

**DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
RIVERVIEW ESTATES HOMEOWNERS ASSOCIATION, INC.**

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION, made the 26th day of February, 2002, by TWO DIXONS I, LLC, a Delaware limited liability company, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property located in South Murderkill Hundred, Kent County, Delaware, more particularly described in "Exhibit A" hereof and on the plats entitled "Subdivision Plat - Section 1, Riverview Estates" recorded in the Office of the Recorder of Deeds in and for Kent County in Plat Book 11, Page 86 (the "Section 1 Plat") and "Subdivision Plat, Riverview Estates - Section 2" recorded in the Office of the Recorder of Deeds in and for Kent County in Plat Book 63, Page 5 (the "Section 2 Plat"), which plats shall collectively be referred to herein as the "Plats"; and

WHEREAS, the Declarant desires to provide for the preservation of values and amenities in the community being developed on the aforesaid tract and for maintenance of common areas; and to this end desires to subject the Property, as hereinafter defined, and as described in the aforesaid Plats, to the covenants, conditions, easements, charges, liens and restrictions, hereinafter set forth, each and all of which is and are for the benefit of said Property and the subsequent Owners, as hereinafter defined; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the said community to create an association to which are delegated and assigned the powers and duties of maintaining and administering the common areas, administering and enforcing the within covenants and restrictions and collecting and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has formed (or intends to form) Riverview Estates Homeowners Association, Inc., for the purposes of carrying out the powers and duties aforesaid.

NOW, THEREFORE, the Declarant hereby declares that the property described in the Plats aforesaid is and shall be held, conveyed, hypothecated or encumbered, sold, leased, used, occupied and improved subject to the covenants, restrictions, easements, charges and liens (hereinafter sometimes referred to as "covenants" or "restrictions") hereinafter set forth:

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean and refer to RIVERVIEW ESTATES HOMEOWNERS ASSOCIATION, INC., a Delaware non-profit, non-stock corporation, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Common Areas" shall mean all real property (including the improvements thereon) owned by the Association for the common use and enjoyment of the Owners. The Common Areas which may hereafter be owned by the Association are described in "Exhibit B", attached hereto and made a part hereof.

Section 4. "Declarant" or "Developer" shall mean and refer to Two Dixons I, LLC, a Delaware limited liability company, its successors and assigns and any other legal entity which, in conjunction with or in lieu of Two Dixons I, LLC, develops Dwellings on the Property, if such successor, assign or legal entity should acquire one or more undeveloped Lots from the Declarant for the purpose of development and/or construction of a Dwelling thereon.

Section 5. "Dwelling" shall mean and refer to any residential single family residential structure constructed on any portion of the Property.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties, with the exception of the Common Areas and publicly dedicated rights-of-way.

Section 7. "Member" shall mean and refer to every person, group of persons or entity who holds membership in the Association, including the Declarant.

Section 8. "Mortgagee" shall mean and refer to the holder of any mortgage or trustee or beneficiary of any deed of trust on any Lot provided such holder is an institutional lender and/or a licensed mortgage banker.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest as security for the performance of an obligation.

Section 10. "Property" or "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II.

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to assess annual fees for the maintenance and improvement of the Common Areas;

(b) the right of the Association to suspend the voting rights and right of use of the Common Areas by an Owner for any period during which assessment against his Lot remains unpaid; and

for any period during which an Owner has violated and continues to violate the published rules and regulations of the Association;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members and fifty-one percent (51%) of all Mortgagees holding first mortgages or first deeds of trust on Lots within the Property which have been annexed into the Association;

(d) the right of Declarant, prior to the conveyance of the Common Areas, and of the Association to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil, communications systems (including cable television), and other utilities;

(e) the right of the Association, by and through its Board, to limit the number and charge reasonable fees for guests of members utilizing Common Areas;

(f) the right of the Association, by and through its Board, to establish uniform rules pertaining to the use of the Common Areas and any improvements that may be located thereon; and

(g) the right of the Association, by and through its Board, to regulate the use, maintenance, repair and replacement of Common Areas and amenities located thereon.

