

Tax Parcel No. 2-35 24.00 36.01
Prepared By/Return To:
Hudson, Jones, Jaywork & Fisher
309 Rehoboth Avenue
Rehoboth Beach, DE 19971

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BRIDLEWOOD

THIS DECLARATION of Covenants, Conditions and Restrictions is made this 22nd day of January, A.D. 20 06, by BRIDLEWOOD LLC, a Delaware Limited Liability Company (hereinafter referred to as "Declarant").

WHEREAS, the Declarant is the fee simple owner of certain real property located in Sussex County, State of Delaware, said property being shown on a plot of "Cottages at Neptune Canyon" a development approved by Sussex County the 21st day of April, A.D. 2005 as recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware, in Plot Book 92 at Page 291, et seq; said real property being hereinafter referred to as "Bridlewood"; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of common lands and facilities and to this end, desires to subject Bridlewood to the covenants, restrictions, easements, charges and liens (hereinafter referred to collectively as the "Restrictions"), as hereinafter set forth, for the benefit of Bridlewood and each owner thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the values and amenities in said community, to create an agency to which will be delegated and assigned the powers of maintaining and administering any community facilities, common lands and recreational amenities, and administering and enforcing the covenants and restrictions and levying, collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant will incorporate under the laws of the State of Delaware Bridlewood Homeowners Association, Inc., or a similar named corporation for the purpose of exercising the function aforesaid; and

WHEREAS, Declarant plans to set aside certain interests in the real estate and to impose upon certain portion of the real estate the condition that they be held as common

areas, (i.e. entrance area, common areas, roadway, etc.) in which owners in Bridlewood will have "in common interest" and easements of use and enjoyment therein, the ultimate title of which shall be placed in Bridlewood Homeowners Association, Inc., aforesaid; and

WHEREAS, Declarant desires to provide a flexible and reasonable procedure for the overall development of the property and to establish a method for the administration, maintenance, preservation, use and enjoyment of such property which is now submitted to this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the property in Bridlewood shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property submitted to this Declaration and which shall be binding upon all parties having any right, title, or interest in the described property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

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

A. "Association" shall mean and refer to the Bridlewood Homeowners Association, Inc. or such other non-profit corporation as the Declarant shall form, its successors and assigns.

B. "Common Areas" shall mean and refer to those areas of land designated on the recorded subdivision plot of Bridlewood and are designated on the plot of Bridlewood as: (1) The roads shown on said recorded Plot; (2) the entrance way to Bridlewood shown on said Plot; (3) the areas, if any, marked for private open space and stormwater facilities, areas and ponds. All said Common Areas shall be subject to the restrictions, created hereunder, and shall be subject to all easements or rights of way previously granted by the Declarant or its predecessors in title.

C. "Declarant" shall mean and refer to BRIDLEWOOD LLC and any successor or assign of Declarant as the developer of Bridlewood overall (as opposed to the purchaser of, or developer of, one or several lots).

D. "Lot" shall mean and refer to any unimproved or improved plot of land intended and subdivided for a detached single family residence, shown upon the Recorded Plot as a numbered parcel but shall not include the "Common Areas" as hereinabove defined.

E. "Member" shall mean and refer to all those Owners who are members of the Bridlewood Homeowners Association, Inc., as provided in Article III of this Declaration.

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

G. "Owner" shall mean and refer to the record owner, whether one or more person or entities, holding a fee simple title to any Lot but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

H. "Recorded Plot" shall mean and refer to a plot of the subdivided property of record in the Office of the Recorder of Deeds in and for Sussex County, State of Delaware, of Bridlewood Development as aforesaid and subdivided into lots, common areas and roads.

I. "Bridlewood" shall mean and refer to the lands shown on the recorded plot as referenced above, as lots, common areas, or roads as herein defined, including all of the land described on the aforesaid plot.

J. "Architectural Committee" shall mean and refer to the person or persons designated by Declarant to review site, improvement, and building plans, etc. The Architectural Committee shall consist of the Declarant until such time that the Declarant no longer owns any lots within Bridlewood and the Bridlewood Homeowners Association, Inc. has assumed responsibility and control of the development from the Declarant. Thereafter the Architectural Committee shall consist of three to five members as determined by the Homeowners Association, Inc. The scope, control, and rules of the Architectural Committee shall be set by the Declarant and thereafter the Homeowners Association, Inc. and shall reflect the restrictions and/or guidelines provided for in this Declaration.

