## DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LUNS FOND ESTATES III HALMIENANCE CORPORATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter the "Declaration") is made as of , 1994, by HARLAN N. VIRTUE and VIRGINIA N. VIRTUE (hereinafter collectively referred to as the "Declarant"), and WILHIMSTON TRUST COMPANY ("Lender").

#### WITHESSETH

Declarant is the owner of a certain tract of land situated in New Castle County, Delaware containing approximately 67.8694 acres of land, more or less (hereinafter referred to as the "Property"), which tract of land is more particularly shown on a Record Major Subdivision Plan entitled, "Luns Pond Betates III", Drawing No. 7701355-3813, consisting of two (2) sheets, dated March 6, 1991, prepared by McBride & Ziegler, Inc., Surveyors and Engineers, and of record in the Office of Recorder of Deeds in and for New Castle, Delaware in Microfilm No. 11287 (hereinafter referred to as the "Plan"); and

Declarant desires to ensure the attractiveness of Luns Pond Estates III; and

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

Declarant desires to erect on a portion of the Property Various buildings containing in the aggregate eighty-six (86) residential single family dwellings, and it is the Declarant's intention to sell such dwellings and to convey to the Lame Pond Retates III Maintenance Corporation, a Delaware non-profit corporation; and

peclarant also desires to provide for the preservation and maintenance of the value, style of living and amenities on the Property and therefore hereby subjects the Property to certain restrictions, essenants, covenants and charges as hereinafter set forth, all of which are for the benefit of the Property, the owners of any portion thereof and any other specific parties hereinafter massd; and

The Lender is the holder of a promissory note secured by a mortgage dated March 4, 1994, which is recorded in the Office of Recorder of Deeds

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in and for New Castle, Delaware in Book 3324, Page 91 ("Mortgage"); and

The Lender is joining in this Declaration for the sole purpose of acknowledging the execution and recording of, and the legal operation and effect of, this Declaration.

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

### ARTICLE I

#### DEFINITIONS

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

- 1. "Association" shall mean and refer to the Luns Fond Estates III Haintenance Corporation, a non-profit corporation formed under the laws of the State of Delaware, its successors and assigns.
  - 2. "Board" shall mean the Board of Directors of the Association,
- 3. "Builder" shall meen any person or entity who/which acquires a Lot from the Declarant or another Builder, not to occupy it as a residence, but in the ordinary course of its business, to construct a dwelling on such Lot, and sell or lesse it to another person, who shall occupy it as a residence.
  - 4. "By-Laws" shall meen the By-Laws of the Association.
- 5. "Common Areas" shall mean and refer to all those portions the Property shown on the Plan and designated thereon as the areas which are intended to be devoted to the common use and enjoyment of the owners of the Residential Units.
  - 6. "County" shall mean New Castle County.
- 7. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Lums Pond Estates III dated as of \_\_\_\_\_\_, 1994.
- 8. "Declarant" shall mean and refer collectively to Virginia M. Virtue and Harlan N. Virtue, and their respective successors, personal representatives and assigns (other than the Association).
- 9. "Lot" shall mean any plot of land shown as a single lot on the Plan upon which Declarant intends to erect a residential unit and to convey title to such Lot and residential unit to a purchaser.
  - 10. "Member" shall mean a member of the Association.

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11. "Mortgagee", as used herein, means the holder of any recorded sortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the lots. "Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "Mortgages" shall mean any mortgages and shall not be limited to institutional mortgages. As used in this Declaration, the term "institutional mortgages. As used in this Declaration, the term "institutional mortgages. As used in this Declaration, the term "institutional mortgages" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal Mational Mortgage Association ("THEM"), Government Mational Mortgage Association ("THEM"), Federal Home Loan Mortgage Corporation ("THEMC"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration the terms "holder" and "mortgages" shall include the parties secured by any deed of trust or any beneficiary thereof.

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

- 12. "Owner" shall mean the then record owner, including the Declarant, or any Builder, whether one or more persons, of the fee simple title to any Lot, but excluding any person having an interest, however described, merely as the security for the performance of an obligation, unless and until such person has acquired fee simple title pursuant to foreclosure, other legal proceedings or a deed in lieu of foreclosure.
- 13. "Person" shall mean an individual, corporation, partnership, unincorporated association or other entity.
  - 14. "Property" shall mean the real property described in Exhibit "A".
- 15. "Dwelling Unit" shall mean any building located upon a Lot and designated and intended for the use and occupancy as a residence by a single family.

#### VELUCIE II

#### PERFERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Hembership. Every Owner, including Declarant and any Builder shall be a Hember of the Association. Hembership in the Association shall be appurtenant to each Dwelling Unit and transfer of title to each Dwelling Unit shall transfer automatically membership in the Association without the necessity of the delivery of any document. Hembership in the Association shall not be joined in one membership.