Section 2. Declaration of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas to any person or persons residing on his Lot, including the members of his family, his lessees, or contract purchasers, subject to such rules which the Board may from time to time adopt; provided, however, that such delegation shall be not abrogate the duty of the Owner to pay assessments as provided in Article IV hereof.

Section 3. Rental of Lots. The Owner of any Lot may lease his respective property subject to the following terms and conditions:

(a) no lot shall be leased until such time as a Dwelling has been constructed upon it;

(b) any lease between an Owner and a lessee must be in writing and shall not be for a term of less than six (6) months;

(c) the lease shall state that it is subject in all respect to, and that the lessee shall comply with all of the provisions of the Declaration, Articles of Incorporation and the By-Laws, and that failure of the lessee to comply with any of the terms of the aforementioned documents shall be a default under the lease;

(d) the lease shall in no way relieve the Owner of any duty or obligation imposed by this Declaration.

Section 4. Encroachments. In the event that any portion of any Dwelling encroaches upon the Common Areas and facilities as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the aforesaid Dwelling, a valid easement of such encroachment and for the maintenance of same shall exist so long as such encroachment exists.

Section 5. Utility Lines. Each Owner shall be solely responsible for the care and maintenance of sanitary sewer, water, gas, electric, telephone, storm sewer, cable television or other utility conduits or lines that exclusively service each such Owner's Dwelling. In the event such conduits or lines are in need of repair and/or replacement and any portions thereof are located in, under and/or through an abutting Lot or property of any abutting Lot Owner, the Owner so repairing and/or replacing such lines shall have the right to enter upon and is hereby granted an easement to enter in and onto the front ten (10) feet of the Lot of an abutting Owner to perform the repair and/or replacement. The Owner so entering shall perform such construction and/or work as promptly as possible and shall take due precautions and care not to damage the Lot and/or property of the abutting Owner and to the extent the abutting Lot and/or property is dug into, displaced

and/or dismantled, the Lot and/or property shall, immediately upon the completion of the repair and/or replacement, be restored to the same condition it was prior to such work being commenced by the Lot Owner performing the construction and/or work.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Classes of Voting Membership. The Association shall have two (2) classes of voting membership:

CLASS A. Class A members shall be all Owners, with the exception of the Declarant and/or all Class B member(s) and shall be entitled to one (1) vote for each Lot owned. When more than one person hold an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

CLASS B. The Class B member shall include the Declarant and its grantees, successors and assigns who acquire more than one lot prior to completion of a Dwelling thereon. The Class B member shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to

Class A Membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership, or

(b) seven (7) years from the date of recordation of this Declaration; PROVIDED, HOWEVER, that if the Class B member is delayed in the improvement and development of the Property on account of a sewer, water or building permit moratorium or any other cause or event beyond the Class B member's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays or three (3) years, whichever is less.

Provided, however, the Class B membership shall be revived (and the Class B member shall again be entitled to three (3) votes for each Lot owned by the Class B member), during any periods of time occurring before December 31, 2010, when by reason of the annexation of additional land as a part of the Properties additional Lots owned by the Class B member exist which, when added to the other Lots then owned by the Class B member, would result in the Class B member having more than fifty percent (50%) of the votes of the Association were the Class B member to have three (3)

votes for each Lot owned by the Class B member instead of only a single vote for each Lot owned by the Class B member.

ARTICLE IV.

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants and agrees, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for any purpose; such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, late charges, costs of collection, and reasonable attorneys' fees, shall be a charge on the land and shall be a lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, late charges, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the following purpose:

(a) to pay taxes and other governmental charges and assessments on the Common Areas, if any;

(b) to promote the health, recreation, and welfare of the residents in the Lots;

(c) to pay all administrative, managerial, legal, insurance and any other costs or expenses incurred by the Association in the operation of the Association;

(d) for the use, improvement, maintenance, repair, and replacement of the Common Areas;

(e) to provide an adequate reserve for maintenance, repair and replacement of the Common Areas and any improvements situate thereon;

(f) to pay for the cost of use, improvement, maintenance, repair and replacement of storm water management facilities and recreational amenities, if any, constructed upon the Common Areas or upon public easement areas appurtenant to the Property.

