

BY-LAWS OF  
THE RIDGE MAINTENANCE CORPORATION

09591

MAINTENANCE AGREEMENT FOR ARBOR RIDGE

THIS DECLARATION, made this 14 day of August, A.D., 1987, by S & R Associates VI, L.P., a partnership of the State of Delaware, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of a certain parcel of land situate in New Castle Hundred, New Castle County and State of Delaware, being 29.8884 acres as shown on Record Major Subdivision Plan of Arbor Ridge, prepared by Ramesh C. Batta Associates, dated July 1, 1987, which land is designated for the construction of townhomes with appurtenant landscaping, open space, streets, recreational facilities; and

WHEREAS, Declarant desires to impose upon said lands and to bind itself, its successors and assigns, who is the owner of said parcel of land, to certain covenants.

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:**

That the Declarant does covenant and declare that it shall hold and stand seized of all that certain parcel of land situate in New Castle Hundred, New Castle County and State of Delaware, as it appears on the Record Major Subdivision Plan of Arbor Ridge under and subject to the following covenants and agreements, which shall be covenants running with the land and which shall be binding upon the Declarant, its successors and assigns, for the benefit of all owners of lots appearing on said Plan of Arbor Ridge and for the benefit of New Castle County, its successors and assigns.

1. In order that the landscaping, private and public open space, streets and recreational facilities, as set forth on said Plan, shall be maintained according to the provisions of County Ordinance No. 73-103, Section 7-23 (also referred to as Section 20-70 (C) (d) of Subdivision Regulations), there shall be organized as provided in Paragraph 2 hereof, a maintenance corporation whose members shall be the record owners of lots shown on said Plan.

(a) The purchaser of any lot of land by the acceptance of a deed to said land, obligates and binds himself, his heirs and assigns, to become a member of the aforesaid maintenance corporation and to be bound by all of its rules and regulations and to be subject to all of the duties and obligations imposed by membership in said corporation.

(b) Each owner of any lot, by acceptance of a deed therefor, is deemed to covenant and agree to pay to the maintenance corporation when necessary, annual assessments or charges, such assessments to be fixed, established and collected from time to time as hereinafter provided, provided that all assessments must be fixed at a uniform rate for all lots. The assessments levied by the maintenance corporation shall be used exclusively for the purpose of maintaining said landscaping, open space, streets and recreational facilities.

(c) An annual assessment, if necessary, shall be set by a majority vote of the members who are voting in person or by proxy at the annual meeting, and any special assessments shall be set by a majority vote of the members who are voting in person or by proxy at the annual meeting or at a meeting duly called for this purpose.

(d) Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of Ten Per Centum (10) per annum, and the maintenance corporation may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the open space or parking areas or abandonment of his lot.

(e) It is expressly agreed that the assessments referred to above shall be a lien or encumbrance on the land in respect to which said assessments are made and it is expressly stated that by acceptance of title to any of the land included in said tract the owner (not including mortgagee) from the time of acquiring title thereto shall be held to have covenanted and agreed to pay said assessments to the maintenance corporation.

(f) By his acceptance of title, each owner shall be held to vest in the maintenance corporation the right and power in its own name, to take and prosecute all actions or suits, legal, equitable, or otherwise, which may be, in the opinion of the maintenance corporation, necessary or advisable for the collection of such assessments.



(g) Said assessments shall be subordinate in lien to the lien of any mortgage or mortgages on any property which is subject to such charges regardless of when said mortgage or mortgages were created or when such charges accrued; provided that such subordination shall apply only to charges that shall have become payable prior to the passing of title under foreclosure, of such mortgage or mortgages, and the transferees shall not be liable for payment of any assessment accruing prior to said foreclosure, but nothing herein shall be held to affect the rights herein given to enforce the collection of such charges accruing after sale under foreclosure of such mortgage or mortgages; and provided, further, that such charges accruing after sale shall also be subordinate in lien to the lien of any further mortgage or mortgages which are placed on property subject to such charges, with the intent that no such charges shall at any time be prior in lien of any mortgage or mortgages whatsoever on such property.

(h) Declarant hereby grants to New Castle County, its successors and assigns, the right, privilege and authority to enter said premises and maintain the landscaping and open space as set forth above. All expenses of maintenance shall be assessed prorata against the owners of each lot and shall be collectible by New Castle County as provided in New Castle County Code Section 20-70, or in the manner set forth above in relation to collection by the maintenance corporation. The provisions of paragraph 1 (g) above notwithstanding, any lien for such expenses or maintenance asserted by the County and filed with the Recorder of Deeds in accordance with New Castle County Code, Section 20-70 shall be a lien from the time of recording and shall have priority in relation to other liens, either general or special, including mortgages and other liens, according to the time of recording of such liens in the proper office.

2. Declarant shall incorporate under the laws of the State of Delaware, prior to the conveyance of the first lot hereunder to a homeowner, a non-profit corporation to be known as a "maintenance corporation" for the benefit of all owners, which maintenance corporation shall be charged with the duty of maintaining said landscaping, open space, streets and recreational facilities, in the condition required by the aforesaid New Castle County Ordinance.

3. These covenants and restrictions shall be taken to be real covenants running with the land and binding thereon perpetually.

4. Declarant, for itself, its successors and assigns, grants to the lot owners the free and uninterrupted use of all the streets as shown on the said Plan of Arbor Pointe in common with others entitled thereto forever. Each lot owner, by acceptance of a deed, grants to all other lot owners, their guests, invitees, and licensees, the free and uninterrupted use of all the streets and grants to the maintenance corporation the right to come upon any lot owner's lot for purposes of maintaining the landscaping, open space and streets.

5. It is further understood that this Declaration shall be subject at any time to modification or amendment upon the agreement of three-fourths (3/4) of the then record owners of lots shown on the said Plan, together with the approval of the Declarant and New Castle County Council.

6. The following definitions are applicable hereto:

(a) "Corporation" shall mean and refer to the "maintenance corporation", its successors and assigns, and to the properly named corporate entity to be formed as provided hereunder.

(b) "Lot" shall mean and refer to lots as shown on the said Record Major Subdivision Plan of Arbor Ridge.

(c) "Member" shall mean and refer to every person or entity who holds membership in the corporation.

(d) "Owner" shall mean and refer to the record owner of a fee simple title to the lots as shown on the said Plan of Arbor Ridge.

(e) "Declarant" shall mean and refer to S & R Associates VI, L.P., its successors and assigns.

IN WITNESS WHEREOF, the said S & R Associates, VI, L.P., has caused its name by Gary M. Farrar, Partner, to be hereunto set, the day and year first above written.

WITNESSED BY:

*Erne Rosch*

S & R ASSOCIATES, VI, L.P.

BY:

*Gary M. Farrar*  
GARY M. FARRAR, PARTNER

STATE OF DELAWARE )

SS.

NEW CASTLE COUNTY )

BE IT REMEMBERED that on this 21<sup>st</sup> day of August, 1987, personally came before me, the Subscriber, a Notary for the State and County aforesaid, Gary M. Farrar, Partner of S & R Associates VI, L.P., a partnership existing under the laws of the State of Delaware, party to this instrument, known to me to be such, and acknowledged this instrument to be his act and deed and the act and deed of said Partnership, and that the signature thereto is in his own proper handwriting.

Given under my hand and seal of office, the day and year aforesaid.

*Erne Rosch*  
Notary Public



REC'D AT NEW CASTLE SEP 9 1987

WILLIAM M. HONEY, Recorder



CONSENT OF DIRECTORS  
OF  
THE RIDGE MAINTENANCE CORPORATION  
IN LIEU OF ORGANIZATIONAL MEETING

The undersigned, being all of the Directors named in the Certificate of Incorporation of The Ridge Maintenance Corporation (the "Corporation"), a nonprofit corporation without stock duly organized and existing under the laws of the State of Delaware, do hereby waive notice of and holding of an organizational meeting and consent to the adoption of the following resolutions and the recording thereof among the minutes of proceedings of the Board of Directors:

WHEREAS the original Certificate of Incorporation was filed in the Office of the Secretary of State of Delaware on February , 1988, with all state taxes and other fees incident to the filing thereof paid in full, and recorded by filing a certified copy on February , 1988, in the Office of the Recorder of Deeds in and for New Castle County, a true and correct copy of which Certificate of Incorporation is attached hereto, marked as Exhibit "A," and incorporated herein by reference, therefore, be it

RESOLVED, that the Certificate of Incorporation shall be, and is hereby, affirmed, ratified, and confirmed.

RESOLVED, that the By-Laws for the regulation of the affairs of the Corporation, a true and correct copy of which By-Laws are attached hereto, marked as Exhibit "B", and incorporated herein by reference, shall be, and are hereby, adopted.

RESOLVED, that a corporate seal, an impression of which appears below, is hereby adopted as the seal of the Corporation.

RESOLVED, that the following individuals are hereby elected officers of the Corporation in the respective capacities indicated, to serve until the first annual meeting of the members of the Corporation and until their respective successors are elected and shall qualify:

President - Gary M. Farrar  
Vice President - Robert A. Kendig  
Secretary - Renee Mosch  
Treasurer - Gary M. Farrar  
Assistant Secretary - Harry E. Miller

RESOLVED, that the Corporation shall have no capital stock.

RESOLVED, that an account in the name of the Corporation be opened with  
for the deposit to the credit of the Corporation, from time to time, of any and all monies, checks, drafts, notes, acceptances, or other evidences of indebtedness, whether belonging to the Corporation or otherwise, which may be in or hereafter come into its possession, and that the aforementioned bank is hereby authorized to make payment from the funds on deposit with it upon, and according to, the checks, drafts, notes or acceptances of the Corporation signed by its President and Treasurer in his/her official capacity.

RESOLVED, that the authority conferred by the foregoing resolution shall continue until revoked by the Board of Directors of the Corporation, but the aforementioned bank shall be fully protected in acting on such authority and in recognizing as the officer of the Corporation the person from time to time so certified to it under the seal of the Corporation, and shall not be charged with notice of the revocation of such authority or the removal of such person from office unless and until the aforementioned bank affected shall have actually received a certificate under the seal of this Corporation setting forth such revocation or removal.

