living Unit, Commercial Unit or Assisted Living Parcel in conjunction with the erection of any main dwelling or other building shall be planted, except by a Participating Builder, until complete and comprehensive landscaping plans shall be submitted to and approved in writing by the SWARC. The land area not occupied by structures, hard surfacing, vehicular driveways or pedestrian paths shall be kept planted with grass, trees or shrubs or other ground covering or landscaping in

conformance with the requirements set by the Silver Woods Architectural Guidelines. Although Participating Builders shall not be required to submit a landscaping plan to and receive the approval of the SWARC, Participating Builders shall be required to submit to the Developer a representative landscaping plan applicable to multiple Lots, Living Units, Commercial Units or Assisted Living Parcels, as applicable, and receive the approval of the Developer as to such representative plan, prior to the placement of any landscaping, shrubs or trees on any Lot, Living Unit, Commercial Unit or Assisted Living Parcel.

(b) The Association shall be responsible for the operation and maintenance of the Common Area irrigation system, if any, which shall serve a portion of the Common Areas. The cost of operating and maintaining the Common Area irrigation system, if any, shall be a common expense and shall be passed along to the individual Owners by and through the annual assessment or any special assessment that may need to be imposed from time to time. In the event an individual Owner is determined by the Association to be the cause of any damage to such irrigation system, then the repair cost to remedy said damage shall be passed along to the individual Owner determined to be responsible. Any and all such repair expenses incurred by the Association shall be collectible in the same manner as assessments hereunder.

(c) The Association shall be responsible for the maintenance of the yard areas on each Lot or Living Unit, which shall include, but not be limited to: grass/turf cutting (as frequently as the Association deems appropriate and necessary); and applying grass/turf chemicals (as frequently as the Association deems appropriate and necessary). Notwithstanding the foregoing, the Association shall not be responsible for maintaining any yard area located on a Lot which is enclosed by a fence. Upon request, exceptions to the foregoing shall be made if: (i) the fence enclosing the yard area has been properly approved by the SWARC; and (2) if the

fence enclosing the yard area includes a "mow gate" of at least six feet (6') in height that is not locked.

Section 19. Weeds. No noxious weeds or accumulated trash of any kind shall be permitted to grow or be maintained upon any Lot, Living Unit, Commercial Unit or Assisted Living Parcel by the Owner or occupier thereof, except construction materials and debris of a Participating Builder. The Association or its successors and assigns may first notify the Owner or occupier to cut and/or remove any such offending growth or trash within ten (10) days from the giving of such notice. Any such notice must be in writing. If the Owner or occupier shall fail or neglect to comply with any such notice, then and in such an event, the Association or its successors shall be empowered to enter upon any such Lot, Living Unit, Commercial Unit or Assisted Living Parcel, together with such assistance and equipment as may be required, and thereupon to cut and/or remove the same, all without being deemed a trespass and all at the expense of the Owner of the Lot, Living Unit, Commercial Unit or Assisted Living Parcel. This covenant shall not be construed as an obligation on the part of the Association or its successors to provide garbage or trash removal services.

Section 20. Square Footage. The square footage of all improvements on any Lot, Living Unit, Commercial Unit or Assisted Living Parcel not constructed by the Developer or a Participating Builder shall be in accordance with the Silver Woods Architectural Guidelines, but in no case shall the under roof heated interior space, exclusive of porches and decks, garage or similar non-year-round heated space of a residential dwelling, that is not part of a Condominium, be less than one thousand two hundred (1,200) square feet for a one-story house and one thousand four hundred (1,400) square feet for a two-story house. Each one-story or two-story house shall include a two car garage.