Section 3. Maximum Annual Assessment. Until January of the year immediately following the conveyance of the first Lot to an Owner the maximum permitted annual assessment shall be Three Hundred Dollars (\$300.00) per Lot per year, which shall be payable monthly, quarterly, semi-annually or annually, as determined by the Board.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment may be increased each year not more than ten percent (10%) above the maximum permitted annual assessment amount for the previous year, as may be calculated in a cumulative manner, such increase to be determined by the Board, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum permitted annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) That Board of Directors may fix the annual assessment at an amount not in excess of the maximum permitted annual assessment amount.

Section 4. Declarant's Duty to Fund Deficits. Any and all Lots owned by the Declarant shall be exempt from assessment pursuant to this Article IV. During any fiscal year in which the Declarant owns one or more Lots, it shall be obligated to or for the account of the Association, at such time or times as is reasonably required by the Association an aggregate amount equaling the lesser of (a) the total amount which Declarant would have owed to the Association if such Lots had been eligible for assessment

during that fiscal year, or (b) the amount, if any, by which the expenses of the Association exceed the assessment levied against all Lots eligible for assessment for that fiscal year. Declarant shall be entitled to meet such funding obligations by making, or causing, one or more cash payments or in-kind distribution of goods or services, or any combinations thereof, and the Association shall have the right to enter into written or oral contracts with the Declarant for contribution of such goods or services. Nothing in this Section or elsewhere in this Declaration shall be deemed to impose upon the Association or Declarant any duty whatsoever to refrain from increasing the respective amounts of any assessments from fiscal year to fiscal year or from levying any special assessments, all to the extent otherwise permitted by this Declaration.

Section 5. Special Assessments. In addition to the annual assessments authorized above, (1) the Board may, without consent of the membership, levy special assessments not exceeding the aggregate total amount of Ten Thousand Dollars (\$10,000.00) in any given calendar year for the purpose of defraying, in whole or in part, any unbudgeted contingency expense of a non-recurring nature or other extraordinary expense; and/or (2) the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas,

including fixtures and personal property, or for any other purpose, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting called for this purpose.

Section 6. Notice and Quorum for any Action Authorized Under Sections 3 and 5. Written notice of any meeting called for the purpose of taking any action under Article IV, Sections 3 or 5 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast twenty-five percent (25%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the same notice requirements set forth above, and the required quorum at any subsequent meeting shall be reduced to one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots, except as noted in Section 4 of this Article, and may be collected on a monthly basis, quarterly, semi-annually, or annually, as determined by the Board.

Section 8. Date of Commencement of Annual Assessments:

Due Dates. The annual assessment provided for herein shall commence thirty (30) days following the sale and settlement of the first Lot on each parcel of ground so annexed. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specific Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of a Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum and late charges not exceeding Fifteen Dollars (\$15.00) or one-tenth (1/10th) of the total amount of the delinquent assessment or installment, whichever is greater, provided the late charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least fifteen (15) calendar days.

The Owner shall also be responsible for payment of all costs of collection and reasonable attorneys' fees incurred by the Association as a result of non-payment of the assessment amount. Subject to the provisions of Section 14 of this Article, the Association may bring an action at law against the Owner personally obligated to pay the same, or, establish and foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 10. Notice of Lien. No action shall be brought to establish or foreclose an assessment lien or to proceed under the power of sale herein except in strict accordance with Delaware law.

Section 11. Foreclosure. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant, agree and authorize the Association to foreclose on any recorded lien in accordance with the procedures prescribed in the rules pertaining to foreclosures of mortgages in the Delaware Rules of Procedure, as if the Association were the mortgagee and the Owner were the mortgagor.

Section 12. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was filed by the

Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed One Hundred Dollars (\$100.00), to cover the costs of preparing and filing or recording such release.