RESOLVED, that the Treasurer of the Corporation is authorized and directed to pay all fees and expenses incident to, and necessary or appropriate for, the organization of this Corporation.

WITNESS the signature of each of the undersigned Directors as of the day of February, 1988.

Catherine H. Harris Harvey Harris  
Witness

Catherine H. Harris Robert Harris  
Witness

Catherine H. Harris M.H.S.  
Witness

Catherine H. Harris Robert Harris  
Witness



- (a) When the total votes outstanding in the Class A membership equals the total number of lots in the subdivision, or
- (b) On January 1, 1993, or
- (c) When, in its discretion, the Declarant so determines.

When a purchaser of an individual lot takes title thereto from the Declarant, he becomes a Class A member and the membership of the Declarant with respect to such lot shall cease.

At the regular annual meeting of the Board of Directors of the Corporation in each year, the Directors shall levy an assessment for the purposes of the Corporation upon property owners of each parcel of land. Said assessment shall in any year be apportioned pursuant to a method to be established in the By-Laws, and it shall be payable annually, in advance, and on such date or dates, subject to such discount or discounts, if paid before certain dates, as the Board of Directors may fix from time to time. To the extent that any such assessment shall remain unpaid after they are due in any year for which such assessment is made, it shall become a lien on said lot or lots and may be recovered by appropriate execution and sale of said parcel of land by the Corporation or its attorney, or any other right or remedy available at law or in equity, subject nevertheless to institutional liens and mortgages. Notwithstanding the foregoing, however, the Board of Directors may elect to make the annual assessment payable semi-annually, quarterly, or monthly; and may assess for a partial year in the Corporation's first year of existence. The Board of Directors may also elect to levy special assessments pursuant to the relevant provisions in the By-Laws.

Nothing herein shall be regarded as imposing on the members personal liability to the Corporation's creditors. Nothing herein shall authorize the Corporation to make levies or assessments except for a proper corporate purpose as set forth in this Certificate or the By-laws, unless this Certificate or the By-laws have been amended to expand or change such purpose by unanimous vote of all members.



FIFTH: The name and mailing address of the incorporator is as follows:

The Ridge Maintenance Corporation  
c/o Reston Corp.  
4600 New Linden Hill Road  
Wilmington, Delaware 19808

SIXTH: The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The business and affairs of the Corporation shall be carried on by a Board of Directors which shall consist of no less than two nor more than six persons elected for such term or terms as may be fixed by the By-laws as said By-laws may be amended as therein provided. Any vacancy occurring in the Board may be filled by a majority of the remaining members of the Board until the next annual meeting of the members. The names and mailing addresses of the persons who are to serve as the directors of the Corporation until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Gary M. Farrar	4600 New Linden Hill Road Wilmington, Delaware 19808
Robert A. Kendig	4600 New Linden Hill Road Wilmington, Delaware 19808
Harry E. Miller	4600 New Linden Hill Road Wilmington, Delaware 19808
Renee Mosch	4600 New Linden Hill Road Wilmington, Delaware 19808

SEVENTH: A Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director except for liability (i) for any breach of the Director's duty of loyalty to the Corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the Director derived an improper personal benefit.

EIGHTH: The power to make, alter or repeal By-Laws shall be in the members of the Corporation as provided in the By-Laws.

NINTH: The election of the Directors of the Corporation need not be by ballot unless the By-laws of the Corporation shall so provide.

THE UNDERSIGNED, being the incorporator for the purpose of forming a corporation pursuant to Chapter 1, Title 8, of the Delaware Code, entitled "General Corporation Law," and the acts amendatory thereof and supplemental thereto, if any, makes and files this Certificate of Incorporation, hereby declaring and certifying that said instrument is his act and deed and that the facts stated herein are true, and accordingly has set his hand and seal the            day of February, 1988.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

MJH&W Service Company, Incorporator

CERTIFICATE OF INCORPORATION  
OF  
THE RIDGE MAINTENANCE CORPORATION

FIRST: The name of this Corporation is: The Ridge Maintenance Corporation.

SECOND: The registered agent of the Corporation is the Corporation itself. The address of the Corporation's registered agent in this State is 4600 New Linden Hill Road, Wilmington, New Castle County, Delaware 19808.

THIRD: The nature of the business of the Corporation is: to provide for snow removal, maintenance, repair, replacement and regulation of roads, streets, drives and entrance ways, if not provided by the State of Delaware; to maintain, repair and replace paved common area walkways; to maintain, repair and manage recreational facilities; to obtain and maintain liability and other insurance; to promulgate and enforce rules and regulations; to maintain and repair the open spaces, storm water management systems, sanitary sewer systems and utility easements; to accept title to and own any common facilities (including, without limitation, any open spaces); to accept responsibility (if same is assigned and delegated) to enforce existing restrictive covenants; and to perform all other activities allowed by law as provided for the Corporation under a Maintenance Agreement by S&R Associates VI, L.P., a Delaware limited partnership, dated August 24, 1987, of record in the Office of the Recorder of Deeds in and for New Castle County, State of Delaware, in Deed Book 595, Page 188, as the same may be amended and supplemented from time to time; for and in connection with the subdivision known as Arbor Ridge (also known as The Ridge), situate along the Curtis Mill Road, Mill Creek Hundred, New Castle County, State of Delaware, as shown on Microfilm No. 8823, recorded in the Office of the Recorder of Deeds aforesaid; subject, nevertheless, to the limitations in the paragraph below.



Any responsibility, duty or obligation assumed by, imposed upon or attributed to the Corporation shall be solely for the benefit of its members; no other party shall be deemed a third party beneficiary hereof or thereof, except New Castle County insofar as required by law or recorded covenant.

FOURTH: The said Corporation is not a corporation organized for profit, and it shall have no capital stock. The members of the Corporation shall be the owners of the lands and premises in The Ridge subdivision, but only for so long as they are and remain such owners as set forth herewith. The members shall be required to pay such assessments as may from time to time be levied, less discounts if paid before those certain dates as set from time to time by the Board of Directors for the purposes of the Corporation. At all the meetings of the Corporation the owners of each lot shall be entitled collectively to cast such vote or votes as provided for herein and in the By-Laws, which vote or votes may be cast in person or by proxy.

The Corporation shall have two (2) classes of voting membership:

Class A

Class A members shall be all owners (excepting Reston Corporation, a Delaware corporation, successor to and assignee of S&R Associates VI, L.P. (herein referred to as the "Declarant")), of subdivided lots excepting the Declarant and excepting any other person or entity which acquires title to all or a substantial portion of the subdivision for the purpose of developing thereon a residential community. Class A members shall be entitled to one vote for each lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any lot all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such lot.

Class B

The Class B member shall be the Declarant, its successors and assigns. The Class B membership shall be entitled to five (5) votes for each lot in which it holds the interest required for membership or 170 votes, whichever is greater, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership:

- (a) When the total votes outstanding in the Class A membership equals the total number of lots in the subdivision, or
- (b) On January 1, 1993, or
- (c) When, in its discretion, the Declarant so determines.

When a purchaser of an individual lot takes title thereto from the Declarant, he becomes a Class A member and the membership of the Declarant with respect to such lot shall cease.

At the regular annual meeting of the Board of Directors of the Corporation in each year, the Directors shall levy an assessment for the purposes of the Corporation upon property owners of each parcel of land. Said assessment shall in any year be apportioned pursuant to a method to be established in the By-Laws, and it shall be payable annually, in advance, and on such date or dates, subject to such discount or discounts, if paid before certain dates, as the Board of Directors may fix from time to time. To the extent that any such assessment shall remain unpaid after they are due in any year for which such assessment is made, it shall become a lien on said lot or lots and may be recovered by appropriate execution and sale of said parcel of land by the Corporation or its attorney, or any other right or remedy available at law or in equity, subject nevertheless to institutional liens and mortgages. Notwithstanding the foregoing, however, the Board of Directors may elect to make the annual assessment payable semi-annually, quarterly, or monthly; and may assess for a partial year in the Corporation's first year of existence. The Board of Directors may also elect to levy special assessments pursuant to the relevant provisions in the By-Laws.

Nothing herein shall be regarded as imposing on the members personal liability to the Corporation's creditors. Nothing herein shall authorize the Corporation to make levies or assessments except for a proper corporate purpose as set forth in this Certificate or the By-laws, unless this Certificate or the By-laws have been amended to expand or change such purpose by unanimous vote of all members.



FIFTH: The name and mailing address of the incorporator is as follows:

The Ridge Maintenance Corporation  
c/o Reston Corp.  
4600 New Linden Hill Road  
Wilmington, Delaware 19808

SIXTH: The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The business and affairs of the Corporation shall be carried on by a Board of Directors which shall consist of no less than two nor more than six persons elected for such term or terms as may be fixed by the By-laws as said By-laws may be amended as therein provided. Any vacancy occurring in the Board may be filled by a majority of the remaining members of the Board until the next annual meeting of the members. The names and mailing addresses of the persons who are to serve as the directors of the Corporation until their successors are elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Gary M. Farrar	4600 New Linden Hill Road Wilmington, Delaware 19808
Robert A. Kendig	4600 New Linden Hill Road Wilmington, Delaware 19808
Harry E. Miller	4600 New Linden Hill Road Wilmington, Delaware 19808
Renee Mosch	4600 New Linden Hill Road Wilmington, Delaware 19808

SEVENTH: A Director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director except for liability (i) for any breach of the Director's duty of loyalty to the Corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the Director derived an improper personal benefit.



EIGHTH: The power to make, alter or repeal By-Laws shall be in the members of the Corporation as provided in the By-Laws.

NINTH: The election of the Directors of the Corporation need not be by ballot unless the By-laws of the Corporation shall so provide.

THE UNDERSIGNED, being the incorporator for the purpose of forming a corporation pursuant to Chapter 1, Title 8, of the Delaware Code, entitled "General Corporation Law," and the acts amendatory thereof and supplemental thereto, if any, makes and files this Certificate of Incorporation, hereby declaring and certifying that said instrument is his act and deed and that the facts stated herein are true, and accordingly has set his hand and seal the                      day of February, 1988.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
MJH&W Service Company, Incorporator

**BY-LAWS OF**  
**THE RIDGE MAINTENANCE CORPORATION**

**ARTICLE I**  
**IDENTIFICATION OF PROPERTY**

**1.1 Officers.**

The principal office of the Corporation shall be at the residence of the current President of the Corporation.

