

FRIENDSHIP VILLAGE HOMES, L.L.C.
DECLARATION OF RESTRICTIONS

THIS DECLARATION, made this 1st day of November 2007, by Friendship Village Homes, L.L.C., a Delaware corporation.

WITNESSETH:

WHEREAS, Friendship Village Homes, L.L.C., ("Friendship Village"), by a Deed recorded in the Office of the Recorder of Deeds, in and for Kent County and State of Delaware, is seized of all that certain tract or parcel of land situate in Mispillion Hundred, Kent County and State of Delaware, City of Harrington, and know as Friendship Village Homes, L.L.C., as shown on a plot therefore showing the number, size, location and description of the lots therein and recorded in the Office of the Recorder of Deeds, aforesaid, in Plot Book 76, Page 1; and

WHEREAS, Friendship Village Homes, L.L.C. desires to impose the following limitations, reservations, restrictions, and conditions on the aforesaid Friendship Village Development comprising lots 1 through 153, inclusive.

NOW, THEREFORE, THIS DECLARATION WITNESSETH: That for and in consideration of the premises, Friendship Village does hereby covenant and declare that henceforth it stands seized of the hereinbefore mentioned and described premises under and subject to the following limitations, reservations, and conditions, which shall be covenants running with and binding upon the land:

ARTICLE I – DEFINITIONS

The following words and terms when used in this Declaration shall have the following meanings:

1. "Declaration of Restrictions" shall mean and refer to this Restrictive Covenant Agreement for Friendship Village Development.
2. "Declarant" shall mean and refer to Friendship Village L.L.C.
3. "Successor Declarant" shall mean each entity to which Declarant shall have specifically, be in writing, assigned or conveyed any or all of Declarant's rights, interests or obligations as Declarant hereunder.
4. "Plan of Development" shall mean and refer to the Record Subdivision Plan of Friendship Village Homes, L.L.C., as same appears of record as hereinabove recited, and any and all amendments, additions, revisions or deletions to or from said plan.
5. "Friendship Village Homes, L.L.C." shall mean and refer to the residential community to be constructed pursuant to the Plans of Development as more specifically set forth above.
6. "Lot" shall mean and refer to all lots in the Plan of Development except as excluded herein.

7. "Open Space" shall mean and refer to the certain parcels, being portions of the Property, and being the open space shown on the Plan of Development.
8. "Lot Owner" shall mean and refer to the legal title holder of record of a Lot in the Friendship Village Homes, L.L.C., comprising lots 1 through 153, inclusive. If a Lot is owned by joint tenants, co-tenants, or tenants by the entireties, the joint tenants, co-tenant, or tenants by the entireties shall collectively comprise a single Lot Owner.
9. "Architectural Committee" shall mean and refer to the person or persons designated by Declarant to review site, improvement, and building plans, etc. The Architectural Committee shall be members of Friendship Village Homes, L.L.C. The scope and control of the Architectural Committee is available in pamphlet form from "Declarant".

ARTICLE II – RESTRICTIONS

1. No Lot shall have more than one single family residence on any designated Lot, which dwelling shall be detached and shall not exceed two and one-half stories in height, and have appurtenant hereto not more than a two car garage.
2. No residential Lot may be subdivided or re-subdivided without the express approval of Declarant, its successors or assigns, in addition to all other legal requirements that may be applicable to subdivisions.
3. The dwelling house on each Lot shall be of a type and design appropriate for a single family residence and shall be used for private residential purposes. Every dwelling house shall be built pursuant to plans and specifications approved by Declarant. The Declarant shall have the right to refuse to approve any such plans or specifications which in its opinion are not suitable or desirable; and in so passing upon said plans and specifications, may take into consideration the suitability of the proposed building or other structure, the materials with which it is to be built, the site upon which it is proposed to erect same, the harmony thereof with the surroundings and the effect of the building on other structures as planned on the outlook from the adjacent or neighboring properties.
4. No buildings or structure, or parts thereof shall be erected at a distance closer from the front line on either street than shown on or imposed by the Plan, nor in any event closer than permitted by the applicable Zoning code of the City of Harrington. Declarant shall have the right to determine which are the front, side, and rear lines of any lot.
5. No trade or business, nor any building designed or intended for industrial or manufacturing purposes, or for any dangerous or offensive trade or business whatsoever, shall be erected, permitted, maintained or operated on any of the Lots; neither shall any nuisance, dangerous or offensive thing, conditions, trade or business whatsoever be permitted or maintained upon any of the said Lots, nor any live poultry, pigeons, hogs, cattle or other livestock or non-domesticated animals be kept thereon.