ARTICLE II

HOMEOWNERS ASSOCIATION

Clause A. Membership and Voting

Section 1. Every person who or entity which is the record Owner of a fee or undivided fee interest in any lot that is the subject of the Declaration shall be deemed to have membership in the Association. Membership shall be appurtenant to and may not be separated from such ownership. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the owner's membership. No owner, whether one or more persons, shall have more than one membership per lot owned. The rights and privileges of membership, including the right to vote, may be exercised by a member or the member's spouse, but in no event shall more than one vote be cast for each lot.

BRIDLEWOOD LLC, a Delaware Limited Liability Company, its successors or assigns, the "Declarant", shall be considered an Owner of each lot owned by BRIDLEWOOD LLC whether such lot or lots are, or are not, subject to assessment.

Section 2. The Association shall have two classes of voting membership.

(a) Class A members shall be all lot Owners (with the exception of Declarant) of a lot in the recorded subdivision plot of Bridlewood who shall be entitled to one (1) vote for each Lot. When more than one person holds an interest in any Lot, all such persons shall be Members. The Class A membership shall be an expanding class and each lot owner shall, upon conveyance of a lot to him, have created with his lot ownership a mandatory membership in the Association as a Class A member in the Association. The vote of such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot. Class A members shall be added to the Association in accordance with the number of lots conveyed by Declarant to lot owners. Upon recording of a deed for each lot from Declarant to an owner, that owner shall become, for so long as he is an owner, a member of the Association and each such owner, upon transfer of his lot to a subsequent owner, shall then cease to be a member and the acquiring owner shall then become a substitute member.

(b) The Class B member shall be Declarant, and Declarant shall be entitled to the total number of votes equal to the number of lots titled in it. The Class B membership shall cease and terminate at such time as Declarant ceases to own any lots in Bridlewood or at such time as Declarant so declares by affidavit of termination recorded at the Recorder of Deeds for Sussex County, Delaware, whichever occurs first.

(c) A quorum for a meeting of the Class A members shall be a majority of Class A members.

(d) Until seventy-five percent (75%) of the lots are sold voting in the Association shall be by the Class B member only; and thereafter voting in the association shall require for affirmative action an affirmative vote of a majority of a quorum of the Class A members and for so long as there is a Class B member, an affirmative vote by the Class B member, unless a greater percentage is required by this Declaration or in the Articles of Incorporation or By-Laws of the Association.

Section 3. Proxy. Membership quorum and voting may be by proxy.

Clause B. Purpose and Duties

Section 1. The Association shall have as its purpose, and as its duty, promoting the recreation, health, safety and welfare of the residents and owners of Bridlewood, including but not limited to the improvement and maintenance of the Common Areas (including common open space area, easements, roads, stormwater ponds and areas, etc.); the enforcement of the covenants, conditions and restrictions of Bridlewood.

Section 2. The Association shall:

(a) Operate, reinstall, maintain and replace, for the use and benefit of all Members of the Association, all Common Areas and facilities and improvements developed thereon.

(b) Maintain and install all facilities on, mow the grass on, replace all dead or destroyed original landscaping on, all Common Areas.

(c) Enforce the covenants, conditions and restrictions herein.

(d) Take title to all common areas and the like, including take title to, and maintain, operate and manage, all stormwater management ponds, areas and facilities (the stormwater management to be in full compliance with all governmental regulations applicable thereto).

Clause C. Assessments

Section 1. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Property, and particularly for the improvement and maintenance of the Common Areas located in the Property, and for services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement and additions thereto, for the cost of labor, equipment, materials, management and supervision thereof, and for operating reserve funds and reserve funds for repair and replacement of the Common Areas and facilities thereon. Assessments may be levied to accomplish the purpose and duties of the Association as stated in Article II, Clause C Section 3.

Section 2. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each lot within Bridlewood, hereby covenants, and each Owner of any lot, by acceptance of a deed or other transfer document therefor, whether or not it shall be expressly established in such Deed or other transfer document, hereby covenants and agrees to pay the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, operations, repair, replacement and reserve funds, such assessments to be fixed, established and collected as hereinafter provided. The annual, special and user assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, for the collection thereof, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. A personal obligation for delinquent assessment shall not pass to the Owner's successor in title (other than as a lien on the land), unless expressly assumed by them. Anything herein to the contrary notwithstanding, lands of Declarant shall not be subject to any such Assessment.

Section 3. Computation of Assessment. It shall be the duty of the Board of Directors, at least 60 days before the beginning of the fiscal year and 30 days prior to the meeting at which the budget shall be presented to the membership, to prepare a budget covering the estimated costs of operating the Association during the coming year. The Board shall cause a copy of the budget and the amount of the annual assessments to be levied against each lot for the following year to be delivered to each owner at least 15 days prior to the meeting. The budget and the annual assessments shall become effective unless disapproved at the meeting by a vote of at least a majority of a quorum of the Class A members or by the Class B member.

Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board of Directors fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Item (i) All assessments shall be allocated equally among all residential lots excepting exempt lands as herein provided.

Item (ii) The initial base annual assessment per lot shall be Two Hundred Fifty Dollars (\$250.00).

Item (iii) The annual budget may include a reserve for Capital Improvements and Operating reserves.

Item (iv) The Board of Directors may, without the consent of the Class A members, increase the annual assessment in an amount not to exceed twenty percent (20%) of the annual assessment for the preceding fiscal year. A majority of a quorum of Class A members may set the annual assessment in such amount as is necessary to fund the annual budget.

Item (v) In addition to the Annual Assessment authorized by item (ii) hereof, the Association 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, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including the necessary fixture and personal property related thereto, and for operating the Common Areas, for which a reserve fund does not exist or is not adequate, provided that any such assessment shall have the assent of a majority of a quorum of the votes of the Class A membership and the assent of the Class B member.

Item (vi) The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement costs. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and

timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessment, as provided in Section 3 Clause C of this Article. A copy of the capital budget shall be distributed to each member in the same manner as the operating budget.

Item (vii) The Board of Directors shall set the fiscal year of the Association, said fiscal year to be the calendar year until otherwise set.

Item (viii) The Association is specifically authorized and encouraged to seek public and private funds to help defray, in whole or in part, the expenses for with assessments would be necessary. To the extent received, such funds shall be used to reduce the assessments otherwise required by the budget in benefit of and enforceable by the Association and its members.

Section 4. Effect of Nonpayment of Assessment. The Personal Obligation of the owner: the Lien; Remedies of the Association.

If any Assessment is not paid on the date when due as hereinabove provided, then such Assessment shall be deemed delinquent and shall together with such interest thereon and cost of collection thereof, including reasonable attorneys' fees, as hereinafter provided, continue as a lien on the Lot and any structure built thereon which shall bind such lot in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. In addition to such lien rights, the personal obligation of the then Owner to pay such Assessment, however, shall remain his personal obligation and shall not pass to his successors in title (other than as a lien on the land) unless expressly assumed by them. 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 the legal interest rate authorized by 6 Del.C. §2301, as amended, and the Association may bring a legal action against the Owner personally obligated to pay the same or may enforce or foreclose the lien against the lot and in the event a judgment is obtained, such judgment shall include interest on the Assessment above provided and reasonable attorneys' fees to be fixed by the court, together with the cost of the action. No Owner of a lot may waive or otherwise escape liability for the Assessment provided for herein by non-use of the Common Areas or abandonment of his or its Lot. A delinquent assessment lien may be recorded by affidavit of the Homeowners Association as to such, identifying the Lot and the Lot Owner and recorded with the Sussex County Recorder of Deeds.

Section 5. Assessment Lien. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on the Lot. Sale or transfer of any Lot, shall not affect the assessment lien. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 6. Exceptions for Assessments. The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein:

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

(b) All Common Areas;

(c) All Lots owned by the Declarant, BRIDLEWOOD LLC, and any successor to Declarant as Declarant.

Section 7. Initial Assessment. In an effort to insure the homeowners association has the necessary funds to initially maintain the common areas within the subdivision, the Declarant (or its successor) at each initial lot sale to a third party purchaser may collect from such purchaser a Homeowners Association start-up fee of Two Hundred Fifty Dollars (\$250.00).

CLAUSE D. Pre-Association Organization

Section 1. The Declarant shall exclusively have all powers (including but not limited to the assessment powers aforesaid, utilizing assessments to perform HOA duties and the operation of an Architectural Committee) of the Association and the Board of Directors of the Association until the formation of Bridlewood Homeowners Association Inc.

Section 2. The Declarant shall form the Bridlewood Homeowners Association, Inc.

CLAUSE E. Architectural Committee

Section 1. There shall be a Committee of the Association known as the Architectural Committee consisting of three to five members.

Section 2. The Architectural Committee shall have jurisdiction over all construction on any portion of any lot, to approve or disapprove such construction based on the architectural restrictions, the restrictions, conditions, or covenants of this Declaration. The Architectural Committee shall also have the authority to prepare additional standards and procedures to further implement the requirements of this Declaration, including construction of any nature which will have the full force of said restrictions, conditions and covenants; expressly provided, however, such additional standards and procedures may be disapproved or rescinded by the Class B member, and once there is no Class B member, then by a majority vote a quorum of the Class A members of the Association.