Section 13. Cumulative Remedies. The assessment lien and the rights to foreclosure sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its successors and assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 14. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional Mortgagee providing purchase money financing in either the form of a single purchase money first mortgage or a combination purchase money first and purchase money second mortgage, such purchase money first and purchase money second mortgage combination designed to facilitate financing due to statutory lending limits which may prohibit financing of first mortgages in excess of certain dollar amounts. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payment which became due prior to such sale or transfer. No sale or

transfer shall relieve such Lot Owner from liability for any assessments thereafter becoming due from the lien thereof.

Section 15. Notice to Mortgagees. Upon request, the Association shall notify the Mortgagee of any first mortgage or any first deeds of trust on any Lot for which the assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days. Such notification shall be in writing.

ARTICLE V.

ARCHITECTURAL STANDARDS

Section 1. Creation.

(a) There shall be an architectural committee (referred to as the "Architectural Committee" or "Committee") for the Lots. The Committee shall have a minimum of three (3) members, each of whom shall (notwithstanding the expiration of the period referred to in the provisions of subsection (b) of this Section (1) serve as such until the earlier to occur of:

- (i) his resignation from the Committee, or
- (ii) his replacement pursuant to the following provisions of this Section by the Declarant or the Board.

(b) The Declarant shall have the exclusive right from time to time to designate and replace the members of the Committee until the later to occur of:

(i) the seventh anniversary of the date hereof, or

(ii) the conveyance of record by the Declarant to one or more persons of the title to at least ninety percent (90%) of the Lots.

(c) Thereafter, the Board shall have the exclusive right to designate and replace the members of the Architectural Committee who will serve at the pleasure of the Board.

Section 2. Approval.

(a) Subject to the operation and effect of the provisions of Article VIII, and except for any improvements by the Class B member(s), no change, alteration or addition affecting the appearance of the exterior of any Lot shall be commenced, no building, driveway, parking pad, fence, wall, sign, fuel tank, deck, patio, shed, privacy screen, sidewalk, flue, chase, antenna, porch, pool, hot-tub or clothes dryer, or other structure of any kind whatsoever (each of which is hereinafter referred to as an "Improvement") shall be constructed, reconstructed, placed, (even temporarily or periodically), maintained or modified (other than, (1) exterior repainting in the same color as the existing color, and (2) interior painting or other modifications not visible from or affecting the exterior of the Dwelling), unless such action and

such Improvement has been approved expressly and in writing by the Architectural Committee, which shall have the absolute right to refuse to grant such approval for any aesthetic or other reasonable cause, and to withhold such approval until plans and specifications, showing in reasonable detail the nature, kind, shape, height, materials, location and approximate cost of such Improvement, have been submitted to and approved by the Committee expressly and in writing. In considering whether to grant any such approval, the Committee may consider the suitability of such proposed Improvement with relation to such Lot and the other Lots, and may base such consideration upon such, if any, information concerning the nature, kind, shape, heights, materials, location and approximate cost of such Improvement as is furnished to the Committee, as aforesaid, all to the end that such Improvement shall be in harmony with, and have no perceived adverse affect upon, its immediate surroundings and the other Lots.

(b) If any Owner submits to the Committee a written application for approval of any Improvement as aforesaid, and if the Committee has not disapproved, in writing, said application within sixty (60) days of receipt hereof, such approval shall thereupon be deemed to have been given.

(c) The affirmative vote of a majority of the members of the Committee shall be required for it to take any action;

provided, that such majority may designate one member to act for it.

(d) The above provisions to the contrary notwithstanding, the provisions set forth in Article V shall not apply to any Structures commenced, erected or maintained by a Class B member on any Lot, or within the Property until after completion thereof by the Class B member and conveyance to a Class A member.

ARTICLE VI.

MAINTENANCE

Section 1. Common Areas. The Association shall be responsible for the care and maintenance of the Common Areas. The Association shall also be responsible for the maintenance, repair and replacement of the sidewalks appurtenant to the curb lines.

Section 2. Individual Lots.