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

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.in the By-Law.

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Section 3. Voting Rights. The Association shall have two (2) classes of voting memberships Class & Members shall consist of the Owners of all Lots (excepting the Declarant or any Builder), and the Class & Members shall be the Declarant and any Builder. Whenever more than one person shall be the record title holders of any Lot or Dwelling Unit, all such Owners shall appoint one person or entity for the purpose of voting in accordance with the By-Lams and such division of ownership shall not increase number or votes per Lot or Dwelling Unit.

Class A. Each Class A Homber shall be entitled to one (1) vote for each Lot owned. Class A Members shall not include the Declarant or any Builder unless and until their Class B membership has ceased and has been converted to Class A membership as hereinafter provided.

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

- (a) the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or
  - (b) on January 1, 2000.

#### ARTICLE III

#### INSURANCE

Section 1. Insurance on Common Areas. The Owners, through the Association may maintain and keep in full force and effect a policy of comprehensive general liability insurance with respect to the Common Areas. The pro rate cost of said insurance to each Dwelling Unit Owner shall be included in the annual assessments provided in the Maintenance Declaration and Supplementary Declaration.

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

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

#### ARTICLE IV

## ARCHITECTURAL REVIEW COMMITTEE

Section 1. Review and Approval by Committee. No buildings, structures, fencing, decking or other improvements, shall be eracted or

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placed on any Lot in the front yard area between the public roadway and that portion of the dwelling unit facing the roadway nor shall the exterior of any Dwalling Unit be structurally altered until and unless plans and specifications showing the nature, kind, shape, height, materials, floor plans, exterior color schemes and location shall have been submitted to and approved in writing by a majority of the Architectural Review Constitue.

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

Section 3. Plane. All submissions of applications and plans shall be made to the Architectural Review Committee by certified sail, return receipt requested, and must be in duplicate, one copy of which shall be retained by Declarant or the Association as the case may be, regardless of the action taken.

Section 4. Approval. The Architectural Review Committee shall have the right to disapprove, subject to the procedure and quidelines established by the Board of Directors of the Association, any such plans or specifications for improvements which are not suitable in its opinion, for aesthetic or other reasons; and in passing upon such plans and specifications, it shall take into consideration the suitability of the proposed building or other structure, the materials of which it is to be constructed, the color schese, the sits upon which it is proposed to erect the same, the harmony thereof with the surroundings, and other dwallings and structures located on the Property, and the effect of such proposal on the outlook from adjacent or neighboring properties, keeping in mind the nature of the development schese. In the event that after such presentation of such plans and specifications, the Architectural Review Committee fails to approve or disapprove said plans within 45 days of such presentation, such plans and specifications are deemed disapproved. Approval shall be evidenced by the signature of the Chairman of the Architectural Review Committee on each sheet of the plans submitted. Decisions rendered by the Architectural Review Committee may be appealed to the Board of Directors of the Association.

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

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express power and the right to enforce strict compliance with the provisions of this Article IV. The remedy provided in this Section 6 is not intended in any way to limit the rights and remedies available to Declarant or the Association by law.

Section 7. Provisions Inapplicable to Declarant and Builder.
Declarant and any Builder shall be except from the submission and approvel requirements of this Article IV.

### ARTICLE V

### MAINTERANCE BY UNIT CHEER

Section 1. Maintenance by Unit Owner. Each Owner shall be responsible for and shall provide all maintenance not provided for in the Maintenance Declaration and Supplementary Declaration, including maintenance of the exterior of his/her Dwelling Unit. In the event an Owner of any Lot on the Property shall fail to maintain the Dwelling Unit and the improvements thereon in a manner satisfactory to the Board of Directors, the Association, after approval by a majority of the Board of Directors, shall have the right through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the Dwelling Unit. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

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### GENERAL PROVISIONS

Section 1. Plexibility of Development. Declarant, until the first buelling Unit is conveyed end/or the Association thereafter, shall have the right to change the location, size or permitted use of any part of the Common Areas or any easement or part thereof over the Property at any time, provided that no such change shall interfere with access to any Lot or the reasonable use of the Common Areas by the Owners, and subject to any applicable government laws, ordinances and the like.