Section 3. The members of the Architectural Committee shall be appointed by Declarant until such time as either Declarant owns no lots in Bridlewood, or until Declarant in writing transfers the power of appointment to the Board of Directors of the Association. Thereafter the Board of Directors of the Association shall appoint the members of the Architectural Committee.

Section 4. The Architectural Committee may charge a fee for each review requested for any construction within Bridlewood.

Section 5. Architectural restrictions:

(i) No building, structure, or addition (including swimming pools, outbuildings, sheds, etc.) shall hereafter be erected, altered or placed in any lot unless the plans have been approved by the Architectural Committee. The owner proposing to construct or alter a building or structure shall submit two sets of plans showing all four elevations together with the description of the exterior materials and color. Owner must also submit a site plan showing the location of the building, structure or addition on said lot. The Architectural Committee shall approve or disapprove said plan within thirty (30) days of receipt of same.

(a) Each Lot is initially required to have a Two Thousand Dollar (\$2,000.00) minimum landscaping plan, which must be approved by the ARC and completed within six (6) months of the completion of the house.

(ii) Each owner who intends to construct any dwelling or structure on their lot shall prepare a grading plan in conformance with all applicable soil and erosion control laws, ordinances, and standards. Said plans shall be filed with the Architectural Committee. Owner shall be solely responsible for the implementation of same, and shall implement said plan. Blueprints, plans and the like for any construction of a home, improvement on the land, or landscaping of same shall be first submitted to the Architectural Committee before commencement of any construction, work, or the like. The Architectural Committee shall have thirty (30) days within which to review same, and if same are not reviewed within thirty (30) days, then they shall be deemed approved. If reviewed within thirty (30) days then any comments, changes or the like must be complied with. In making said review the Committee shall consider those matters referenced in this Declaration and in any supplemental regulations promulgated by the Architectural Committee.

(iii) In reviewing such plans and specifications, the Committee may take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built, to the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the buildings or other structure as planned on the outlook from the adjacent or neighboring properties.

(iv) No clearing, grading or construction upon the lot is to begin until the Architectural Committee issues written approval of all plans which are required to be submitted to the Committee by this Declaration.

(v) The exterior color shall be within the group of colors known as "soft tones". Bright vibrant colors which are not traditional in the region are prohibited (i.e., pink, etc.).

(vi) All construction shall be completed within twelve (12) months from the time of first excavation and grading of the site for that particular construction.

(vii) The Architectural Committee shall determine which are the front, side and rear lines of a lot, and its decision shall be binding upon the lot owner.

(viii) The Architectural Committee in its review of plans shall ensure that such plans comply with the Restrictions, Conditions and Covenants defined in Article IV of this Declaration.

(ix) The Architectural Committee by unanimous vote may grant minor variances from the architectural guidelines otherwise provided for in this Declaration.

Section 6. The Bridlewood Architectural Committee is sometimes hereinafter referred to as the "ARC".

ARTICLE III COMMON AREAS

CLAUSE A. Property Rights in the Common Areas

Section 1. Owner's Easement of Enjoyment. Subject to the provisions of Section 3 of ARTICLE III, every Owner shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every lot.

Section 2. Title to Common Areas. If not sooner, Declarant shall convey legal title in the Common Areas to the Association at such time as Declarant owns no Lots in Bridlewood. Declarant may retain legal title in the Common Areas: (1) until such time as it has completed improvements thereon; or (2) until such a time, as, in the opinion of Declarant, the Association shall be responsible to maintain the same.

Section 3. Extent of Member's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association as provided in its Certificate of Incorporation and by-laws, to suspend the enjoyment rights of any Member in any easement or in any Common Areas, for any period during which any assessment against such Member remains unpaid, and for any period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations.

(b) The right of the Association and/or the Declarant to dedicate or transfer all or any part of its interest in the Common Area (subject to easements created hereunder, or previously created of record) to any public agency, authority or utility .

(c) The right of the Declarant prior to the conveyance of the Common Areas to the Association, and of the Association, to grant and reserve easements and rights-of-way through, under, over and across the Common Areas, for the installation, maintenance and

inspection of lines and appurtenances for water, sewer, drainage, gas, electricity, telephone, cable television and other utilities.

(d) The right of the Association to adopt rules and regulations governing the use by the Owners of the Common Areas.

Section 4. Delegation of Use. Any Owner may delegate his rights of enjoyment to the Common Areas and facilities to the members of his family, tenants, or contract purchasers (and members of the family of any tenant or contract purchaser) who reside on the property or to such other persons as may be permitted by the Association.