Section 21. Driveways and Parking Spaces. Each Lot or Living Unit shall provide for outside parking for two (2) automobiles on site and off all roadways, and a driveway which shall be made of concrete. The required parking for Commercial Units and Assisted Living Parcels shall be as required by the zoning regulations of the Town of Ocean View and any other regulations pertaining to parking imposed by the Town. Parking by residential Owners, their tenants or guests on community roadways (except cul-de-sacs) shall be permitted on a temporary basis only, for a period not to exceed forty-eight (48) hours. Long term and/or regular parking on community roadways is strictly prohibited. Parking on cul-de-sacs at any time for any amount of time is strictly prohibited. Vehicles parked in violation of this Section 21 or any other provision of this Declaration or other governing document of the Association may be towed by the Association at the vehicle owner's expenses. Any and all towing expenses incurred by the Association shall be collectible in the same manner as assessments hereunder.

Section 22. Relationship with Silver Woods Property Owners Association, Inc., and Right to Use Common Areas.

(a) The neighboring residential community also identified as "Silver Woods" that is located in an unincorporated area of Sussex County and defined herein as "Phase I," while governed by its own Declaration and its own Silver Woods Property Owners Association, Inc., is part of the larger Silver Woods project contemplated by the Developer. Accordingly, there will be an ongoing relationship between Silver Woods in Ocean View, as described herein (hereinafter "Silver Woods OV" for purposes of this Section 22), and Silver Woods Phase I. Part of that ongoing relationship will include the shared use of certain common areas located in both Silver Woods OV and Silver Woods Phase I. The common areas located in Silver Woods Phase I that will be shared and used in common by both the Silver Woods Phase I owners, as well as the

Owners in Silver Woods OV, are the entrance and private roadways located in Silver Woods Phase I. The Common Areas located in Silver Woods OV that will be shared and used in common by both the Silver Woods Phase I owners and the Silver Woods OV Owners, will include entrances, private streets, and (subject to the payment of fees as elsewhere provided in this Declaration) recreational amenities; all to the extent they are approved by the applicable governmental authorities and constructed.

(b) Any rules and regulations imposed by either the Silver Woods Property Owners Association, Inc., for Silver Woods Phase I, or the Silver Woods Community Association, Inc., for Silver Woods OV, concerning the use of the common areas under each entity's jurisdiction and control shall be binding on all Silver Woods Phase I owners and all Silver Woods OV Owners.

(c) The Silver Woods Property Owners Association, Inc., shall be assessed annually by the Silver Woods Community Association, Inc., for its pro rata share of the maintenance and management expenses for the recreational amenities located in Silver Woods OV that have been completed and opened for residents' use as required by 25 Del.C. § 317 (hereinafter "Pro Rata Assessment", as determined by the Board of the Silver Woods Community Association, Inc.). Should the Silver Woods Property Owners Association, Inc., fail and refuse to pay its Pro Rata Assessment, said Pro Rata Assessment shall be deemed delinquent, and shall, together with such late fees, interest thereon and the cost of collection thereof, including reasonable attorney's fees, as hereinafter provided, continue as a lien on all real property owned by the Silver Woods Property Owners Association, Inc., and any structure built thereon. In addition to such lien rights, the obligation of the Pro Rata Assessment shall be a personal obligation of the Silver Woods Property Owners Association, Inc. If the Pro Rata Assessment is not paid within thirty

(30) days of the due date, the Pro Rata Assessment shall be subject to late fees in such amount as may be determined by the Silver Woods Community Association, Inc., and shall bear interest from the date of delinquency at the legal interest rate authorized by 6 Del. C. § 2301, as amended. The Silver Woods Community Association, Inc., may bring legal action against the Silver Woods Property Owners Association, Inc., and/or may enforce or foreclose the lien against the Silver Woods Property Owners Association, Inc.'s real property created hereby. In the event a judgment is obtained, such judgment shall include all accrued late fees and interest on the Pro Rata Assessment from its due date and reasonable attorney's fees, together with the costs of collection. The Silver Woods Community Association, Inc., reserves the right to suspend the enjoyment rights and privileges of the Silver Woods Phase I owners who have not paid required assessments to the Silver Woods Property Owners Association, Inc. (as confirmed by the Silver Woods Property Owners Association, Inc.) in any easement or Common Area, including but not limited to recreational facilities, for the period during which any such assessment and/or related charges remain unpaid by the Silver Woods Phase I owners to the Silver Woods Property Owners Association, Inc.