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

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

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

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- (a) no trailer, accessory building, outbuilding, storage shed, tent, shack, barn, or other similar outbuilding, shall be built on any Lot at any time, either of a temporary or permanent character provided, however, that this prohibition shall not apply to shelters used by any Builder during the construction of a structure, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences, or permitted to remain on a Lot after completion of construction.
- (b) no antennes, satellite dishes, overhead wires, including telephone, electrical, or television cable or otherwise may be contructed on any Lot or cross over any Lot. All wires not located entirely within the enclosed portion of a structure must be buried beneath the surface of the ground. The provisions of this Section 4(b) may be waived upon the specific request of an Owner, which waiver shall be in writing and approved by the Declarant or the Architectural Review Committee.
  - (c) no yard shall be paved, except as approved by Declarant.
- (d) no trucks, buses, travel trailers, boat trailers, boats, utility trailers or campers whatenever, and no disabled vehicles of any description shall be parked on the front yard of any Lot; except that pick-up trucks less than seven feet high and not in excess of 3/4 ton and enclosed vans less than seven feet high and not in excess of 10,000 lbs. G.V.W. are permitted. Small boats, utility trailers, campers, boat trailers and disabled vehicles are permitted only within an enclosed garage, as approved by the Architectural Review Committee.
- (e) the existing aloge or conformation of any Lot shall not be altered, nor shall any structure, retaining wall, planting or other activity be constructed or taken which retards, changes or otherwise interferes with the natural flow of surface or drainage waters to the actual or threatened injury of any other Lot, or which creates erosion or aliding problems.
- (f) natural vegetation on any Lot shall not be substantially destroyed without written consent from the Architectural Review Consittee.
- (g) no Lots shall be used or maintained as a dumping ground for rubbish. All trash, garbage and refuse shall be stored in closed containers as inconspicuously as possible. No burning of trash, garbage, leaves and refuse shall be allowed. No materials or wests shall be so stored in such manner that they may be transferred off the Property by natural causes (wind, rain, etc.).
- (h) no noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon, which may be or become an annoyance or nuisence to the other Owners. The decision as to whether any activity is noxious or offensive shall be decided exclusively by the Association in manner as it may elect to make such decision. No Owner shall be peculited to carry on or otherwise engage in any business activity therein.
- (i) no signs or advertising of any nature, except for a single real estate "for sale" sign, shall be permitted to be displayed on any Lot or Dwalling Unit without prior approval of the Declarant or the Association. The foregoing provisions of this subsection shall not apply to

the Declarant or any Builder.

- (j) no repairing of any motor vehicle on any portion of the Property shall be permitted.
- (k) no animals of any kind other than usual household pets shall be kept or maintained on any part or portion of the Property or Lots, and no horses, cows, goats, hope, poultry, pigeons, or similar animals shall be kept on any part or portion of the Property or Lots. Receding of domestic animals of any kind on any part or portion of any Lots or Lots or in any building or structure thereon, is expressly prohibited. All domestic animals, when outside of their respective Omer's Duelling Unit, must be on a leash and otherwise comply with all local, municipal, county, and state laws and ordinarces.
- (1) no vegetable gardens shall be kept or maintained in any side or front yard areas of any Lot.
- (m) no swimming pools, whether above ground or in ground (excluding children's unding pools), shall be permitted without the approval of the Architectural Review Committee.
- (n) privacy fences may be constructed along the side and the rear property lines of any Lot, provided they do not exceed a height of six feet. The type of fence to be constructed will require the approval of the Architectural Review Committee.
- (o) no Dwelling Unit shall be leased to more than two (2) unrelated persons.
  - (p) no Dwelling Unit shall be used for any commercial activity.
- Section 5. Lessing. Any Owner desiring to lesse his/her Dwelling Unit shall include in such proposed lease a provision obligating the prospective tenant to comply with all terms, conditions and covenants of this Declaration, the By-Laws and Rules and Regulations of the Association. The foregoing provisions of this Section shall not apply to the Declarant and any Builder with the exception of subparagraph (o).
- Section 6. In the addition to the foregoing, all architectural matters shall be subject to all local, county and state laws, statutes, regulations, policies and the like, including the State Highway Department guideline that recommendations for acceptance into the Highway Heintenance Systems shall not be made if unsuthorized structures are present in the right-of-way, such as unsuthorized mailboxes, rocks, unsuthorized basketball hoops, trees, etc.

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### AMENDMENT, TERRITORATION AND ENFORCEMENT

### Section 1. Amendment.

#### A. Amendment.

(i) This Declaration shall run with and bind the land for a

term of twenty (20) years from the date this Declaration 76 Sections, 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) years period, by an instrument signed by no less than eighty percent (30%) of the Lot Owners, and thereafter by an instrument signed by no less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded in the Land Records of New Castle County, Delaware in order to become effective.

(ii) Anything set forth above to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to seemd, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented. This unilateral right, power and authority of the Declarant may be exercised only if either the Veterans Administration or the Federal Housing Administration or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the United States of the Property or any part thereof or any Lot thereof, for federally approved mortgage financing proposed under applicable Veterans Administration, Pederal Housing Administration or similar programs. If the Veterans Administration or the Federal Housing Administration or any successor agency approves the Property or any part thereof or any Lot thereon for federally approved mortgage financing purposes, any summinents to the Declaration made during any period of time when there are class B Hombers shall also require the prior assent of the agency giving such approval.