ARTICLE IV

RESTRICTIONS, CONDITIONS AND COVENANTS

Section 1. No trade, business, commerce, industry, profession, or occupation shall be conducted on any lot. This provision, however, shall not prevent the maintenance of any carrying on of the business of Declarant, its successors and assigns, as builder or real estate developer on the premises until such time as all lots shown on the said plot are sold.

Section 2. All lots shall only be used for single family dwelling houses. No more than one (1) dwelling house may be erected on a single lot. No boats, boat trailers, truck, trailer, travel trailer, camper trailer, mobile home, or other similar unit shall be placed on any lot or parked on any street temporarily or permanently except that a truck rated less than 6,000 lbs. gross weight may be parked temporarily on any street. No tent, shack, barn, or other outbuilding shall be erected or placed temporarily or permanently on any lot.

Section 3. No animals, except household pets, shall be permitted on any lot and no wild animals, fowl, pigeon, rabbit, horse, ponies, bees, or farm animals shall be permitted on any lot. No dog pens or runs shall be allowed on any lot, except when a fenced area is adjacent to the house, located on the rear of the house, and there is an interior four (4) foot chain link fence with a wood exterior four (4) foot fence or bordered by four (4) foot shrubs to hide the area. The flooring for the dog run is to be a cement pad with no more than One Hundred and Eighty Five (185) square feet. It is the intent to make the dog run as inconspicuous as possible. As for household pets, all County and other limits and regulations must be complied with. The number of household pets per lot may not exceed four (4).

Section 4. No noxious or offensive activity shall be carried on or upon any lot, nor shall anything be done thereon which may be or become an annoyance to the neighborhood.

Section 5. No fence, wall, hedge, or mass planting shall be erected or permitted except to the rear of the main house structure and such fence, wall, hedge, or mass planting shall not be permitted to be over four (4) feet in height; EXPRESSLY EXCEPTING HOWEVER, there may be erected at the perimeter boundary line of Bridlewood

Development (either by Declarant or individual property owners) a perimeter boundary fence to a maximum height of six (6) feet and/or natural plants in the nature of a hedge to whatever height is allowed by the applicable zoning authority at any given time (the purpose of such perimeter fence or perimeter planting being to provide privacy and security for the Development and/or individual lots from public roads and other lands adjoining the Bridlewood Development).

- (a) Fences are to be made of PVC/vinyl or cedar and shall have no less than three horizontal railings nor more than four horizontal railings and must be first approved, before erection, by the ARC.
- (b) Fences around swimming pools shall comply with this Section 5 except as modified pursuant to Section 16 hereafter.

Section 6. Each purchaser of a lot will keep his lot in a presentable condition free and clear of any debris and will keep all grass mowed. In the event that any such purchaser does not keep his lot in a presentable condition, Declarant (HOA) may, after fifteen (15) days' notice, enter the lot and perform such work as necessary to restore it to presentable condition. The purchaser will then be liable to Declarant (HOA) for payment of the cost of such work.

Section 7. No signs shall be erected on any lot except signs advertising the property for sale or rent, which signs shall not exceed six (6) square feet.

Section 8. No permanent exposed clothes line shall be maintained on any lot.

Section 9. No lot shall be subdivided, except that a lot may be split to become part of adjacent lots, thereby resulting in one or more lots larger than the original plotted lots, provided Sussex County, Delaware Planning approves same.

Section 10. No TV, radio, cable TV, ham radio, CB, antenna, or tower, nor any satellite dish shall be attached to any building or separately erected on any lot; expressly excepting and provided that an Eighteen (18) inch or smaller satellite dish is permitted to be attached to the back side of the dwelling house or the back side of the roof of said dwelling house if it is painted the same color of the area of the house or roof to which it is attached, rendering it as inconspicuous as reasonably possible

Section 11. No structure shall be erected on any lot unless:

- (a) It sets back at least thirty (30) feet from the front line. A structure on a corner lot shall set back at least thirty (30) feet from both lot lines adjacent to streets.
- (b) It sets at least thirty (30) feet from the rear property line.
- (c) The total of the side yard setbacks must equal at least thirty (30) feet with

a minimum of at least fifteen (15) feet on each side.

Section 12. No house shall be constructed on any lot if it has less than two thousand five hundred (2,500) square feet of enclosed floor space, including garages, porches and breezeways, but excluding basements.

Section 13. No garage shall be erected unless it is attached to the house.