The Corporation may also have an office or offices at such other places as the Board of Directors may from time to time designate.

**1.2 Corporate Seal.**

The corporate seal shall have inscribed thereon the name of the Corporation and the year of its incorporation.

**ARTICLE II**  
**MEETINGS; NOTICE THEREOF; WAIVER**

**2.1 Meetings of Members**

**2.1.1 Annual Meeting.** Commencing with the last Saturday in the first September which occurs after the organizational meeting of the Members (which organizational meeting shall be held at the time specified hereinafter) an annual meeting of the Members shall take place on the last Saturday in September of each year, at such generally convenient time and location as may be specified by the President of the Board in a written notice mailed or delivered to each Member no more than thirty (30) days before and no less than ten (10) days before the date of the annual meeting. The purpose of the annual meeting shall be to elect Directors and to transact such other business as may then come before the Members.

**2.1.2 Special Meetings.** Special meetings of the Members shall be promptly called by the President of the Board whenever the Board so directs; or by any Director

to the Corporation one address to which all notices to joint or common owners shall be sent.

**ARTICLE III**  
**QUORUM; EFFECTIVE VOTE; PROXIES; CONDUCT OF MEETINGS**

**3.1 Requisites for a Quorum.**

**3.1.1 Members' Meeting.** The presence in person or by proxy of any number of Members who hold in the aggregate fifty-one percent (51%) or more of the total Member vote entitled to be cast, shall constitute a quorum for the transaction of business by the Members, except as herein elsewhere expressly provided.

**3.1.2 Board Meetings.** The presence in person of a majority of Directors shall constitute a quorum for the transaction of business by the Board, except that for the purposes of the annual meeting a majority of the incumbent Directors and a majority of the newly elected Directors, separately tallied, must be present.

**3.1.3 Adjourned Meetings.** If any meeting of the Members or Directors cannot be convened because a quorum has failed to attend, the meeting may be adjourned to a time not less than forty-eight (48) hours from the time for which it was originally called. An effort shall be made to give each Member notice by telephone of the time and place of the adjourned Members' meeting. When the meeting is reconvened, the Members or Directors present validly may conduct any business properly before them, regardless of whether or not a quorum is attending the meeting.

**3.2 Vote Necessary for Resolution.**

**3.2.1 Member Vote.** Except as otherwise specifically provided in the Maintenance Agreement, the Declaration, or elsewhere in these By-Laws, the vote of a majority of the aggregate percentage of the total vote present at a meeting shall be sufficient to adopt any duly proposed resolution. The voting power represented by each Lot shall be cast as a Lot, and may be cast by any person in whose name all or part of record title to the Lot is held unless the Secretary of the Board is notified in writing to



the contrary by other persons in whose name all or part of title to the same Lot is held. In the event that Members who hold joint title to any Lot attempt to cast the vote for such Lot in conflicting ways, they shall be regarded as having waived their right to vote on the matter as to which such attempt was made. Votes of Lots standing in the name of the Board are not entitled to be cast.

3.2.2 Director Votes. The vote of a majority of Directors present and voting as a Director shall be sufficient for the transaction of business by the Board.

3.2.3 Vote Without Meeting. Any business which could be conducted at a meeting may be conducted without a meeting provided (i) that the same notice of such business is given as would be required to conduct such business at a special meeting, (except that such notice shall indicate an intention that the business be conducted without a meeting actually being called); (ii) that no valid petition or request to call a special meeting for the conduct of such business is presented or made within five (5) days after said notice has been given; and (iii) that all such business is reduced to written resolutions signed, if the vote is of the Members, by Members, or those holding proxies of Members, having a majority of the aggregate percentage of the total vote entitled to be cast; or signed, if the vote is by the Directors, by a majority of such Directors. The foregoing shall not, however, be utilized as a substitute for any annual meeting.

3.3 Proxies.

Members may be represented and may vote at any meeting by proxy. Proxies must be in writing on a form (if any) prescribed by the Secretary of the Board and filed with such Secretary prior to or at the commencement of the meeting at which the proxy is to be used. No proxy shall be for greater duration than one (1) year. Proxies may be cancelled at will, provided the Secretary is timely notified in writing by the person who gave the proxy. Lots standing in the name of a corporation, partnership, trust, or other entity not a natural person, may only be voted by a duly executed proxy.

3.4 Order and Conduct of Business.

3.4.1 Customary Order. The order of business at all meetings insofar as pertinent or necessary shall be as follows:

- Roll call
- Proof of notice of meeting or waiver of notice
- Reading of and action on minutes of preceding meeting
- Reports of officers
- Reports of committees
- Removal of members or officers of the Board
- Election of inspectors of election
- Election of members of the Board
- Election of officers of the Board
- Unfinished business
- New business
- Adjournment

3.4.2 Roberts' Rules. Meetings shall be conducted in accordance with the latest edition of "Roberts' Rules," as reasonably modified by decision of the Board (if any) made prior to the meeting and conspicuously posted or distributed at the meeting.

ARTICLE IV  
ELECTION OF DIRECTORS; TERM AND LIABILITY

4.1 Number, Qualification and Compensation.

4.1.1 Appointed by Declarant. Prior to the organizational meeting of Members there shall be four (4) Directors who shall be appointed by the Declarant, and who shall serve as such until the organizational meeting of the Members is held. Prior to the organizational meeting, the Board shall have all the rights and powers, including without limitation, the right to make a budget and collect assessments from the Members for assessments, that the Board shall have hereunder after the organizational meeting.

4.1.2 Elected by Members. After the organizational meeting there shall be six (6) Directors, all of whom shall be elected at large by the Members.

4.1.3 Qualification. Except for the Directors serving prior to the organizational meeting, as provided in Section 4.1.1, all Directors shall be residents of the State of Delaware and Members.



4.1.4 Compensation. Directors shall receive that compensation, if any, for their services in such capacity, as the Members may provide by majority vote at their annual meeting.

4.2 Term of Office.

4.2.1 Duration. Directors who are first elected shall serve only until the next annual meeting. Thereafter, each elected Director shall be elected for a term of one (1) year. Appointed Directors shall serve for the balance of the term of the Director whom they replace, or for such other term as may elsewhere be provided herein.

4.2.2 Early Termination. The term of each elected Director shall be subject to the right of the Members to remove him, after he has had an opportunity to be heard, with or without cause at any meeting held for that purpose, but no Director shall be removed by less than three-fifths (3/5) of the total Member vote entitled to be cast. A Director who was a Member at the time of his election shall automatically be incapacitated from continuing as a Director and an officer of the Board at any time during his term that he ceases to be a Member.

4.3 Vacancies.

4.3.1 Caused by Removal. Vacancies on the Board caused by removal shall be filled by vote of the Members at a special meeting held for that purpose as soon as practicable after the vacancy has occurred.

4.3.2 Caused by Death or Incapacity. Vacancies caused by death or incapacity shall be filled by the Board appointment as determined by majority vote of the remaining Directors, except that Declarant may fill the vacancy of any Director appointed by it. Any successor Director shall hold office for the duration of the unexpired term.

4.4 Election Procedures.

4.4.1 Majority Vote. Election of Directors shall take place each year at the annual meeting of the Members. A member shall be elected to the Board by a majority of the total Member votes entitled to be cast for him.

4.4.2 Successive Balloting. If no candidate for a given seat on the Board obtains such a majority on the first ballot, then the candidate receiving the least portion of the vote shall be eliminated and a second ballot shall be taken. This procedure shall be repeated as often as required to obtain a majority vote.

4.4.3 Written Secret Ballot. The voting shall be by written and secret ballot, supervised by an election inspector elected by the Members at the annual meeting or any special meeting at which a Director is being elected.

4.5 Liability of Directors

4.5.1 Disclosed Agents. The status of the Directors in exercising their powers as established under the Declaration, the Maintenance Agreement and the Certificate of Incorporation, all as amended from time to time, shall be that, and solely that, of disclosed agents. No property collected, acquired, held, invested, spent, or divested by the Board shall be regarded as belonging to the Board; rather, at all times such property shall belong to the Members, subject only to the application and management of same by the Board.

4.5.2 Limitations on Directors' Liabilities. Directors shall not be liable to the Members for any mistake of judgment, negligence, or other reason, except for their own individual willful misconduct or bad faith.

4.5.3 Member Liability. The liability of any Member arising out of any contract made by the Board or out of the aforesaid indemnity in favor of Directors shall be limited to such proportion of the total liability thereunder as his interest in the Common Facilities bears to the interests of all the Members in the Common Facilities, except that the amount of such liability may be increased by ten percent (10%) thereof in the event of default by other Members. The Board shall so notify those with whom it contracts; and shall have the power to levy special assessments against the Members to implement the foregoing provisions.



#### 4.6 Indemnification:

4.6.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she or a person for whom he or she is the legal representative is or was a director or officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director or officer, employee or agent of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. Such right shall be a contract right and shall include the right to be paid by the corporation expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer of the corporation in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all

amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this section or otherwise.

4.6.2 Right of Claimant to Bring Suit. If a claim under section 4.6.1 is not paid in full by the corporation within ninety (90) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant had not met the applicable standard of conduct.

4.6.3 Non-Exclusivity of Rights. The rights conferred by sections 4.6.1 and 4.6.2 shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.



4.6.4 Insurance. The corporation may maintain insurance, at its expense, to protect itself and any such director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

4.7 Bond. The Treasurer of the Board may be bonded in an amount and to the extent desirable to provide the Members with adequate protection, provided that there is no obligation for the Treasurer to be bonded prior to the organizational meeting in Section 2.1.3.

4.8. Executive Committee: The Board of Directors may, by resolutions passed by a majority of the whole Board, designate an Executive Committee and one or more other committees each to consist of two or more of the Directors of the Corporation.

The Executive Committee shall not have authority to make, alter or amend the By-Laws, but shall exercise all other powers of the Board of Directors between the meetings of said Board, except the power to fill vacancies in their own membership, which vacancies shall be filled by the Board of Directors.