(a) The Owner of each Lot shall otherwise be responsible for the care, maintenance, repair and replacement of his Lot, Dwelling and all improvements situate thereon, therein and thereunder including, but not limited to, all grass, ground cover, street trees and/or other landscaping features located on or adjacent to the Lot, extending to the curb line of any street adjoining such Lot, but excluding the sidewalks appurtenant to the curb line. The Association, after approval by a majority of the Board, may elect to maintain and/or replace street trees and/or other landscaping features located upon the Lots. In the event of

such an election by the Association, the cost of such maintenance and/or replacement shall be paid by the Association, and not the Owner of the Lot(s).

(b) In the event that any Owner shall fail to maintain any Lot or the premises and the improvements situate thereon in a manner satisfactory to the Board, the Association, after approval by a majority vote of the Board, shall have the right, through its agents, contractors and employees to enter upon said Lot and to repair, maintain and/or restore the Lot, the premises and any improvements erected thereon. Such right of entry, repair, maintenance and restoration shall be exercisable only upon fifteen (15) days' written notice given to the Owner thereof, unless, in the discretion of the Board, a genuine emergency necessitates a shorter period of time. The costs of any such repairs, maintenance and/or restoration shall be added to and become part of the lien for assessment to which such Lot and Owner is subject. Enforcement of the right to recover these assessments may be had pursuant to Article IV, Section 9, hereof.

ARTICLE VII.

POWERS AND DUTIES OF THE ASSOCIATION

Section 1. General Powers and Duties. In addition to the powers and duties enumerated in its Articles of Incorporation, and

By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(a) Own, maintain, improve, construct, reconstruct (in the event of deterioration or destruction) and manage all of the Common Areas and all facilities, improvements and landscaping thereon, and all property acquired by the Association, and to pay all the costs thereof;

(b) Pay personal property taxes and other charges assessed against the Common Areas;

(c) Have the authority to obtain, for the benefit of the Common Areas, all water, gas and electric service and refuse collection;

(d) Grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas;

(e) Maintain such policy or policies of insurance on the Common Areas as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members;

(f) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed shall not exceed one (1) year in term unless approved to a majority of the members of the

Association, with the exception of an insurance contract that may be for a period not to exceed three (3) years.

(g) Enforce applicable provisions of this Declaration and the By-Laws of the Association and establish and enforce uniform rules pertaining to the use of the Common Areas;

(h) Have the authority to contract for fire, casualty, liability and other insurance on behalf of the Association.

Section 2. Maintenance of Records. The Association shall maintain adequate books and records and any member, Owner and Mortgagee shall have the right to examine the books and records of the Association during regular business hours and upon reasonable notice.

ARTICLE VIII.

PROHIBITED USES AND NUISANCES

Section 1. Declaration of Restrictions. In addition to any and all covenants, conditions, and restrictions set forth in this Declaration pertaining to the use of Lots within the Association, all such Lots shall be subject to those covenants, conditions and restrictions set forth in a Declaration of Restrictions dated April 26, 1973 and recorded in the Office of the Recorder of Deeds in Deed Book L, Volume 28, Page 433. Each owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to be bound by the terms of the aforesaid Declaration of Restrictions.

Section 2. Itemization. Except for the activities of the Declarant during original development, construction and marketing period:

(a) No noxious or offensive trade or activity shall be carried on upon any Lot situate upon the Properties, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or the other Owners.

(b) The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number shall be and is hereby prohibited on any Lot situate upon the Properties, except that this shall not prohibit the keeping of not more than two (2) dogs or cats, provided they are not kept, or bred or maintained for commercial purposes.

(c) No burning of any trash and no accumulation or storage of litter, new or used building materials or trash of any kind shall be permitted on the Properties.

(d) Except as herein elsewhere provided, no junk vehicle, commercial vehicle or vehicle bearing commercial logos, trailer, truck, (except for pick-up trucks for personal use with a maximum payload not exceeding one-thousand (1,000) pounds) camper, camp truck, tractor trailer, construction type equipment, mobile home, house trailer, recreational vehicle, boat, vehicle which does not display current registration, or the like shall be kept upon the Properties except as determined by the Board (except for bona

fide emergencies), nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon. The washing, detailing, maintenance and/or repair of vehicles not owned by owners or residents of the Association is prohibited. The Association may, in the discretion of the Board, provide and maintain a suitable areas designated for the parking of such vehicles and such other activities with respect to such vehicles as the Board may determine.