(d) The Developer reserves the right to limit the use of certain Common Areas, specifically the recreational amenities, by Owners of Commercial Units and/or Assisted Living Parcels, including the Assisted Living Units located therein, if deemed necessary and appropriate in the Developer's sole discretion.

Section 23. Special Declarant Rights.

(a) The Developer reserves the following rights, which rights Developer hereby assigns to each Participating Builder (individually and collectively, the "Special Declarant Rights"):

(1) The right to complete or make improvements indicated on the Record Plan;

(2) The right to maintain sales offices, management office, models on Lots, Living Units, Commercial Units, Assisted Living Parcels or on the Common Areas, to the extent described in the following table:

	NUMBER	SIZE	LOCATION
Sales Office and Model Homes	Two per each residential Participating Builder	Per home plan prepared by applicable residential Participating Builder	On Lot designated by Developer
Construction Management Offices	One per each Participating Builder	Trailer of size determined by Participating Builder	On Lot, Living Unit, Commercial Unit, Assisted Living Parcel or on the portions of the Common Area designated by Developer
Storage Sheds	One per each Participating Builder	Trailer of size determined by Participating Builder	On Lot, Living Unit, Commercial Unit, Assisted Living Parcel or on the portions of the Common Area designated by Developer

; provided that Developer may relocate any such facility located on a Lot, Living Unit, Commercial Unit or Assisted Living Parcel to any other Lot, Living Unit, Commercial Unit or Assisted Living Parcel on the Property acceptable to the applicable Participating Builder from time-to-time;

(3) The right to maintain signs on the Property to advertise the sales of homes, commercial space or assisted living facilities as follows, provided all signage complies with applicable zoning regulations: (i) two marketing signs per Participating Builder of up to 5 feet by 10 feet in a portion of the Common Area as designated and approved by Developer, (ii) a sign in front of each residential Participating Builder's model home, a brochure

box and sign on each Lot available for sale, and (iii) other signs on Lots deemed necessary by a residential Participating Builder; and

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

(5) The right to use and permit others to use, easements through the Common Areas as may reasonably be necessary for the purpose of discharging the Developer's and Participating Builders' obligations under DUCIOA and this Declaration.

Section 24. Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by Developer, any Special Declarant Rights may be exercised by the Developer or any Participating Builder as assignee thereof at any time during the Developer Rights Period.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Duration and Amendment. The easements, covenants, conditions, restrictions, and reservations of this Declaration run with and bind the Property and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot, Living Unit, Commercial Unit or Assisted Living Parcel subject to this Declaration, their respective legal representatives, heirs, successors and assigns, as the case may be, in perpetuity. Subject, however, to the provision that the Association or its successors, by and with the vote or written consent of seventy percent (70%) of the votes of the membership, shall have the power to waive, abandon, terminate, modify, alter, change, amend, eliminate or add to these easements, covenants, conditions, restrictions, and reservations and this Declaration at any time hereafter. Any such waiver, abandonment, terminated, modification, alteration, change, amendment, elimination or addition shall take effect when a copy thereof, executed and acknowledged by the Association or its successors in accord with the usual form of execution and acknowledgment of deeds, together with the written consents of the requisite number of Members or together with a

certificate by the Association verified under oath by the President thereof, or in the case of his/her absence or inability, by any Vice President thereof, setting forth the time, manner and result of the taking of the vote of the Members, has been filed for record in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, and the same shall thereafter remain in effect in perpetuity unless otherwise provided. No action to challenge the validity of an amendment adopted by the Association may be brought more than 1 year after the amendment is recorded (see § 81-217 (b) of DUCIOA). In no event shall Article IV, Section 2 (h); Article IV, Section 5; or Article VI, Section 22 (c) of this Declaration be amended without the consent and approval of the Silver Woods Property Owners Association, Inc.