The Executive Committee and such other committees shall meet at stated times or on notice of all by any or their own number. They shall fix their own rules of procedure. A majority shall constitute a quorum, but the affirmative vote of a majority of the whole committee shall be necessary in every case.

Such other committees shall have and may exercise the powers of the Board of Directors to the extent as provided in such resolution or resolutions.

ARTICLE V  
ELECTIONS AND KINDS OF OFFICERS

5.1 Officers. At each annual meeting, the Board shall elect by majority vote, a president, a secretary, and a treasurer from among the Directors. A vice president and assistant officers may also be elected.

5.2 Simultaneous Duties

Any Director may hold more than one (1) office at any time.

ARTICLE VI  
TERM, DUTIES, COMPENSATION OF OFFICERS, DELEGATION

6.1 Term; Removal and Vacancies

6.1.1 One Year Term. Each officer shall serve for a term of one (1) year (except those appointed by Declarant and except those elected at the organizational meeting who shall serve until the next annual meeting).

6.1.2 Early Termination. The term of each officer (except an officer appointed by Declarant) shall be subject to the Board's right to remove him from office, with or without cause, but after he has had an opportunity to be heard at any meeting called for that purpose.

6.1.3 Vacancies. Vacancies shall be filled at a meeting of the Board called for that purpose and held as soon as practicable after the vacancy has occurred.

6.2 Duties of Officers.

6.2.1 Management Agent. Notwithstanding the provisions of Section 6.4.1, the officers of the Board may select and hire the services of a professional management company regularly engaged in the business of property management to assist them in the discharge of the Board's responsibilities in general and their duties in particular. The delegation of responsibilities and duties to the manager shall be by written contract, signed by the President and Secretary. The cost of such management shall be subject to an assessment, and the management contract shall be binding upon all Members, present and future, and upon all succeeding Boards and officers, for the

duration of the term of such contract; except no contract shall be made for a term longer than one (1) year, and any such contract shall be subject to cancellation by the Board for cause upon thirty (30) days' written notice to the management company, and without cause and without payment of a termination fee upon ninety (90) days' written notice.

6.2.2 President. The President shall preside at all meetings of the Members and at all meetings of the Board. He shall have the powers and duties generally associated with the office of the President of an association of individuals, including but not limited to the power to appoint committees from time to time from among Directors and any Member willing to assist in the conduct of the affairs of the The Ridge. The President shall hire, supervise, discharge, and be ultimately responsible to the Members for the performance of, persons employed by the Board for management, maintenance, accounting, or any other purposes. He shall oversee all arrangements for insurance, security, maintenance, repairs, reconstruction and all other contracts relating to the Common Facilities or to the Ridge as a whole.

6.2.3 Vice President. The Vice President (if any) shall serve as an ex officio member on all committees appointed by the President. He shall also fulfill the responsibilities of the President in the event of the latter's incapacity, absence, removal, or refusal to serve.

6.2.4 Secretary. The Secretary shall keep or cause to be kept minutes of all meetings of the Members and of the Board. He shall receive and send out notices and correspondence on behalf of the Board. He shall have charge of such books, papers, and documents as the Board may direct and shall, in general, perform all the duties incident to the office of secretary of an association of individuals.

6.2.5 Treasurer. The Treasurer shall comply with the requirements made of him by these By-Laws as hereinafter set forth. He shall have custody of all personal property jointly owned by the Members including funds, securities, and evidences of



indebtedness. The Treasurer shall give the Secretary all information required to inform each Member of the monthly and special assessments due. The Treasurer shall be responsible for collecting all assessments from the Members, and all other income, rents, or proceeds due to the Board for the common benefit of the Members. He shall deposit and keep funds so collected in such account or accounts as the Board may direct. No withdrawals shall be made from said accounts except on the signature of two Directors.

6.2.6 Budget. From and after the organizational meeting, within fourteen (14) to forty-two (42) days after his election to the office, depending on the length of adjournment of the Board's first meeting, the Treasurer-elect, assisted by the incumbent Treasurer, shall prepare a detailed estimate of the budget for the coming year. A copy of the estimate as approved by the Board shall be promptly mailed or delivered to every Member by the Secretary. The Members shall have ten (10) days thereafter in which to demand that a special meeting be called for the purpose of discussing and approving the estimate. If no such meeting is demanded, the estimate shall be deemed acceptable and the Treasurer shall form a budget and calculate the monthly assessment needed from each Member. Each and every item of cost, expense, or reserve shown on the budget thus accepted or approved shall be deemed a valid assessment.

6.2.7 Special Assessments. The Treasurer shall within ten (10) days after being directed and authorized by the Board to make additional assessments for expenses not included or accurately forecast in the initial estimate, prepare an explanation of same for prompt mailing or delivery by the Secretary to each Member. The Members shall have ten (10) days after such delivery in which to demand that a special meeting be called for the purpose of discussing and approving the additional assessments. If no such meeting is demanded, the assessment shall be deemed acceptable.

### 6.3 Compensation

6.3.1 Member's Vote for Compensation. No officer shall be paid any compensation for his services in such capacity, except as may be provided for by vote of the Members at their annual or any special meeting.

### 6.4 Delegation

6.4.1 The Board's Approval for Delegation. Upon the request of any officer, the performance of, but not the responsibility for, that officer's duties may be delegated by the Board to any suitable person employed or approved by the Board.

## ARTICLE VII WORK ON COMMON FACILITIES AND LOTS

### 7.1 Common Facilities - Upkeep Procedures.

7.1.1 Limitations Against Members. Repair, maintenance, and replacement of the Common Facilities shall be undertaken only by employees or agents of the Board and at the Board's direction, unless the Board fails to respond to an emergency as hereinafter provided in subparagraph 7.1.5.

7.1.2 Easement for Upkeep. The employees or agents of the Board shall have the unhindered right to enter, leave, and move about on the Lot (but not in any dwelling) as frequently and to whatever extent necessary to accomplish the required work.

7.1.3 Notice. Any need or suspected need for repair, maintenance, or replacement of any Common Element shall be promptly brought to the attention of the Board by the Member.

7.1.4 Outside Contractor. Pursuant to Section 6.2.1 hereof, the Board may delegate to a full or part-time project engineer or manager employed for such purpose all or any part of its duties and powers with respect to upkeep of the Common Facilities but may not delegate its responsibilities therefor. The Board may from time to



time contract with any firm, person, or corporation for the performance of any maintenance, replacement, repair, or reconstruction.

7.1.5 Right of Self-help. In the event that the Board fails to maintain The Ridge in accordance with its duties hereunder, any Member shall have the right to compel the specific performance of the Board in a court of equity. Should the Board fail to make emergency repairs within seventy-two (72) hours of receiving notice of the need therefor, the Member may cause the same to be made and seek reimbursement from the Board. All doubts shall be resolved by the court or arbitrator in favor of the good faith judgment and decision of the Board.

7.2 Common Facilities - Upkeep and Costs.

7.2.1 Costs. The costs of materials, labor, services, supplies, and any other expense incurred to repair, maintain, replace, or reconstruct the Common Facilities shall be paid by the Treasurer from assessments collected and reserves created or funds received for such purpose. Costs and expenses forecast in the Treasurer's annual estimate may be paid without further authorization of the Board. All other costs and expenses must be separately authorized.

7.2.2 Borrowing by the Board. The Board shall have the power to borrow funds for maintenance, repairs, or replacements if necessary to prevent waste or meet an emergency. Otherwise, the Board shall first seek the authorization of the Members. No bank or other lender shall be required to ascertain if the Board has proper authority to borrow, but any bank or lender which has first obtained the written assurances of each Director that the borrowing is proper shall be entitled to presume conclusively that such assurances are true.

7.2.3 The Board's Liability for Incidental Damage. Any damage to a Member's personal property or dwelling which occurs in the course of repair, maintenance, or replacement of the Common Facilities by the Board shall be reported to

the Board as soon as discovered. If satisfied that the damage was so caused, the Board shall make a reasonable reimbursement therefor.

7.2.4 Member's Liability for Damage Caused. Any maintenance, replacement, or repair to the Common Facilities made necessary by an act or acts of a Member or invitee other than such as occur in the course of normal, careful usage resulting in ordinary wear and tear, shall be assessed solely to and paid by the Member involved.

#### ARTICLE VIII FINANCIAL MATTERS

8.1 Fiscal Year: The fiscal year of the Corporation shall begin on the first day of January of each year.

8.2 Assessments: All snow removal, maintenance, repair, replacement, insurance, utility and other proper assessments shall be established annually by majority vote of the Directors. The initial assessment shall be calculated per annum at a rate to be determined, proportioned ratably among the Members in accordance with a ratio, the numerator of which shall be the total of The Ridge subdivision owned by the Member and the denominator of which shall be the total number of Lots of The Ridge subdivision. The Board may, by majority vote, authorize the Treasurer to grant discounts of a specified and uniform amount on assessments paid prior to the due date therefor. All assessments shall be payable in equal monthly installments commencing on February 1st of each year for the year then beginning and continuing on the 1st day of each calendar month thereafter. To the extent that the assessments levied and collected exceed expenses for the year as to which the assessments were made, the excess shall be held by the Corporation in trust for the Corporation's Members, for the purpose of maintaining the open spaces in The Ridge subdivision and other purposes as set forth in the Certificate of Incorporation, the Maintenance Agreement identified in the Certificate of Incorporation or the Declaration, each as the same may be amended and supplemented



from time to time or expressly in any other declaration or agreement hereinafter. No such funds shall belong to or be regarded as the property of the Corporation, but it shall be empowered to expend and disburse the trust fund for the purposes set forth in the Certificate of Incorporation of the Corporation and for the benefit of its Members. No Member shall be entitled to withdraw any trust funds, whether on demand, or upon ceasing to own any parcel in The Ridge subdivision or otherwise, unless the Corporation is directed to dissolve the trust by unanimous vote of all members.

8.2.2 Special Assessments. In addition to the annual assessments authorized by this section 8.2.2 and by the Certificate of Incorporation of the Corporation, the Board may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement of a capital improvement upon The Ridge subdivision, or for other lawful purposes, provided that any such special assessment shall be apportioned in the same manner as a regular assessment and shall receive the assent of two-thirds (2/3) of all of the votes eligible to be cast by all of the members, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least five (5) days in advance and which notice shall set forth the purpose of the meeting. The due date(s) of any special assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing such special assessment.