6. There shall not be erected or permitted upon any of the Lots or roadways within the boundaries of the Lots hereby described any signs, notices or advertising matter of any description without approval of Declarant.
7. No more than three domesticated animals commonly classified as pets shall be permitted to be kept or allowed to remain on any Lot. Suitable kennels may be maintained upon the premises, which kennels shall conform to the plans of the dwelling house. The design, structure and site of the kennels or any other type of building or structure to be used.
8. No one shall be permitted to place or expose any ashes, garbage or debris, loose or contained in receptacles at any place beyond the front wall of the building fronts, nor more than five feet from the rear of any buildings except for collection. Debris and garbage shall be kept in secured and closed receptacles.
9. On non-corner Lots, no fence, wall, hedge or mass planting shall be erected or permitted on any such Lot in front of the main house or structure, except a hedge fence not exceeding four feet in height. A split rail, PVC, stockade fence, a wooden picket or a hedge fence may be erected along the side and to the rear of the main house structure, provided; the same shall not exceed four feet in height. A wooden, picket or hedge fence may be erected along the side facing a street provided it is not closer to such street than the side of the house, as extended, facing the street and to the rear of the main house structure; provided; the same shall not exceed four feet in height.
10. Nothing contained herein shall be constructed to prevent the erection of sample houses and signs for display and sale to prospective purchaser or to prevent the use of said sample houses for display and for promoting the sales of other houses erected or to be erected on the said lots.
11. No house trailer, boat trailer, truck (except a pickup truck or a Jeep styled truck), tractor or trailer or any commercial or commercial type vehicle, having more than six wheels or longer than 28 feet, or farm type vehicle or machinery, shall be parked or stored on any residential building plot.
12. Sheds, storage units, structures or outbuildings, either temporary or permanent shall not be erected or placed on any Lot without the express written approval of the Declarant, nor used as a residence whatsoever. These must be a ranch style roof, matching colors of house, and located behind the home. Minimum size of 8'x10'. All sheds to be approved by Friendship Village Homes, L.L.C. Placement of such shed must be within the side boundaries of house and no more than 20 feet from rear property line. All sheds architectural shingles shall match with the house.
13. Swimming Pools. Above-ground pools or in-ground pools must be enclosed by a fence within accordance of the City of Harrington.
14. No permanent clothes lines shall be erected on any Lot. Temporary umbrella style clothes line will be permitted, and are only to be erected when in use. While not in use they should be stored out of site such as in the garage or storage shed.
15. No towers of any kind shall be erected on any Lot such as CB tower, TV antennas or satellite dishes

larger than thirty-six (36") inches in diameter.