Section 14. Without the necessity of any further reservation by the Declarant, the lots shall be subject to the following easements reserved to the Declarant (later the HOA) for the installation and maintenance of utilities, sewer and water lines, and drainage purposes:

(a) Easements over, under, and along the rear ten (10) feet of all lots;

(b) Easements over, under and along the side property lines of each lot for a distance of ten (10) feet from the side property line of each lot; and

(c) Easements as shown on the recorded Plot of Bridlewood or otherwise of record. In the event any lot is divided, easements aforesaid shall be measured from the new line of said divided lot.

Section 15. Outbuildings are prohibited (i.e. no metal sheds, no wood sheds, or the like).

Section 16. On each lot in Bridlewood there may be installed one (1) in-ground pool, which must be to the rear of the house. The erection and maintenance of an above-ground pool is expressly prohibited. Fencing to comply with the requirements of laws governing swimming pool fencing is permitted, provided such fencing is vinyl, PVC, cedar, or black wrought iron. Such fencing may exceed the four (4) foot height limit required in Section 5, provided that the excess of the fence higher than four (4) feet may not (a) be solid (i.e., it must have spacing at regular, frequent, intervals) and (b) the pool fence may not exceed six (6) feet in height.

Section 17. Excepting flag poles, front yard ornaments of any kind or size are prohibited on all lots, except during holidays, and all such holiday decorations, lighting and figures must be removed within thirty (30) days following the holiday.

Section 18. All construction sites shall be maintained in an orderly, uncluttered fashion so as to minimize their negative impact on the surrounding community and its residents. All construction debris, rubbish and waste material shall be deposited in an on-site waste receptacle. This receptacle shall not constitute an "eyesore" by virtue of its appearance, condition or location on the site. This receptacle shall not be filled beyond its capacity and shall be emptied in a timely manner. This receptacle shall be removed from the site as soon as practicable. Materials not intended for incorporation into the

construction on a given site may not be stored on said site.

Section 19. All damage that occurs to any street or curb, as a result of construction activity relating to any lot, shall be repaired promptly by the Owner of said lot.

Section 20. All grading shall be in compliance with all applicable stormwater management and erosion sediment control guidelines, ordinances and standards.

Section 21. All driveways shall be paved or finished with "hot mix" asphalt or plant mixed concrete or masonry pavers as approved by the ARC.

Section 22. All foundations shall be constructed of masonry with the visible surface being brick, parget, stucco or stone as approved by the ARC. No exposed concrete masonry units (CMU) or concrete are permitted.

Section 23. All houses must have a driveway. No access to any lot is permitted until the ARC approves installation of a buried culvert pipe (installed at the expense of the Owner as opposed to Declarant) so as to not disturb drainage. Precautions must be taken in the form of silt fencing or stone, at the sides of each culvert to prevent any erosion of fill material into swales. There shall be no access permitted from adjoining lot or adjoining parties. Any damage caused to the roads, swales, or other properties, shall be at the expense of the homeowner/lot owner. The homeowner/lot owner is responsible to inform his/her contractors/visitors not to access their lot by lands of others.

Section 24. All exterior siding shall be of wood, stucco, brick, stone, cemplank or vinyl siding (vinyl must be a minimum of six (6) inches in width or beaded).

Section 25. All roofing shall be architectural asphalt, cedar, or architectural metal.

Section 26. All HVAC systems' exterior components shall be screened from public and adjacent neighbors' view of appropriate masonry walls, screens, fences, or landscaping approved by the ARC.

Section 27. All exterior lighting shall be residential in nature and as approved by the ARC. No metal halide, mercury vapor, sodium or neon shall be permitted. Lighting that is a nuisance to adjacent neighbors is prohibited.

Section 28. All materials except for decking shall be stained or painted. No exposed-to-view materials will remain unfinished.

Section 29. All roofs shall be sloping, with a minimum pitch of 7/12. Flat roofs are prohibited.

Section 30. All windows shall be trimmed.

Section 31. No primary wall may be windowless.

Section 32. All chimneys shall exit the roof near the ridge of the roof. Metal flue caps shall be located only within a metal chimney cap.

Section 33. Mailboxes shall be dark or earthtone (i.e., no white or bright colors).

Section 34. All refuse containers shall be concealed by an ARC-approved enclosure or kept in the garage.

Section 35. All electric and telephone service shall be underground. All exterior lights not attached to a building shall not be greater than six (6) feet in height. The owner of each lot upon erecting the residential home shall to the front of the property near the intersection of the driveway and development road install a six (6) foot high exterior front light post with a photocell and a white fluorescent 13-watt bulb.

Section 36. Street numbers shall be limited to four (4) inches in height.