(e) Trash and garbage containers shall be kept in a clean and sanitary condition and shall not be permitted to remain in public view except on days of trash collection. Such containers shall be kept in the rear of any Lot, or in an area designated by the Board.

(f) No structurally sound or healthy trees shall be removed from any Lot without written approval of the Board or duly appointed committee.

(g) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be used on any Lot at any time. Temporary playhouses or the like may be so maintained provided their primary purpose is the maintenance and/or promotion of juvenile recreation subject to application to and approval by the Board or by the Architectural Committee, as the case may be.

(h) No signs of any character shall be erected, posted, or displayed upon, in or about any Lot or Unit; PROVIDED, HOWEVER,

that one temporary real estate sign not exceeding ten (10) square feet in area, may be erected upon any Lot placed upon the market for sale or rent.

(i) No structure, planting or material other than sidewalks shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may change, obstruct or retard direction or flow of any drainage channels.

(j) No trade, business, commerce, industry, profession or occupation shall be operated on any Lot or from or within any Dwelling, except that a no-impact home-based business may be conducted within a Dwelling upon the prior written consent of the Board. For the purposes of this Subsection, a "no-impact home-based business" shall mean a business that is (i) consistent with the residential character of the Dwelling and Association; (ii) subordinate to the use of the Dwelling for residential purposes and requires no external modifications that detract from the residential appearance of the Dwelling or Lot; (iii) uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectible by neighbors or that causes an increase of common expenses that can be solely attributable to the business; and does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation, the State of

Delaware or any local governing body designates as a hazardous material.

(k) No radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on any Lot, except on the following terms:

(i) An owner may install, maintain and use on a Lot one (or, if approved, more than one) Small Antenna (as hereinafter defined) in the rear yard at such location, and screened from view from adjacent Lots in such a manner and using such trees, landscaping or other screening material, as are approved by the Architectural Committee, in accordance with this Declaration. Notwithstanding the foregoing terms of this subsection, (i) if the requirement that a Small Antenna installed in the rear yard would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved location on the Lot approved by the Board where such installation, maintenance or use would not be impaired; and (ii) if the prohibition against installing, maintaining and using more than one (1) Small Antenna would result in any such impairment, then such Owner may install additional Small Antenna as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

(ii) In determining whether to grant any approval pursuant to this Section, neither Developer nor the Architectural Committee shall withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment.

(iii) As used herein, (i) "impair" has the meaning given it in 47 Code of Federal Regulations Part 1, Section 1,400, as hereafter amended; and (ii) "Small Antenna" means any antenna (and accompanying mast, if any) of a type, the impairment of the installation, maintenance or use of which is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

(iv) Notwithstanding the foregoing of this Subsection, it is the Developer's intention that to the extent permitted by applicable law, any antennae as described herein shall be placed in the least visible areas in order to be non-visible from all other Owners and from sight of roadways.

(v) There shall be no violation of any rules for the use of the Common Areas which may from time to time be adopted by the Board and promulgated among the membership by them in writing, and the Board is hereby authorized to adopt such rules and to impose sanctions, including fines, for violation thereof.

Section 3. Right of the Association to Remove or Correct a Violation of this Article. The Association may, in the interest of the general welfare of all the Owners and the Properties, and after reasonable notice to the Owner, enter upon any Lot at reasonable hours on any day for the purpose of removing or correcting any violation or breach of any attempted violation of any of the covenants and restrictions contained in this Article, or for the purpose of abating anything herein defined as a prohibited use or nuisance, PROVIDED, HOWEVER, that no such action shall be taken without a resolution of the Board or by the Architectural Committee.

Section 4. Class B Member's Exemption.

(a) During the period of development, construction and marketing, the provisions of this Article shall not be applicable to any Class B member, nor shall the provisions of this Article apply to any Structures commenced, erected or maintained by a Class B member on any Lot or within the Property until after completion thereof by the Class B member and conveyance to a Class A member.