8.3 Payments. All checks, drafts or orders for the payment of money shall be signed by the President and the Treasurer or by such other officer or officers as the Board of Directors may from time to time designate. No check shall be signed in blank.

8.4 Books and Records. The books, records and accounts of the Corporation, except as otherwise required by the laws of the State of Delaware, may be

kept within or without the State of Delaware, at such place or places as may from time to time be designated by these By-Laws or by resolution of the Board of Directors.

**8.5 Budget and Assessments in Advance.**

**8.5.1 Scope and Validity.** The Board through its Treasurer shall have the power and authority to prepare a budget for each year in advance and to make assessments each month in advance for the assessments anticipated in such budget, subject only to the right of the Members to call a meeting for the purpose of discussing and approving or disapproving the budget when the Treasurer presents his annual estimate of assessments. No objection shall be made to any assessment on the basis that the expenses which such assessment is intended to meet have not yet been incurred. Any and all expenses provided for in the budget shall be deemed valid assessments on which all Members have agreed, unless said budget is disapproved and rejected by Member vote as provided elsewhere herein.

**8.5.2 Effect of Failure to Prepare or Adopt Budget.** Failure or delay in preparing or adopting a budget for any year shall not constitute a waiver or release in any manner of a Member's obligation to pay his share of the assessments whenever the same shall be determined and, in the absence of any budget for the then current year, each Member shall continue to pay assessments at the rate and in the manner established for the previous year until promulgation of a budget and schedule of assessments.

**8.5.3 Certificate as to Status of Payment.** Upon written request of any Member or any purchaser of a Lot, the Treasurer shall promptly furnish or make available to the person requesting it a dated certificate setting forth the amount of any unpaid assessments or installments thereof that have become due as to the Lot in question as of the date of that certificate. Notwithstanding any other provision of these By-Laws, a bona fide purchaser of a Lot who has relied upon such a certificate shall not be liable for any assessments or installments thereof which become due before the date of that certificate and which are not reflected thereon.



8.5.4 Reserves. The budget and assessments therefor may provide an adequate reserve fund for the maintenance, repair and replacement of those Common Facilities that must be replaced on a periodic basis; such fund, if any, shall be established by separate regular monthly assessments payable monthly in regular installments by the Members and maintained in trust separately from all other funds. The budget may provide as part of this same trust fund for the creation of reserves to meet unforeseen contingencies or to provide for expenses which may not be incurred until an undetermined time in the future beyond the one year period during which the budget will be in force.

8.5.5 Working Capital. At the time of the first conveyance of each Lot, the grantee named in the first deed to such Lot shall contribute to the Board a working capital fund equal to two (2) month's estimated assessment against such Lot, to be held by and for the Corporation in a separate account to meet unforeseen contingencies and to provide capital for equipment or services deemed necessary by the Board. Such working capital shall not constitute advance payment of assessments, nor shall it be refunded to any Member upon conveyance of his Lot, but shall be deemed automatically assigned to each successive Member as an appurtenance of the Lot until such fund is otherwise exhausted. Declarant shall not be responsible for contributing its share of the working capital fund for unconveyed Lots.

8.6 Default and Enforcement

8.6.1 Due Date. Assessments shall be paid by check, cash, or money order delivered to the Treasurer on the first day of the month for which the dues are assessed. Failure to pay any assessment within fifteen (15) days of the due date shall subject the Member to a late charge of five percent (5%) of the amount owed and shall constitute a default and subject the Member responsible therefor to the Board's enforcement procedures.

8.6.2 Returned Checks. The Treasurer may require cash or a certified or local bank's treasurer check from any Member whose personal check has not been honored by his bank, which requirement may in the Treasurer's discretion remain in effect for up to six (6) months following receipt of the first dishonored check, and for up to twelve (12) months following receipt of the second or more dishonored checks.

8.6.3 Acceleration of Assessment Upon Default. In the event that the monthly or any special assessment of any Member remains unpaid, regardless of the amount which he has on deposit, or in the event that the amount on deposit remains deficient, for a period of more than sixty (60) days, the Board shall have the right to demand in writing for immediate payment of all sums past due and all assessments scheduled to become due during the remainder of the fiscal year, as if this aggregate amount had originally been due and payable in full. The Board may take any and all steps available within the law to collect the amount due plus interest and attorneys' fees.

8.6.4 Effect of Unpaid Assessment. So long as any general or special assessment is due and unpaid, the Lot subject to such assessment (with the exception of Lots owned by the Declarant) shall not be sold or encumbered, nor shall any lease thereon be entered or assigned, nor shall any existing lien or encumbrance be extended or increased, except with the Board's written consent, and any rents, common profits, or other income rights with respect to such Lot shall be deemed assigned to the Board as security. This paragraph shall be subject to such rights as may be then vested in the mortgagee of such Lot, if any.

8.6.5 Suspension of Privileges and Services as Penalty. So long as any general or special assessment is due and unpaid, the Board shall have the right to suspend any service for the Lot subject to such assessment, with the exception of Lots owned by the Declarant, or Lots as to which a mortgagee has taken a deed by foreclosure or in lieu of foreclosure, and shall have the right to suspend the Member from all privileges of



using the Common Facilities (except as provided hereinafter). No such suspension shall reduce the affected Lot's liability for assessments during the time of such suspension or thereafter. Nor shall any Member be denied free and unburdened access to his Lot prior to foreclosure sale thereof.

8.6.6 Settlement; Expenses of Collection. Every Member, except the Declarant, against whom legal action is taken to collect an assessment or enforce any covenant, condition, obligation, or restriction shall, if judgment is rendered against him, be liable for all court costs and for a reasonable attorneys' fee, the same as if such costs and fee were part of the original amount due, except that no interest shall be calculated on the costs and fee. The Board shall have the right to settle any claim against a

Member or other person or legal entity for such amount and on such terms as the Board

believes to be in the best interests of the Corporation.

8.7 Declarant's Responsibility for Assessments. Notwithstanding any other provision to the contrary, no lawsuit, suspension of utilities, or other action shall be taken by or on behalf of the Board, or any Member to collect any assessment against

any Lot owned by the Declarant, or its successors or assigns, which relates to any period of time or times during which the Lot was not actually being occupied as a residence (and the performance of work on the Declarant's Lots to rehabilitate or improve same shall not constitute occupancy thereof) unless, and except to the extent that, such assessment is for expenditures actually made by the Board for the cost of insurance protection, trash disposal, maintenance personnel, or other services actually and directly consumed or utilized by such Lot, independently of and apart from its interest in the Common Facilities. It shall be a presumption that the Declarant's share of assessments for unsold Lots shall equal the difference between the actual operating expenses of the Corporation (less any amount collected for reserve funds) and the amount collected as assessments from the other Members. The Declarant shall be entitled, when any Lot to which the



using the Common Facilities (except as provided hereinafter). No such suspension shall reduce the affected Lot's liability for assessments during the time of such suspension or thereafter. Nor shall any Member be denied free and unburdened access to his Lot prior to foreclosure sale thereof.

8.6.6 Settlement; Expenses of Collection. Every Member, except the Declarant, against whom legal action is taken to collect an assessment or enforce any covenant, condition, obligation, or restriction shall, if judgment is rendered against him, be liable for all court costs and for a reasonable attorneys' fee, the same as if such costs and fee were part of the original amount due, except that no interest shall be calculated on the costs and fee. The Board shall have the right to settle any claim against a Member or other person or legal entity for such amount and on such terms as the Board believes to be in the best interests of the Corporation.

8.7 Declarant's Responsibility for Assessments. Notwithstanding any other provision to the contrary, no lawsuit, suspension of utilities, or other action shall be taken by or on behalf of the Board, or any Member to collect any assessment against any Lot owned by the Declarant, or its successors or assigns, which relates to any period of time or times during which the Lot was not actually being occupied as a residence (and the performance of work on the Declarant's Lots to rehabilitate or improve same shall not constitute occupancy thereof) unless, and except to the extent that, such assessment is for expenditures actually made by the Board for the cost of insurance protection, trash disposal, maintenance personnel, or other services actually and directly consumed or utilized by such Lot, independently of and apart from its interest in the Common Facilities. It shall be a presumption that the Declarant's share of assessments for unsold Lots shall equal the difference between the actual operating expenses of the Corporation (less any amount collected for reserve funds) and the amount collected as assessments from the other Members. The Declarant shall be entitled, when any Lot to which the Declarant has theretofore held title is for the first time being conveyed, to receive from

the Board a credit or reimbursement for all assessments against said Lot during any period of time while it was not being occupied as a residence as provided above, except for such portion of the assessments as have been actually expended by the Board for the Declarant's use and benefit as provided above; and such credit or reimbursement shall be an assessment. To the extent that the Declarant owes any assessment on a Lot at the time when that Lot is being conveyed, the amount due shall be reimbursed to the Board, without interest, from the net proceeds of sale received by the Declarant, but only insofar as such net proceeds are adequate. Any deficiency shall be allocated to the Declarant's unsold Lots in equal proportions. In no event, however, shall Declarant receive the benefit of the foregoing provision for more than two (2) months after conveyance of the first Lot if a deficit occurs in the Corporation budget for the year in which such benefit occurs, and the Declarant shall make up such deficit to the extent, and only to the extent, of any such benefit.

8.8 Exceptions for Mortgagees. Any mortgagee or other party who obtains title to a Lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage shall not be liable for such Lot's unpaid dues or charges (including late charges and attorney's fees) which accrue prior to the acquisition of title to such Lot by the mortgagee, except insofar as any delinquent assessments for which the lien is extinguished pursuant to the foregoing provision may be reallocated to all Lots as an assessment

#### ARTICLE IX PROMULGATION AND AMENDMENT

9.1 Rules of Conduct. The Board may from time to time promulgate and amend Rules and Regulations governing the use and operation of the Common Facilities.