Section 2. Remedies. The Developer, the Association, or any Owner, shall have the right to enforce this Declaration and any easement, covenant, condition, restriction, and/or reservation contained herein by any proceeding at law or in equity, against any person or persons violating or attempting to violate any provision of this Declaration or any easement, covenant, condition, restriction, and/or reservation contained herein, to restrain violation, to require specific performance, and/or to recover damages, and to proceed against any Lot to enforce any lien created by this Declaration. The expense and cost in enforcement by the Association shall be chargeable to the Owner of the Lot, including the costs of reasonable attorney's fees. In the event any legal action is taken by the Association, such fees, approved by a court of competent jurisdiction, shall constitute a lien on the Lot, collectible in the same manner as assessments hereunder.

Section 3. Assignability. The Developer, its successors and assigns, shall at all times have the right to fully transfer and assign any or all of its rights and powers under this Declaration, subject to the Developer's obligations hereunder.

Section 4. Nonwaiver. Failure of the Developer or any Owner, or their respective legal representatives, heirs, successors and assigns, to enforce any easement, covenant, condition, restriction, and/or reservation contained in this Declaration shall in no event be considered a

waiver of the right to do so thereafter, as to the same violation or breach or as to such violation or breach occurring prior or subsequent thereto.

Section 5. Construction and Interpretation. The Association, to the extent provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and the enforcement of the provisions of this Declaration, the Silver Woods Architectural Guidelines and/or any other governing document for the Association, all of which are incorporated herein by reference. In so adopting and promulgating such rules and regulations and in making any finding, determination, ruling or order, or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interest of the Owners to the end that the Property shall be preserved and maintained as a viable community.

Section 6. Severability. All the covenants, conditions, restrictions, and reservations contained in this Declaration are hereby declared to be severable, and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof is void, unlawful or unenforceable, shall not affect the validity or enforceability of any other covenants, conditions, restrictions, reservations or clause or phrase thereof.

Section 7. Non-liability. Nothing contained in this Declaration shall be construed in any manner as to impose upon the Association, the Developer, a Participating Builder, or their successors or assigns, any liability whatsoever for property damage and/or personal injury occurring to any person or persons whomsoever resulting from the use of any Common Areas, including, but not limited to roads and/or recreational facilities, and/or from the use of any Lot, Living Unit, Commercial Unit or Assisted Living Parcel in the Development. Any and all persons using any such Common Areas, Lot, Living Unit, Commercial Unit, Assisted Living Parcel, or other parcel of land, or any of them, shall do so at their own risk and without any liability whatsoever on the part of the Association, the Developer, any Participating Builder, or their respective successors or assigns, as the case may be.

Section 8. Agricultural Uses Notice. This property is located in the vicinity of land used primarily for agricultural purposes on which normal agricultural uses and activities have been afforded the highest priority use status. It can be anticipated that such agricultural uses and activities may now or in the future involve noise, dust, manure and other odors, the use of agricultural chemicals and nighttime farm operations. The use and enjoyment of this property is expressly conditioned on acceptance of any annoyance or inconvenience which may result from such normal agricultural uses and activities.

Section 9. Wetlands Notice. This site contains regulated wetlands. Activities within these wetlands may require a permit from the U.S. Army Corps of Engineers and/or the State of Delaware.

Section 10. Hunting Activities Nearby Notice. This property is located in the vicinity of and nearby land that may be used for hunting activities.

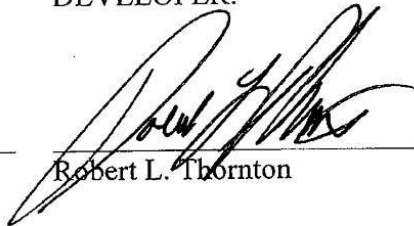
Section 11. Amendments to Declaration by Developer. During the Developer Rights Period, this Declaration may be amended in the sole discretion of the Developer by the recordation of an Amendment to the Declaration with the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, subject to the consent of each Participating Builder, provided the Participating Builder is still actively constructing homes in the Development.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has executed this Declaration of Covenants, Conditions and Restrictions for Silver Woods in Ocean View, the day and year first above written.