## Section 2. Termination.

- A. Subject to the prior approval of Veterans Administration or Housing and Urban Development, the Declarant has the right to terminate the coverants and restrictions contained herein by vote of eighty percent (80%) of the Hembers. Each Lot Owner shall have one (1) vote. A document memoralizing such vote shall be signed by at least eighty percent (80%) of the Owners and shall be recorded and refer to these restrictions and covenants.
- B. Any instrument technishing these covenants and restrictions must be recorded in the Land Records of New Castle County, Delaware in order to become effective.
- C. The Association may not terminate its existence or transfer its interest in the Common Areas unless an assignee or successor entity assuming responsibility for maintenance of the Common Areas is approved by the County.

Section 2. Enforcement. If any Owner of any Lot or Dwelling Unit, or his heirs, successors or assigns, shall violate or attempt to violate any of these restrictions and covenants, it shall be lawful for Declarant, or its assigns, or the Association, or individual Owner(s), to prosecute any proceeding in law or in equity against the person or persons violating or attempting to violate any such covenants. No waiver of any of the foregoing restrictions as to any Dwelling Unit or Lot shall constitute a waiver of such or any restrictions as to any other Dwelling Unit or Lot. Nothing contained herein contained shall impair or defeat the lien of any mortgage or deed of trust. In the event that Declarant, or the Association, or individual Owner(s) commence an action at law or in equity to enforce any of these easements, restrictions and covenants, Declarant, or the Association,

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shall be entitled to recover reasonable attorney's fees and costs, as determined by any court or arbitrator having jurisdiction over the matter, from the Owner against whom said action is maintained. This provision shall be deemed to be accepted and agreed to by any Owner.

### ARTICLE VIII

## MISCELLANEOUS

Section 1. Notices. Any notice required to be sent to any Hember or Owner under the provisions of this Declaration shall be desend to have been properly sent when mailed, by regular mail, postage paid, to the last known address of the person who appears as a Hember on the records of the Association at the time of such mailing.

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

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

Section 3. Conflict. In the event of conflict among or between this Declaration, the Certificate of Incorporation of the Association, and the By-Lame, this Declaration shall control, then the Certificate of Incorporation of the Association, and then the By-Lame; except that in all cases where any of the documents named herein may be found to be in conflict with any pertinent statute, then such statute shall control.

Section 4. Interpretation. Unless the context otherwise requires the use herein, the singular shall include the plural and vise versa; the use of one gender shall include all genders; and the use of the term "including" shall mean "including, without limitation." The headings used herein are for indusing purposes only and shall not be used as a means of interpreting or construing any substantive provisions thereof.

Section 5. PHA/VA Approval. If the Declarant applies for approval for any Lot of the FHA or the VA for mortgage financing, then in that event so long as there is Class B Hembership, the following actions will require prior approval of the FHA or the VA: Annexation of additional properties, dedication or mortgaging of Common Areas, and assendment of the Declaration, Certificate of Incorporation and By-Lams, and dissolution of the Association.

IN NITNESS WHEREOF, the Declarant and Lender have caused this Declaration of Lune Pond Estates III Maintenance Corporation to be duly executed the day and year first above written.

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DECLARARIT

Harlan W. Victio

9x 17.52 10034 · Nebouch bearing Virginia M. LENDER: WILHINGTON JUDIST COMPANY STATE OF DELAMARE

The Court COUNTY BE IT REMEMBERED that on this Lithday of \_\_\_\_\_\_\_, 1994, personally appeared before me, the Subscriber, a Motary Public for the State and County aforesaid, HARIAN M. VIRTUE, Declarant, known to me personally to be such, and acknowledged this Declaration to be his act and deed. GIVEN under my Hand and Seal of , i office, the year aforesaid. Notary Public STATE OF DELAWARE Non-la-tr COUNTY BE IT REMEMBERED that on this 13th day of \_\_\_\_\_\_\_, 1994, personally appeared before me, the Subscriber, a Motary Poblic for the State and County aforesaid, VIRGINIA H. VIRGIN, Declarant, known to me personally to be such; and acknowledged this Declaration to be her act and deed. GIVEN under my Hand and Seal of office, the year aforesaid. Notary Public

BE IT REMEMBERED that on this per day of June , 1994, personally appeared before me, the Subscriber, a Motary Public for the State and County aforesaid, find Decimal to me personally to be such, who acknowledged this Decimation to be his act and deed.

STATE OF DELAMARE
UFW ('ASTZE" COUNTY

BY 1752:30035 GIVEN under my Hand and Seal of office, the year aforesaid.

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PROPERTY SUBMITTED TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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All that property as shown on the Record Major Subdivision Plan entitled, "Lums Pond Estates III" dated March 6, 1991, including Lots Numbered 1 through and including 86.