9.2 Amendments to By-Laws These By-Laws may be amended, altered, repealed or added to at any regular meeting of the Members or Board or at any special



meeting called for that purpose, by affirmative vote of a majority of the allowable votes of the Members of record; provided, however, that no amendment may be made to the method for calculation of assessments set forth in Section 8.2 without the prior written consent of any and all Members affected by such an amendment.

9.3 Member Approval. Except as hereafter provided, no Rules and Regulations, and no amendment to the By-Laws, shall become effective until a copy thereof has been made available for inspection by all Members at some convenient place in The Ridge for a period of at least fifteen (15) days following written notice to each Lot indicating the general purpose of the Rules and Regulations or amendment and the location of the copy. Any time before or after the effective date of the Rules and Regulations or amendment, the Members may cause a special meeting to be held at which the same may be rescinded by a majority of the total vote cast. Rescission shall automatically revive the previous status of the Rules and Regulations or By-Laws as the case may be.

9.4 Declarant Approval.

So long as the Declarant holds title to one (1) or more Lots, whether in the Declarant's name or in the name of a nominee, which Lots continue to be offered for sale as part of the original marketing effort, no Rules and Regulations or amendment to, addition to or deletion from the By-Laws shall be effective without the Declarant's written consent.

9.5 Declarant's Rights.

The foregoing provisions or amendments are subject to the rights of the Declarant to make and file amendments as more particularly set forth in the Declaration.

ARTICLE X  
MISCELLANEOUS

10.1 Notices. All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid, or if notification is of a default or lien, sent by registered or certified United States Mail, return receipt requested, postage prepaid, (i) if to a Member, at the address which the Member shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Member, or (ii) if to the Corporation, the Board at the principal office of the Corporation or at such other address as shall be designated by notice in writing to the Members pursuant to this section. If a Lot is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

10.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

10.3 Gender. The use of the masculine gender in these By Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

10.4 Definitions

13.5.1 Capitalized terms used herein without definition shall have the meanings specified for such terms in the Certificate of Incorporation or the Declaration.



## DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS (this "Declaration") is made this <sup>29<sup>th</sup></sup> day of February, 1988, by RESTON CORPORATION, a Delaware corporation (the "Declarant").

### WITNESSETH:

WHEREAS, the Declarant is the owner in fee simple title of:

ALL THAT CERTAIN lot, piece or parcel of land comprising 29.8884 acres of land, more or less, situate in Mill Creek Hundred, New Castle County and State of Delaware, (the "Property") being more particularly described by a Record Major Subdivision Plan of Arbor Ridge, prepared by Ramesh C. Batta Associates, dated July 1, 1987, recorded in the Office of the Recorder of Deeds in and for New Castle County, State of Delaware, in Microfilm No. 8823 (as the same may be amended hereafter from time to time) (the "Record Plan"), and in the description which is attached hereto as Exhibit A and incorporated herein by reference, which is known as The Ridge ("The Ridge"); and

WHEREAS, the Declarant intends to develop the Property as townhomes with appurtenant landscaping, open space, streets, recreational facilities and other common facilities; and

WHEREAS, the Declarant desires to declare and set forth restrictive covenants and deed restrictions respecting the use of the Property, and to further provide for the maintenance and repair of common areas and roads thereon; and

WHEREAS, S&R Associates VI, L.P., the Declarant's predecessor in title to the Property, did execute and record a Maintenance Agreement dated August 24, 1987 and recorded in the Office as aforesaid in Deed Book 595, Page 188 (the "Maintenance Agreement") for the maintenance of the common facilities identified therein (the "Common Facilities"); and

(5) "Owner" shall mean and refer to the record title owner, whether one or more persons or entities, of fee simple title to any Lot, but shall not include a mortgagee who has not obtained fee simple title.

(6) "Member" shall mean and refer to members of the Corporation.

(7) The "Declarant" shall mean and refer to Reston Corporation, a corporation of the State of Delaware, its successors and its assigns as provided in this Declaration.

(8) The "Record Plan" shall mean and refer to the aforesaid Record Major Subdivision Plan, as hereafter amended, supplemented and resubdivided from time to time.

## ARTICLE II

### MAINTENANCE CORPORATION

(1) In order that the Common Facilities shall be maintained and pursuant to the Maintenance Agreement there shall be organized a nonprofit maintenance corporation which is the Corporation. The Members of the Corporation shall be all the Owners of Lots as shown on the Record Plan.

(2) The purchaser of any Lot by acceptance of a deed to the Lot, agrees, obligates, and binds himself, his heirs, successors and assigns, to become a Member of the Corporation and to be bound by all of its rules and regulations, and to be subject to all of the duties and obligations imposed by membership in the Corporation.

(3) Each Owner of a Lot, by acceptance of a deed therefor, is deemed to covenant and agree to pay to the Corporation when due (a) annual assessments or charges, and (b) special assessments established and collected from time to time as hereinafter provided, such assessments to be fixed at a uniform rate for all Lots, and used for the purposes set forth in the Maintenance Agreement and herein.

(4) An annual assessment, if necessary, shall be set by a majority of the votes cast at the annual meeting of Members, and any special assessments shall be set by



a majority of the votes cast at the annual meeting of Members or at a special meeting duly called for such purpose.

(5) The Corporation shall have two classes of Members:

Class A

Class A Members shall be all Owners excepting the Declarant and excepting any other person or entity which acquires title to all or a substantial portion of the Property for the purpose of developing thereon a residential community. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B

The Class B Member shall be the Declarant, its successors and assigns. The Class B membership shall be entitled to five votes for each Lot in which it holds the interest required for membership or 170 votes, whichever is greater, provided that upon the happening of either of the following events, whichever first occurs, the Class B membership shall cease and be converted to Class A membership:

- (a) When the total votes outstanding in the Class A membership equal 170, or
- (b) On January 1, 1993, or
- (c) When, in its discretion, the Declarant so determines.

Within one hundred twenty (120) days thereafter, the Declarant will call an organizational meeting of the Corporation, if the same has not previously occurred.

Lot as collateral for all assessment obligations; provided, however, that each Owner shall have a license to collect such rents unless and until there has occurred a default by the Owner hereunder.

(7) The assessments levied by the Corporation shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Ridge 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 Facilities, 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, materials, management and supervision thereof. Such purposes shall include, but not be limited to landscaping, grass cutting, snow plowing of all vehicular areas, security, pool servicing, pool heating, security systems, employment of security personnel and other similar purposes.

(8) The lien of all assessments shall be subordinate in lien to the lien of any mortgage or mortgages on any property which is subject to such charges regardless of when said mortgage or mortgages were created or when such charges accrued; provided that such subordination shall apply only to charges that shall have become payable prior to the passing of title under foreclosure of such mortgage or mortgages, and the transferees shall not be liable for payment of any assessment accruing prior to said foreclosure, but nothing herein shall be held to affect the rights herein given to enforce the collection of such charges accruing after sale under foreclosure of such mortgage or mortgages; and provided, further, that such charges accruing after sale shall also be subordinate in lien to the lien of any further mortgage or mortgages which are placed on property subject to such charges, with the intent that no such charges shall at any time be prior in lien of any mortgage or mortgages whatsoever on such property.



(b) If there are any delinquent assessments, all of the information entered in the Docket with respect to the Lot which is the subject of the inquiry, together with the per diem interest thereon, to be computed on each delinquent assessment from its respective due date to the date of receipt by the Corporation of payment thereof in full.

The certificate of the Corporation shall be binding on the Corporation. In the event a certificate, postage paid and addressed to the inquiring party at its mailing address provided by him, is not deposited in the United States mails by the Corporation within ten (10) business days after receipt of written inquiry and service charge, all assessments affecting the Lot which is the subject of the inquiry shall be deemed to have been paid in full.

Upon receipt by the Corporation of payment of any delinquent assessment, with interest and costs, if applicable, as hereinabove provided, the Treasurer shall enter in the Docket the date and amount of the payment received, together with the notation "Paid in Full."

(12) The Corporation may, in its By-Laws, provide for reserves and for special working capital funding to be collected from Owners at the time of the first conveyance of a Lot by the Declarant.

(13) The foregoing provisions are intended to supplement the provisions of the Maintenance Agreement. In the event of any conflict between the provisions of the Maintenance Agreement and the provisions herein, the provisions of the Maintenance Agreement shall control.

### ARTICLE III

#### PROPERTY RIGHTS IN COMMON AREAS

(1) Subject to the provisions of paragraph 2 of this Article, every member shall have a right and easement of enjoyment in and to the Common Facilities and such easement shall be appurtenant to and shall pass with the title to every Lot.

(2) The Declarant may retain the legal title to the Common Facilities until such time as it has completed improvements thereon and until such time as, in the opinion of the Declarant, the Corporation is able to maintain the Common Facilities. The Declarant further covenants for itself, its successors and assigns, that prior to January 1, 1993 it will convey by special warranty deed fee title to the Common Facilities to the Corporation free and clear of all encumbrances and liens, except those created by or pursuant to this Declaration and any construction mortgage; subject, however, to the following covenant which shall be deemed to run with the land and shall be binding upon the Corporation, its successors and assigns.

In order to preserve and enhance the property values and amenities of the community, the Common Facilities and all facilities now or hereinafter built or installed thereon shall at all times be maintained in good repair and condition.

(3) The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the rights of the Corporation, in accordance with its Certificate of Incorporation and By-laws, to borrow money for the purpose of improving the Common Facilities, and, in aid thereof, to mortgage said properties; and the rights of such mortgagee in said properties shall be subordinate to the right of the Owners hereunder;

(b) the right of the Corporation to take such steps as are reasonably necessary to protect the above described properties against foreclosures;

(c) the right of the Corporation, as provided in its Certificate of Incorporation and By-laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations, as the same may be amended from time to time;

(d) the right of individual Members to the exclusive use of parking spaces;



(e) the right of the Corporation to dedicate or transfer all or any part of the Common Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by two-thirds of the Members has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the action is sent to every Member at least sixty (60) days in advance of any action taken;

(f) the right of the Declarant, and of the Corporation, to grant and reserve easements and rights-of-way through, under, over and across the Common Facilities, for ingress, egress and egress and for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities;

(g) The right of the Corporation to make such reasonable rules and regulations as to use of the Common Areas as in its discretion will be for the mutual benefit of all of the Owners.