16. Easements and rights-of-way are hereby reserved on, over, under and along each Lot for poles, wires, pipes and conduits for lighting, heating, electricity, gas, telephone cable and any other public or quasi-public utility service purposes, for drainage, and for sewers and pipes of various kinds all of which shall be confined so far as practicable within six (6') feet from the front and rear lines of each Lot or Lots, and six (6') feet from the side lines of each Lot or Lots together with the right of access thereto anytime for the purpose of further construction and repair. A twenty (20') feet wide easement ten (10') feet on each side of centerline of the pipe, structure, line or swale is hereby reserved. No buildings or other permanent structure shall be erected or maintained on any part of any area herein reserved as an easement and/or right-of-way.
17. Declarant hereby reserves the right to extend the roads, lanes and right-of-ways shown on the Plan, over adjacent lands, presently owned or acquired in the future, provided that the road areas of said roads, lanes, and the right-of-ways are constructed by the Declarant, in a minimum of the same manner, type and material as the initial construction of the roads shown on the plan.
18. These covenants and restrictions are to run with the land and shall be binding on Declarant and all succeeding owners of each and every Lot under them until December 31, 2020. The covenants shall automatically be extended for successive the year periods. These Restrictions may be amended at any time in whole or in part at any time by vote of the majority of the owners of the Lots, each Lot being entitled to one vote regardless the number of the actual owners of each Lot.
19. If any Lot owner, or any of them or their heirs, executors, administrators, successors and assigns shall violate or attempt to violate any of the covenants or restrictions herein on or before the termination thereof, it shall be lawful for the Declarant, the Maintenance Association, by its Officers, and any other person or persons owning any other Lots in said development, to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent him, her or them from doing so or to recover damages or other relief for such violations.
20. Invalidation of anyone of these covenants by Judgment or Court Order shall in no way affect any of the provisions, which shall remain in full force and effect.
21. Declarant hereby reserves the right to modify this Declaration of Restrictions or any parts thereof without the consent of the owners or Mortgagees of the Lots at any time prior to December 31, 2010, for any reason whatsoever.
22. Every purchaser of any Lot is subject to these Restrictions and shall acquire no vested right which would prevent the said Declarant from making changes in the future as to these Restrictions or to the arrangement or use of remaining lands on the Plan.
23. These Restrictions shall apply to and bind only the Lots above described and in no event shall the same be construed to apply or in any manner bind or affect any lands not included within the Lots, whether such lands are contiguous thereto or otherwise, and no owner of any Lot shall have any

rights or easements whether in law, entity or otherwise and to any lands not included with the Lots, any law, custom or usage to the contrary notwithstanding.

24. For notice purposes only, Declarant states its intention to assign all of the rights of Declarant herein reserved, and specifically the right to amend, and to enforce these Restrictions to Friendship Village, L.L.C., which upon the recording of such Assignment shall succeed all rights and privileges of Declarant as so assigned.

25. Reserved Easements for Declarant.

a. Utility Easements. Declarant reserves for itself, its Successors and Assigns, the full, free liberty and right at all times hereafter to have and use a right-of-way ten (10') feet wide along the rear and side lines of each Lot for public and private utility purposes, including the rights to install and maintain same from time to time. Declarant reserves the right to assign any or all of the easements, rights and privileges reserved to any public authority or to any corporation having power to acquire the same.

26. Street Dedication. Declarant reserves for itself, its successors, and assigns the right to dedicate the bed of any road or street shown on the Plan of Development to the public authority then having jurisdiction over same without the joinder of any Lot Owner of such Lot or Lots.

27. The Declarant makes no warranty or representation that the necessary permits and approvals can be secured and obtained from the appropriate authorities and/or agencies to erect any structure at Friendship Village Homes.

28. Nothing herein shall impose upon Declarant, its successors or assigns, any liability for property damage or personal injury occurring to any person, firm, corporation by reason of the use of the streets as shown and laid out on the Plan of Development or by reason of the use of easements, reserved herein. All persons, firms, corporations using such streets and easements shall do so at their own risks and without liability on the part of the Declarant, its successors or assigns.

29. With respect to any Lot or Lots on the Plan of Development which have not theretofore been improved with a dwelling house(s), the Declarant reserves the right to itself, its successors and assigns, to make application at any time under the City of Harrington Subdivisions and Land Development Regulations to re-plan any such Lot or Lots, within the same residential zoning classification, without the consent of any Lot Owners. Said "re-planned" Lots shall not, however, contain less than ninety (90%) percent of the square footage than the Lots appearing on the originally approved Plan of Development.