Section 37. All propane or oil tanks shall be buried.

ARTICLE V

GENERAL PROVISIONS

Section 1. Utility Easements.

(a) the Declarant, for it, its successors and assigns, and for the Association, hereby reserves the right to grant easements over, under, in, on and through the Common Areas and all roads plotted and shown on the recorded plots for the installation, construction, and reconstruction, relocation, removal, maintenance, repair, operation, inspection of water service, sewer, drainage, electric, gas, television, telephone, and cable telephone and television facilities and wires, lines, conduits, and other necessary and proper attachments in connection therewith, for the benefit of the adjoining land owners, the Declarant, any federal, state or local authority, commission or agency having jurisdiction there over or any corporation, either public, quasi-public, or private, supplying or serving such facilities.

(b) There is hereby reserved along the rear of each numbered lot or land area an easement of 10 feet in width for utilities and drainage. There is hereby reserved along the side of each lot an easement of 10 feet in width for utilities and drainage being 10 feet from side boundary line of each lot. Provided however, that the 10 foot in width easement along the side line of any lot shall be extinguished in the event of any combining lots approved by the Architectural Review Committee.

Section 2. Duration and Amendment. The Restrictions of this Declaration run with and bind the Property and shall inure to the benefit of and be enforceable by the

Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, as the case may be in perpetuity; subject, however, to the provision that the Association or its successors, by and with the vote or written consent of a majority of the Class A members (one (1) vote per lot) and the vote or written consent of the Class B member of the then Owners of the Lots, shall have the power to waive, abandon, terminate, modify, alter, change, amend, eliminate or add to these Restrictions and this Declaration at any time hereafter. Any such waiver, abandonment, termination, modification, alteration, change, amendment, elimination, or addition shall take effect when a copy thereof executed and acknowledged by the Association or its successors in accord with the usual form of execution and acknowledgment of deeds, together with written consents of the requisite number of Owners, has been filed for record in the Office of the Recorder of Deeds, in and for Sussex County, and the same shall thereafter remain in effect in perpetuity unless otherwise provided.

Section 3. Variances. Bridlewood Homeowners Association shall have the power, at its sole discretion, and for the purpose of aesthetics and providing a systematic development of the community, to waive, modify, or vary the restrictions establishing minimum setback requirements, front, side and rear lines, and the minimum square footage required for any main structure built upon any lot; expressly provided however, no such variance may permit the placement or construction of structures that are not in compliance with the Sussex County Code unless Sussex County also grants a variance for same.

In the event the Bridlewood Homeowners Association exercises its power, or in the event of any exercise of power to modify, or grant a variance of the restrictions as to setback lines, front, rear and side, and minimum main building square footage size, such grant of modification or variance shall take effect upon a copy of said grant of modification or variance thereof executed and acknowledged by Bridlewood Homeowners Association, Inc., its successors and assigns, being filed for record in the Office of the Recorder of Deeds, in and for Sussex County and the same shall thereafter remain in effect as to that lot in perpetuity; provided however, that such modification, or variance as to a particular lot, shall have no effect as to the setback restrictions, and minimum square footage requirement of main residential structures as to any lot in the subdivision. It is specifically recognized that this right to grant a variance or modification as to the setback restrictions and the minimum square footage restrictions, is reserved, and acknowledged to be in Bridlewood Homeowners Association, Inc., for the purpose of allowing each lot in the subdivision to be developed to that lot's maximum aesthetic potential, taking into consideration the configuration of the lot, and preserving the value of the lot in question, and lots which are adjacent, or in close proximity to such lot which is the subject matter of the grant of any such modification or variance.

Section 4. Remedies. The Association, or any Owner, shall have the right to enforce this Declaration and the Restrictions contained herein by any proceeding at law or in equity, against any person or persons violating or attempting to violate any provision of this Declaration or any restrictions contained herein, to restrain violation, to require specific

performance and/or to recover damages; and to proceed against any lot to enforce any lien created by these Restrictions. The expense of enforcement by the Association shall be chargeable to the Owner of the Lot, including the costs of reasonable attorneys' fees, in the event any legal action is taken by the Association, and such fees, approved by a court of competent jurisdiction, shall constitute a lien on the lot, collectible in the same manner as assessments hereunder.

Section 5. Assignability. The Declarant, its successors and assigns, shall at all times have the right to fully transfer and assign any or all of its rights and powers as Declarant under this Declaration, subject to the Declarant's obligations hereunder.

Section 6. Nonwaiver. Failure of the Declarant or any Owner, or their respective legal representatives, heirs, successors and assigns, to enforce any Restrictions contained in this Declaration shall in no event be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to such violation or breach occurring prior or subsequent thereto.