#### ARTICLE IV

##### PARTY WALLS

(1) General Rules of Law to Apply. To the extent not inconsistent with the provision of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful act or omissions shall apply to each party wall or party fence which is built as part of the original construction of the homes upon the Property and any replacement thereof.

In the event that any portion of any structure, as originally constructed by the Declarant, including any party wall, shall protrude over an adjoining Lot or Common Facilities, such structure, or party wall shall not be deemed to be an

encroachment upon the adjoining Lot or Lots or Common Facilities, and Owners shall neither maintain any action for removal of a party wall or fence or projection nor any action for damages. In the event there is a protrusion as described aforesaid, it shall be deemed that the Owners or the Corporation have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection or party wall. The foregoing shall also apply to replacements of any structures, or party walls if same are constructed in conformance with the original structure, or party wall constructed by the Declarant. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

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

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

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

(5) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.



(6) Arbitration. In the event of any dispute arising concerning a party wall or party fence, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and be binding upon the parties. The costs of such arbitration shall be shared equally by the parties.

## ARTICLE V

### ARCHITECTURAL CONTROL

(1) No building, fence, wall or other structure as built shall be altered, extended, added to or modified, nor shall any additional structures of any nature be erected, nor shall any exterior change or alteration be made (including, but not limited to, exterior facade color changes or change in grade or drainage) unless the Declarant shall determine that any such action is necessary for the mutual benefit of the Owners. In the event that repair, replacement or other work on existing structures is necessary, or the erection of any additional structures is necessary, any such work must, to the extent practicable, be performed such that the condition and appearance is equal to and identical to the condition and appearance of the structure as originally constructed, or with respect to additional structures, the construction and appearance is in architectural harmony with the property as originally built and developed. No work as above described shall be performed until plans and specifications as to the nature, kind, appearance, materials and location of the work to be performed has been submitted to the Declarant and approved by the Declarant, or its designated committee, in writing as to compliance with the above requirements, as follows:

(a) Plans and specifications with illustrations showing the nature, kind, shape, color, height, materials and proposed location of the addition, alteration or change shall be submitted to and approved in writing by the Declarant. In the event the Declarant, or its successors or assigns, fails to approve or disapprove such architectural

change request within thirty (30) days after said plans and specifications have been submitted to it, approval thereof will be deemed to have been given by the Declarant.

(b) The Declarant, its successors or assigns, in connection with the review of said plans, specifications and illustrations, shall consider them in terms of: the harmony of the proposed change, addition, construction or alteration with the structures on surrounding properties and the outlook therefrom onto the subject property; the effect it will have on the reasonable passage of light and air to the surrounding properties; the consistency and harmony of the architectural design, color, height, size, shape, proposed location and materials with the subject property and with the surrounding structures; and with respect to the physical impact thereof, including, but not limited to drainage on surrounding properties.

(c) For the purpose of this Declaration, the Declarant shall have the sole right to determine which Lot lines and/or street lines shall be "front" or "side" lines.

(d) Requests for architectural change which have been rejected hereunder may be appealed by the applicant in writing and upon the receipt of same, the Declarant, or its successor or assignee, shall schedule a special meeting with the applicant to review applicant's appeal, which meeting shall be held within two (2) weeks after receipt of notice. The decision upon review shall be communicated in writing to the applicant within thirty (30) days after the review meeting and the failure of the Declarant, or its successor or assignee, to give written notice of such decision within said thirty (30) days shall be construed as a rescission of the initial rejection.

(e) The Declarant may appoint an Ad Hoc Architectural Control Committee to assist the Declarant in architectural control matters. The Ad Hoc Architectural Control Committee will automatically be dissolved upon assignment of the architectural control responsibilities to the Corporation.



## ARTICLE VI

### EXTERIOR APPEARANCE

By acceptance of a deed to any Lot, each Owner agrees and covenants to maintain the exterior appearance of the structures on this Lot, including the dwelling, in a condition as similar to that appearance existing at the time of purchase as is practicable, and further covenants and agrees (a) that the Corporation shall have the right and duty to contract for restaining of the structures, to be performed at reasonable regular intervals, (b) that the contractor selected to perform said work may come upon the premises of the Lot at reasonable times and utilize reasonable means to perform said work, and (c) the Corporation may incorporate the costs of said work as an assessment against each Lot to be assessed and collected in the same manner as described in Article II. Each Owner may request the Corporation to perform special maintenance on the exterior of that Owner's structures and the Corporation shall have the right to contract for the performance of such maintenance and specially assess that Owner in respect to said work, said assessment to be collectible in the manner as described in Article II, in such event or if Owner fails to perform said maintenance.

## ARTICLE VII

### USE OF PROPERTY

(1) No Lot shall be used except for residential purposes. No dwelling or any part thereof shall be used for any purpose except as a private dwelling for one family. No dwelling, garage, porch or other structure shall be erected, altered, added to, or the appearance altered in any manner by Owner unless otherwise permitted by these covenants and restrictions and approved by the Corporation in the manner described in Article V.

(2) No trade or business, nor any building designed or intended for such purpose or for industrial or manufacturing purpose, except storage with prior approval of

the Corporation, nor for any dangerous or offensive trade or business whatsoever, shall be erected, permitted, maintained or operated on any of the Property, nor any noxious or offensive activity shall be carried on upon the Property nor shall anything be done thereon which may be or result in an annoyance or nuisance to the neighborhood.

(3) No animals, livestock or poultry of any kind shall be raised, bred or kept in any dwelling or on any part of the Property except that dogs, cats or other common domesticated household pets may be kept inside the dwelling provided that they are not kept, bred or maintained for any commercial purpose and provided that no more than two such pets in the aggregate may be kept with respect to each dwelling.

(4) No sign or other object shall be displayed on any wall or rooftop without the Declarant's written approval. No sign of any kind shall be displayed to public view on any dwelling, Lot, or Common Facilities except: (a) a post office street number sign being uniform in appearance and placement, such appearance and placement to be determined by the Corporation; (b) such signs as the Corporation may deem necessary, in its sole discretion, to fulfill its purposes.

(5) Garbage, rubbish or any other material of any nature to be abandoned or disposed of shall not be placed or allowed to remain on any Lot nor shall it be placed, left or allowed to fall upon any of the Common Facilities, but if placed outside the dwelling shall be placed in closed garbage receptacles of permanent (mobile) construction intended for such purpose and may be placed at street side on the day of collection if required by the collecting agency.

(6) No trailer, travel trailer, mobile home, tent, shack, garage or other outbuilding, temporary or semipermanent or permanent structure or shelter of any kind other than the dwelling house shall be erected, or shall be placed or utilized as a residence either temporarily or permanently, on any Lot or Common Facilities, except for those structures erected by the Declarant for the use and enjoyment of the Common



(11) Landscaping shall be performed by the Corporation and no alteration, modification, addition or new landscaping shall be performed unless the plans are submitted to and approved in writing by the Corporation in the same manner provided for structures in Article V. Owners are permitted to grow small flower gardens which are neatly maintained. Statues, bird feeders, fountains and all other lawn decorative devices are prohibited. Swimming pools, both in-ground and above-ground, are prohibited, except for swimming pools installed by the Declarant. Fences are prohibited, except for fences installed by the Declarant on or across Common Facilities.

(12) All mail delivery will be taken at mail boxes located in an area dedicated to that purpose.

(13) If any portion of a dwelling is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner with due diligence to rebuild, repair or reconstruct in a manner substantially restoring the structure to its original appearance and condition immediately prior to the casualty. Reconstruction shall be commenced within four (4) months and pursued with due diligence to completion unless prohibited by causes beyond the control of the Owner.

(14) The Property, including the Common Facilities, shall be used in accordance with rules and regulations established by the Declarant from time to time. The current rules and regulations are attached hereto as Exhibit B and made a part hereof. The rules and regulations may be amended in the same manner as any amendment of this Declaration, provided no such amendment must be (but may be) recorded in any public record office.

(15) The Declarant or the transferees of Declarant shall undertake the work of developing all Lots included within The Ridge. The completion of that work, and the sale, rental, or other disposal of residential units is essential to the establishment and welfare of the subdivision as an ongoing residential community. In order that such work

welfare of the subdivision as an ongoing residential community. In order that such work may be completed and the subdivision established as a fully occupied residential community as soon as possible, nothing in this Declaration shall be understood or construed to:

(a) prevent the Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of the Declarant or Declarant's transferees, from doing on any part or parts of The Ridge owned or controlled by the Declarant or Declarant's transferees, or their representatives, whatever they determine may be reasonably necessary or advisable in connection with the completion of such work;

(b) prevent the Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of the Declarant or Declarant's transferees, from constructing and maintaining on any part or parts of The Ridge owned or controlled by the Declarant, Declarant's transferees, or their representatives, such structures as may be reasonably necessary for the completion of such work, the establishment of The Ridge as a residential community and the disposition of Lots by sale, lease or otherwise;

(c) prevent the Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of the Declarant or Declarant's transferees, from conducting on any part or parts of The Ridge property owned or controlled by the Declarant or Declarant's transferees or their representatives, the business of completing such work, of establishing The Ridge as a residential community and of disposing of Lots by sale, lease or otherwise, or

(d) prevent the Declarant, Declarant's transferees, or the employees, contractors, or subcontractors of the Declarant or Declarant's transferees, from maintaining such sign or signs on any part or parts of The Ridge owned or controlled by them as may be necessary in connection with the subdivision, sale, lease or other disposition of Lots.



As used in this section the words "its transferees" specifically exclude purchasers of Lots improved with completed residences. The "part or parts of The Ridge owned or controlled" shall include the Common Facilities.

(16) Perpetual easements for the installation and maintenance of sewer, water, gas and drainage facilities for the benefit of the adjoining land owners or private utility company ultimately operating such facilities are reserved as shown on the Record Plan. Perpetual easements in and over each Lot for the installation of electric, gas, telephone and cable facilities are reserved as well. No building or structure shall be erected within the easement areas occupied by such facilities.