(b) The Development Period shall mean the time that is seven (7) years from the time that such land is annexed to the Property by the recorded of this Declaration and/or an Amendment to the Declaration among the aforesaid Office of the Recorder of Deeds. During the Development Period, any Class B member may construct, maintain and operate real estate sales and construction

offices, model homes, displays, signs, and special lighting on any part of the Common Areas or on any Lot which has not yet been conveyed to a Class A member, and on or in any building or Structure now or hereafter erected thereon.

(c) Any Lot may be used by a Class B member for model home purposes or for the maintenance of a real estate office during the Development Period. A Class B member shall be entitled to conduct on any Lot all activities normally associated with and convenient to the development of the Property and the construction and sale of the Dwellings thereon during the Development Period.

ARTICLE IX.

EASEMENTS

Section 1. Property Subject to Easements. The easements created pursuant to this Article shall inure to the benefit of all Owners within the Association, pursuant to Article II hereof.

Section 2. Easements. In addition to the easements reserved on the Plats herein described which are for the benefit of the Declarant, its successors and assigns, and any applicable Mortgagees;

(a) Declarant for itself, its successors and assigns, hereby declares that every Owner shall have a perpetual easement in, upon, through and over the land shown on the Plats herein described, for ingress and egress to all Lots and Common Areas, and for use of all sidewalks, walkways, and roadways upon the Property.

(b) Declarant reserves unto itself, its successors and assigns, as easement in, upon, through and over the land comprising the Common Areas for the purpose of installation, maintenance, repair and replacement of all sewer, water, power, telephone and other communication systems, pipes, lines, mains, conduits, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility system serving the Property.

(c) Declarant reserves unto itself, its successors and assigns, an easement in, upon, through and over the land comprising the Common Areas and Lots for the purpose of planting, maintenance, and/or replacement of any and all landscaping features including, but not limited to trees, shrubs, and other plantings. This reserved right shall expire (2) years after completion of construction of all improvements by Declarant and/or any Class B member.

(d) Class B members shall have the right to store building supplies, construction equipment, and other similar property on the Common Areas during the Development Period. This reserved right shall expire one (1) year after completion of construction of (a) all improvements by a Class B member or (b) all Lots within the section in which the Common Areas subject to such reserved easement are located, whichever shall last occur.

ARTICLE X.

ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Property Subject to Declaration. The real property which is, and shall be held, conveyed, hypothecated or encumbered, sold, leased, rented, used, occupied and improved subject to this Declaration is located in Kent County, State of Delaware described in "Exhibit A", and is shown on the Plats. No other real property shall be subject to this Declaration until the same is annexed pursuant to the provisions of Section 2 below, it being understood that the Declarant, its successors and assigns, shall have the right to freely develop any real property owned by it and not annexed pursuant to the provisions of Section 2 in any fashion and for any use not prohibited by law or governmental regulation and shall have no obligation to develop any real property not so annexed, in accordance with any other scheme of development or plan.

Section 2. Annexation. The Declarant, its successors and assigns, without the assent of the Class A members, may annex to the Properties all or any portion of the additional land located in Kent County and more particularly described on "Exhibit C" attached to this Declaration; PROVIDED, HOWEVER, that in the event any portion of the Properties (including the additional land currently being annexed) has been approved for federally insured mortgage financing purposes by the Federal Housing Administration or the

Veterans Administration, then the prior written consent of such approving agency to the annexation shall be required. Additional property outside the boundaries of the land described on Exhibit C may be annexed only with the consent of two-thirds (2/3) of the Class A and Class B members of the Association who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At the first such meeting, the presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called, subject to the notice requirements set forth above, except that notice shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting, and the required quorum at any such subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Any annexations made pursuant to this Article, or otherwise, shall be made by recording an Amendment to this Declaration of Covenants, Conditions and Restrictions among the Office of the Recorder of Deeds for Kent County, Delaware, which Amendment shall extend the scheme of the within Covenants,

Conditions and Restrictions to such annexed property. Such Amendment may contain such supplementary additions and modifications to the Covenants, Conditions and Restrictions set forth in the within Declaration as may be necessary to reflect the different character or use, if any, of such annexed property.