30. The restrictive covenants contained herein shall be enforceable at law or in equity by Declarant, its successors, assigns or any party claiming under Declarant, including any Lot Owner; Declarant hereby expressly reserves the right to assign the power to enforce these restrictive covenants to any incorporated or unincorporated association of Lot Owners by appropriate instrument in writing, filed or record in the Office of the Recorder of Deeds aforesaid.

31. Invalidation of any of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.
32. Rights of Revisions. Declarant hereby expressly reserves the right at any time to annul, waive, change, or modify any of the restriction, condition, covenants, agreements or provisions contained herein until the conveyance of the thirtieth individual Lot from Friendship Village Homes, L.L.C., to a purchaser thereof. At the time of conveyance of the thirtieth (30th) individual Lot, this right of revision shall cease and determine, unless a proposed annulment, waiver, change or modification proposed by Friendship Village Homes, L.L.C., is joined into by two thirds (2/3) of the record Lot Owners of the Lots covered by these restrictions and covenants; Lot Owner to receive one vote for each Lot owned. Notwithstanding the foregoing, Declarant shall have the right to assign its powers herein reserved, including but not limited to, the right to approve plans; consent to signs, etc.; determine which are front, side or rear lines; enter upon reserved strips; and any other rights it may have as Declarant hereof, to any corporation or association consisting of the Lot Owners of building lots as shown on the said plot, which assignment shall be entirely at the election of this Declarant.
33. Square Footage. No home shall be constructed with less than the following square footage:
- Ranch style homes shall have a minimum of 1,150 SF of living space.
 - Two story style homes shall have a minimum of 1,400 SF of living space.

ARTICLE III
FRIENDSHIP VILLAGE HOME OWNERS ASSOCIATION

- Formation. At any time after the recording of this Declaration, Declarant may cause Friendship Village Home Owners Association (hereinafter called Association) to be formed by the filing of the Certificate of Incorporation therefore in the Office of the Secretary of State of the State of Delaware. The Association is formed to operate, maintain and ultimately own the Common Property, not to include the private open space; to perform, administer and enforce the covenants, conditions, restrictions and other provisions set forth in this Declaration of Restrictions, the Rules and Regulations promulgated by the Association and the Traffic Regulations promulgated by the Association. The Association shall have such other specific rights, obligations, duties and functions as are set forth in this Declaration and in the Certificate of Incorporation and By-Laws. Subject to the additional limitations provided herein and in the Certificate of Incorporation and By-Laws, the Association shall have all of the powers and be subject to all of the limitations of a not-for-profit corporation as contained in the Delaware statutes in existence as of the date of recording this Declaration and in its Certificate of Incorporation and By-Laws. Declarant, by including additional property within the imposition of this Declaration, may cause additional membership in the Association and may designate the Lot Owner ship basis for such additional membership.
- Membership.
 - General. Each Lot Owner of any property now or hereafter subjected to this Declaration

shall automatically become a Member of the Association upon the incorporation of the Association with the Delaware Secretary of State. Membership shall continue until such time as the Lot Owner transfers or conveys his interest in his Lot, or his interest is transferred or conveyed by operation of law. No person or entity who holds an interest of any type or nature whatsoever in a Lot only as security for the performance of an obligation shall be considered a Member of the Association from and after the date of recordation of this Declaration in the public records of the County and so long as Declarant shall own one or more Lots.

- b. Voting. The Association shall have one (1) class of voting membership consisting of the Members of the Association. All Members shall be entitled to vote on all matters coming before the membership. Votes shall be cast or exercised by each member in such manner as may be provided in the By-Laws of the Association. The Members shall have one (1) vote for each Lot which has been conveyed by fee simple title to the Lot Owner and the deed therefore recorded in the public records of the County. Anything contained herein to the contrary notwithstanding, Declarant shall be entitled to cast that number of votes equal to the number of Lots permitted within Friendship Village Development, less the number of Lots to which Declarant has transferred fee simple to a Lot Owner.
- c. Assessments.
- i. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned by it within the Properties hereby covenants and each Lot Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance is deemed to covenant and agree to pay the Association costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Lot Owner of such property at the time when the assessment fell due.
- ii. Purpose of Assessments. The assessment levied by the Association shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the residents in Friendship Village Homes and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and the homes situated upon the Properties, including but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, material, management and supervision thereof.
3. Right To Fix Annual Assessments. The Association may, at anytime from time to time, set such annual assessments as it deems necessary to carry out the duties and obligations of the Association, as set forth herein and as they may change from time to time; provided, however, that any change in said assessment must be approved by a two-thirds (2/3) majority of the votes to