WITNESS:

DEVELOPER:


Robert L. Thornton

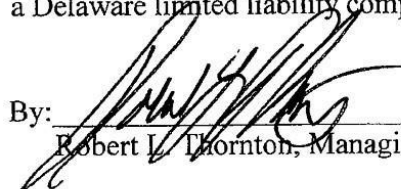
(SEAL)

and

SILVERSTOCK WP LLC,
a Delaware limited liability company



By:


Robert L. Thornton, Managing Member

(SEAL)

STATE OF Delaware

*

to wit:


*

COUNTY OF Sussex

*

I HEREBY CERTIFY that on the 27th day of September, 2016, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Robert L. Thornton, the individual, known to me (or satisfactorily proven) to also be the Managing Member of Silverstock WP LLC, a Delaware limited liability company, and that such person, being authorized to do so in his individual capacity and as Managing Member of said LLC, executed the foregoing instrument for the purposes therein contained.

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


LEA JAYE GOEHRINGER
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires Dec. 3, 2016

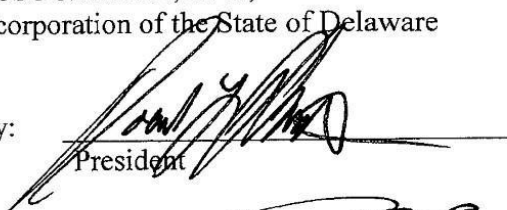
[NOTARIAL SEAL]

IN WITNESS WHEREOF, the Silver Woods Property Owners Association, Inc., hereby consents to and approves the foregoing Declaration of Covenants, Conditions and Restrictions for Silver Woods in Ocean View, specifically Article VI, Section 22 thereof, on this 27th day of September, 2016.

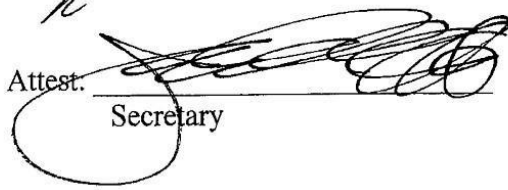
SILVER WOODS PROPERTY OWNERS
ASSOCIATION, INC.,
a corporation of the State of Delaware

(Corp. Seal)

By:


President

Attest:


Secretary

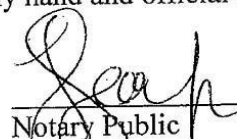
STATE OF Delaware
COUNTY OF Sussex

*
*
*

to wit:

I HEREBY CERTIFY that on the 27th day of September, 2016, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Robert L. Thornton, the individual, known to me (or satisfactorily proven) to be the President of the Silver Woods Property Owners Association, Inc., a Delaware corporation, and that such person, being authorized to do so in his capacity as President of said Association, executed the foregoing instrument for the purposes therein contained.

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


Notary Public
My Commission Expires: Dec. 3, 2016

LEA JAYE GOEHRINGER
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires Dec. 3, 2016

[NOTARIAL SEAL]

IN WITNESS WHEREOF, the undersigned, a Participating Builder and Mortgagee of the Developer, has hereby consented to the foregoing Declaration of Covenants, Conditions and Restrictions for Silver Woods in Ocean View on this 29 day of September, 2016.

NVR, INC.,
a Virginia corporation

(Corp. Seal)

By: 

Title

Vice President

Attest: 

Title

STATE OF DE

*

*

to wit:

*

COUNTY OF SUSSEX

I HEREBY CERTIFY that on the 29 day of September, 2016, before the subscriber, a Notary Public in and for the above jurisdiction, personally appeared Michael Schaeffer, known to me (or satisfactorily proven) to be a VP of NVR, Inc., a Virginia corporation, and that such person, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

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


Notary Public

My Commission Expires: _____

[NOTARIAL SEAL]