ARTICLE XI.

GENERAL PROVISIONS

Section 1. Enforcement. The Association, by and through its Board, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. In the event the Association institutes legal action to compel enforcement, it shall be entitled to recover all court costs and reasonable attorneys' fees incurred from the violating Owner. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty

(20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment(s) must be properly recorded in the Office of Recorder of Deeds. Notwithstanding the foregoing, this Declaration shall not be amended without the written consent of seventy-five percent (75%) of the first Mortgagees and seventy-five percent (75%) of the Owners to permit the Association or the Owners to:

(a) By act or omission, seek to abandon or terminate the Association or the provisions of this Declaration relating to architectural standards, exterior maintenance and Common Area maintenance;

(b) Change the method of determining the obligations or assessments which may be levied against an Owner;

(c) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion the Common Areas, provided, however, that the grant of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this clause;

(d) Use hazard insurance proceeds for losses to the Common Areas for other than the repair, replacement or

reconstruction of such improvements and Common Areas except as provided by statute; or

(e) Fail to maintain fire and extended coverage insurance on the Common Areas on a current replacement cost basis in an amount less than one hundred percent (100%) of insurable value based on present replacement cost.

Section 4. FHA/VA Approval. Anything set forth in Section 3 of this Article to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of this Declaration, as from time to time amended or supplemented. This unilateral right, power and authority of the Declarant may be exercised only if either the Veterans Administration or the Federal Housing Administration or any successor agencies thereto or any one or more other Federal, state or local government agencies shall require such action as a condition precedent to the approval by such agency, of the Properties or any part thereof or any Lots thereon, for Federally approved mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration or similar programs. If the Veterans Administration or any successor agencies approve the Properties or any parts thereof or any Lots thereon for Federally approved mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B members shall also

require the prior consent of the agency giving such approval.

IN WITNESS WHEREOF the undersigned, being the Declarant herein, has caused these presents to be executed in its corporate name the day and year first above written.

WITNESS

TWO DIXONS I, LLC

By: J & L Holding Company, LLC

Ann. M. Feaster

By:

John P. Dixon, General Manager

STATE OF DELAWARE, COUNTY OF KENI, to wit:

On this 26th day of FEBRUARY, 2002, before the undersigned officer, personally appeared John P. Dixon, who G32 acknowledged himself to be the General Manager of J & L Holding Company, LLC, a Maryland limited liability company, General Manager of Two Dixons I, LLC, a Delaware limited liability company and that he as such General Manager being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Limited Liability Company by himself as such General Manager.

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

Jacquelyn D. Wray
NOTARY PUBLIC

My Commission Expires: 11-30-02

EXHIBIT "A"
TO
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
RIVERVIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

PHASE I, RIVERVIEW ESTATES

All of the following lots indicated on the Section 2 Plat: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 59, 60, 61, 62, 71, 72, 73, 84, 85, 86, 97 and 98.

EXHIBIT "B"
TO
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
RIVERVIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

OPEN SPACE, RIVERVIEW ESTATES

All of the following open space parcels indicated on the Section 2 Plat: Open Space Area 1 – Stormwater Management Area; Open Space Area 2 –Wetlands; Open Space Area 3 –Wetlands; and Open Space Area 4 – Stormwater Management Area.

The Neighborhood Open Space parcel indicated on the Section 1 Plat.

EXHIBIT "C"
TO
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
RIVERVIEW ESTATES HOMEOWNERS ASSOCIATION, INC.

PHASES II THROUGH VI, RIVERVIEW ESTATES

All of the lots indicated on the Section 2 Plat that are not included in Phase I (as described in Exhibit A).

All of the following lots indicated on the Section 1 Plat: 64, 65, 66, 67, 68, 69, 70, 71, 72, 78, 79, 80, 81, 82, 83, 87, 88, 89, 90, 91, 92, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125 and 126.