#### ARTICLE VIII

##### MISCELLANEOUS

(1) The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Corporation or the owner of any land subject to this Declaration (including the Declarant) their respective legal representatives, heirs, successors and assigns until December 31, 2008, except for the provisions of Article II and unless otherwise expressly limited herein, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of two-thirds of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded ninety (90) days in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

(2) These covenants and restrictions may be changed, altered, modified or extinguished in whole or in part, at any time, by an instrument in writing signed by the then Owners of two-thirds (2/3) of the Lots, which instrument shall be recorded in the Office of the Recorder of Deeds in and for New Castle County, State of Delaware;

excepting, however, that the Declarant, so long as it is the owner of any Lots, shall have the absolute right to amend this Declaration without the joinder of any Owners by executing and recording amendments in the Office aforesaid if such amendments are:

(a) required by Federal, State, County or local law, ordinance, rule or regulations; or

(b) required by any mortgagee of improved Lots and dwelling houses in the Property; or

(c) required by any title insurance company issuing title insurance to Owners and/or mortgagees of same; or

(d) required by the Federal Housing Administration, Department of Housing and Urban Development, Veterans Administration, Farmers Home Administration, Delaware State Housing Authority, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, GNMA or by any like public or private institution acquiring, guaranteeing or insuring mortgages or providing any type of financial assistance with respect to dwelling units in the Property; or

(e) required to correct errors or technical deficiencies or imperfections or to clarify ambiguities.

(3) The Declarant reserves the right to amend the Record Plan provided that such amendments do not:

(a) increase the overall density of The Ridge; or

(b) change the alignment of any street in The Ridge at any point where any Lots not owned by the Declarant abut any such street. By acceptance and recording of a deed in The Ridge, the grantee, for himself and his successors in title, shall be deemed to have given to the Declarant his power of attorney for the purpose of executing any such plan as owner, provided such plan complies with the terms of this Article.



(10) This Declaration shall be binding upon all Owners and their respective lessees, mortgagees, invitees and licensees.

(11) Except as expressly provided herein, neither the Corporation nor any Owner shall inure to the rights of the Declarant herein until or unless the Declarant assigns such rights by express assignment. The Declarant reserves the right to assign any and all of its rights hereunder, subject to the terms and conditions herein. The Declarant shall have the same rights as the Corporation to enforce this Declaration. Until such time as the Corporation has been created, the right and obligations of the Corporation set forth herein shall be vested in the Declarant; provided, however, that the foregoing shall not be construed to assign to the Corporation rights vested in the Declarant.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused its seal to be affixed and these presents to be signed by its officer thereunto duly authorized the day and year first above written.

RESTON CORPORATION

By:  President

Attest:  Secretary

[Corporate Seal]

STATE OF DELAWARE )  
 ) SS  
NEW CASTLE COUNTY )

This instrument was acknowledged before me on the 29<sup>th</sup> day of February, 1988, by Gary M. Farrar, President of Reston Corporation, on behalf of the Corporation.

  
\_\_\_\_\_  
Notary Public

Commission expires: 12/88



THE RIDGE  
RULES AND REGULATIONS

1. Grounds

(a) The Declarant's maintenance responsibilities for the grounds shall be confined to cutting of grass (to within approximately two (2) feet of the building area), snow removal and repairs of walks and entrance steps and landing, except that an Owner may plant flowers or shrubs in a bed adjacent to his patio or deck, provided that such bed does not extend more than thirty (30) inches from his dwelling. The Owner will be responsible for the maintenance of such bed, and if it is not properly maintained the area will be resodded at his expense.

(b) No signs, lamp posts, fences, birdbaths, or other improvements or adornments shall be erected or placed upon any Lot or Common Facility except pursuant to the Declarant's written permission. No existing fences or enclosures, walks, or curbs shall be painted, written or drawn upon, used to mount a sign, removed, marked or otherwise defaced. Lawn chairs, tables, barbecues, game equipment, toys and other such items shall be placed upon the grounds only at such times and places as the Declarant may from time to time prescribe; and shall be removed from the grounds when not in use unless otherwise permitted in writing by the Declarant.

(c) No fires shall be caused or permitted on the grounds, except for the lighting of gas or coal in an elevated, safe, enclosed grill used on a patio or other area designated by the Declarant, if any. No activity shall be carried on upon the grounds which will cause unreasonable wear and tear to the grounds or damage to the landscaping.

(d) All garbage and other refuse shall be deposited in covered containers and in accordance with such instruction as may be furnished from time to time by the Declarant. Each Owner shall take all reasonable steps to prevent his garbage and refuse from omitting odors sufficient reasonably to annoy any other Owner.

2. Pets

No animals, livestock or poultry of any kind shall be raised, bred or kept in any dwelling or on any part of the Property except that dogs, cats or other common domesticated household pets may be kept inside the dwelling provided that they are not kept, bred or maintained for any commercial purpose and provided that no more than two such pets in the aggregate may be kept with respect to each dwelling. No pets shall be permitted upon any Common Facilities or on any Lot except pets owned by Owners. Dogs, cats and other ambulatory pets shall, when not on a leash, be kept within its owner's Lot. No dog, cat or other animal shall be permitted to relieve itself on any shrub, patio, building, fence, car or other items of personal property. Any solid waste left on any Common Facilities shall be promptly placed in a bag and put in the pet owner's refuse container. Every pet owner shall take all reasonable steps to prevent the noise, waste or odors of his pet from annoying other Owners. No animal, insect, fish or reptile of any kind shall be bred, born or buried in or on Lots or Common Facilities over the objection of any other Owner; and in no event shall more than two ambulatory pets or birds be kept on any Lot or in any dwelling. Owners shall be strictly liable for the actions of their pets. The Declarant shall have the right to require that any habitually diseased, infested, unclean or noisy animal, bird, reptile, fish or insect be removed from The Ridge.

3. Exteriors

(a) No Owner shall cause or permit any sign to be displayed, or any rug, laundry, aerial, fan, air-conditioner, wire or other object to hang or protrude from any window or door. All screens or screening not installed by the Declarant shall be subject to the Declarant's written approval as to appearance, design, materials and manner of installation. No shades, awnings, shutters or window guards shall be used except with the Declarant's written approval. No sign or other object shall be displayed



on any wall or rooftop without the Declarant's written approval. All window treatments shall have white or off-white appearance from the exterior of any dwelling.

The foregoing shall not prohibit the display of customary holiday decorations, subject to such specific limitations on type, manner of display and duration as the Declarant may from time to time fix and determine.

The Declarant may require the removal of any interior window coverings or door coverings which, in the sole opinion of the Declarant, are offensive or inappropriate when viewed from outside the dwelling.

(b) No rugs shall be beaten on patios, balconies or outdoor living areas, nor shall dust, rubbish or litter be shaken, swept or thrown from any window, door, patio, balcony or outdoor living area. No laundry shall be aired from any balcony or on any other Common Facilities.

(c) No bicycles, toys, barbecue sets, tires, tools, ladders or any other items shall be stored or left outside of any dwelling.

(d) No Owner shall place his name, or any sign, advertisement or notice, in or on any Common Facilities except as permitted by the Declarant. No Owner shall paint, decorate or adorn any Common Facilities except pursuant to rules of the Declarant governing holiday decorations.

(e) Firewood shall be stored only in a Owner's garage, on his patio or deck or in such other areas as may be designated by the Declarant from time to time.

#### 4. Noise

No Owner shall play or allow to be played any musical instrument, radio, television, phonograph, sound movie projector, tape recorder or like device, or shall practice singing or vocal exercises, or shall use any tool or engage in any noisy activity, earlier in the morning than eight o'clock a.m. Monday through Saturday, and eleven o'clock a.m. Sunday, or later in the evening than eleven o'clock p.m. Sunday through Thursday, and twelve o'clock midnight Friday and Saturday, or for longer (except for television, radio or phonograph) than two hours in any given day, if the same shall

disturb and annoy any other Owners. No Owner shall engage in any altercation at any time or otherwise shout, yell, or disturb the peace if the same shall annoy and disturb any other Owners. Television, radio and other electrical devices subject to volume control shall not be played above moderate levels if any Owner objects, regardless of time of day.

5. Cleanliness

All Owners shall be responsible for the cleanliness of their respective dwellings and appurtenant Lot. The cost incurred by the Declarant of exterminating any rodent or insect infestation resulting from the uncleanness of any dwelling or Lot shall be charged to the Owner.

6. Equipment and Installations

No Owner shall tamper or interfere with, attempt to repair, alter or make a connection with, any electrical, gas or other cable, line, pipe, apparatus or equipment. Before installing and operating any machinery, refrigerating or heating device, washing machine, dryer, air conditioning or other equipment not installed by the Declarant, and before using any illumination other than electric light or decorative candles, each Owner intending to install or operate same shall in each and every instance obtain the written consent of the Declarant, which shall be promptly given or denied based on considerations of safety. In no event, however, shall the Declarant's consent render the Declarant liable for any resulting unsafe conditions.

7. Explosives and Inflammables

No explosive or highly inflammable material shall be brought into any portion of The Ridge, except under the supervision of the Declarant.

8. Motor Vehicles Abandonment and Repairs

No Owner shall repair or perform any maintenance on any automobile, boat, motorcycle or other motor vehicle on any portion of The Ridge, nor shall any Owner abandon any such motor vehicle on any portion of The Ridge. Any such motor



vehicle left abandoned for more than seven (7) consecutive days may be removed at the abandoning Owner's expense by the Declarant, which such expense shall be added to and become part of the assessment levied against that Owner.

9. Enforcement of Rules

The Declarant or any Owner shall have the right to enforce these Rules and Regulations against any Owner violating them, and the Declarant shall have the right, with or without court action, to reimbursement for its attorneys' fees from any Owner who fails to abide by these Rules.

10. Declarant's Privileges

To the extent reasonably necessary or convenient for completion of construction and sale of The Ridge and all Lots therein, and as to unsold Lots which remain unsold and are offered for sale as part of the original marketing effort, the Declarant, its successors and assigns, shall not be bound to observe the foregoing Rules and Regulations.

11. Parties Bound

All Owners and their respective lessees, mortgagees, invitees and licensees shall be bound by these Rules and Regulations.

12. Corporation's Rights

Notwithstanding anything herein, the Corporation shall be bound by and entitled to enforce these Rules and Regulations to the same extent as an Owner, unless and until the Corporation is expressly assigned the rights of the Declarant.