which members may be entitled which may be cast, whether in person or by proxy, at a meeting duly called for this purpose, written notice of which shall have been sent to all members at least thirty (30) days in advance of the time set for said meeting, which said notice shall set forth the purpose of the meeting. Notwithstanding the above, for the calendar year ending December 31, 2007, the assessment shall not exceed one (\$1.00) dollar for each undeveloped Lot and fifty (\$50.00) dollars for each Lot improved by construction of a residence. The aforesaid fees for calendar year 2009 – 2012 shall not increase by greater than ten (10%) percent over each preceding years fees.

4. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided herein shall commence on the date fixed by the Board of Directors of the Association to be the date of commencement.

The First annual assessment shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessment for any year, after the first year, shall become due and payable on the first day of March of said year.

The amount of the annual assessment which may be levied for the balance of remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve (12). The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to the Properties now subject to assessment at a time other than the beginning of any assessment period.

5. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement of the initial assessment and shall prepare and maintain a roster of the properties subject to the assessment which shall be kept in the office of the Association and shall be open to inspection by any Lot Owner.

Written notice of the assessment shall thereupon be sent to every Lot Owner thereto.

The Association shall upon demand at any time furnish to any Lot Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

6. Effect of Non-Payment of Assessment; The Personal Obligation of the Lot Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Lot Owner, his heirs, devisees, personal representatives and assigns. The personal obligations of the then Lot Owner to pay such assessment, however, shall remain his personal obligations for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency interest shall accrue at the rate of twelve (12%) percent per annum, and the Association may bring an action at law against the Lot Owner personally obligated to pay the same or to foreclose the lien against the Lot Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as provide and reasonable attorney's fee together with the cost of the action.

7. Exempt Property. The following property subject to this Declaration, shall be exempt from the assessments, charge and lien created therein:
- a. All Common Properties as defined hereinabove;
 - b. Streets, all portions of Friendship Village Homes, L.L.C. dedicated to public use;
 - c. Lots standing in the name of the Declarant not occupied or used for residential purposes;
 - d. All lands used or intended to be used as private open space.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

- e. Administration of the Association. The business affairs of the Association shall be managed by or under the direction of the Board of Directors in accordance with this Declaration, the Certificate of Incorporation and the By-Laws. The Certificate of Incorporation and By-Laws may be amended in the manner set forth therein, but no such amendment shall conflict with the terms of this Declaration without the Declarant's prior written approval. Any exempt to amend contrary to these prohibitions shall be of no force or effect.
- f. Suspension of Membership Rights. No member shall have any vested right, interest or privilege in or to the assets, functions affairs or franchises of the Association, or any right, interest or privilege which may be transferable, or which shall continue after the Member's membership ceases, or while the member is not in good standing. A Member shall be considered "not in good standing" during any period of time in which the member is delinquent in the payment of any Assessment, dues, or fees, or in violation of the Rules and Regulations (as hereinafter defined) promulgated by the Association, or of the Traffic Regulations, or in violation of any provision of this Declaration. While not in good standing, the Member shall not be entitled to vote or exercise any other right or privilege of a Member of the Association.

Control by Declarant. Anything contained herein to the contrary notwithstanding, Declarant shall have the right to retain control of the Association until Declarant has closed the sale of all the Lots of Friendship Village Homes, L.L.C., or until such earlier time as is determined by Declarant, in Declarant's sole discretion. At the time of turnover of control of the Association, the Declarant shall record a notice (the "Notice of Turnover") in the public