Section 7. Construction and Interpretation. The Association, to the extent provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, and interpretation and the enforcement of the provisions of this Declaration. In so adopting and promulgating such rules and regulations and in making any finding, determination, ruling or order or in carrying out any directive contained herein relating to the issuance of permits, authorizations, approvals, rules or regulations, the Association shall take into consideration the best interest of the Owners to the end that Property shall be preserved and maintained as a viable community.

Section 8. Severability. All the covenants, conditions, restrictions, and reservations contained in this Declaration are hereby declared to be severable and a finding by any court of competent jurisdiction that any of them or any clause or phrase thereof is void, unlawful or unenforceable shall not affect the validity or enforceability of any other covenants, conditions, restrictions, reservations, clause or phrase thereof.

Section 9. Nonliability. Nothing contained in this Declaration shall be construed in any manner as to impose upon the Association or the Declarant, or their successors or assigns, any liability whatsoever for property damage and/or personal injury occurring to any person or persons whomsoever, or by reason of any use of any Common Areas, or roads, or adjacent waters, depicted on the recorded plot. Any and all persons using any such roads, common areas, easements, boat slips and water ways, or any of them, shall do so at their own risk and without any liability whatsoever on the part of the Association, the Declarant or their respective successors or assigns, as the case may be.

Section 10. Amendment Solely by Declarant. Anything herein to the contrary notwithstanding, Declarant reserves the right to amend these restrictions at Declarant's sole discretion for so long as Declarant continues to own as many as one (1) lot in Bridlewood Development.

IN WITNESS WHEREOF, BRIDLEWOOD LLC, a Delaware limited liability company, does execute this Declaration and does hereunto set its hand and seal on the day and year first mentioned aforesaid.

BRIDLEWOOD LLC

By: [Signature] (SEAL)
Member

By: [Signature] (SEAL)
Member

By: [Signature] (SEAL)
Member

STATE OF DELAWARE :
: SS.
COUNTY OF SUSSEX :

BE IT REMEMBERED, that on this 22nd day of February A.D. 2006, personally came before me, the Subscriber, a Notary Public for the state and county aforesaid, R. Rosh Ellis, Member(s) of BRIDLEWOOD LLC, a Delaware limited liability company, party/ies to this Indenture, known by me personally to be same, and they acknowledged this Indenture to be their act and deed and the act and deed of said limited liability company, as unanimously approved by the Members of the limited liability company.

GIVEN under my Hand and Seal of office the day and year aforesaid.

[Signature]
Notary Public

STATE OF DELAWARE :
: SS.
COUNTY OF SUSSEX :

BE IT REMEMBERED, that on this 22 day of February, A.D. 20 06,
personally came before me, the Subscriber, a Notary Public for the state and county
aforesaid, Remond A. Simpler,
Member(s) of BRIDLEWOOD LLC, a Delaware limited liability company, party/ies to this
Indenture, known by me personally to be same, and they acknowledged this Indenture to
be their act and deed and the act and deed of said limited liability company, as
unanimously approved by the Members of the limited liability company.

GIVEN under my Hand and Seal of office the day and year aforesaid.

[Signature]
Notary Public

STATE OF :
: SS.
COUNTY OF :

BE IT REMEMBERED, that on this 23RD day of February, A.D. 20 06,
personally came before me, the Subscriber, a Notary Public for the state and county
aforesaid, Raymond Michay,
Member(s) of BRIDLEWOOD LLC, a Delaware limited liability company, party/ies to this
Indenture, known by me personally to be same, and they acknowledged this Indenture to
be their act and deed and the act and deed of said limited liability company, as
unanimously approved by the Members of the limited liability company.

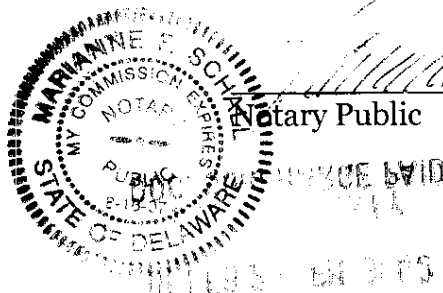
GIVEN under my Hand and Seal of office the day and year aforesaid.

[Signature]
Notary Public

Received

FEB 27 2006

ASSESSMENT DIVISION
OF SUSSEX CTY



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RECORDER OF DEEDS
JOHN F. BRADY

06 FEB 24 PM 3:41

SUSSEX COUNTY
DOC. SURCHARGE PAID