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MICHAEL B. RATTAGLIA  
RECORDER OF DEEDS  
NEW CASTLE CO. DE

Tax Parcel Nos.: 12-006.00-050 & 12-012.00-060

Prepared by and return to: Leon L. Vinokur, Esquire  
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P. O. Box 391  
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**MAINTENANCE DECLARATION  
FOR  
ESTATES OF RED LION**

**THIS MAINTENANCE DECLARATION** (this "Declaration") is dated as of the 29th day of August, 2000, by **D.M. PEOPLES INVESTMENT CORP.**, a Delaware corporation (hereinafter referred to as "Declarant").

**WHEREAS**, Declarant is the owner of certain parcels of land, containing in the aggregate 109.00 acres, more or less, (hereinafter referred to as the "Land"), situate in Red Lion Hundred, New Castle County, State of Delaware, as such Land will be subdivided as shown on the Record Major Subdivision Plan of Estates of Red Lion (the "Plan") prepared by D.M. Peoples Investment Corp., dated December 17, 1999, as may be amended, to be recorded in the Office of the Recorder of Deeds in and for New Castle County and State of Delaware (the "Recorder's Office"); and

**WHEREAS**, the Declarant, or Declarant's successors and/or assigns intends to construct approximately 173 single family units on the Land with appurtenant private open spaces and common facilities in accordance with the Plan and any recorded amendments thereto; and

**WHEREAS**, the Declarant desires to provide for the orderly and proper maintenance of such Private Open Spaces (hereinafter defined) on the Land; and

**WHEREAS**, the Declarant desires to impose upon each lot to be developed on the Land certain covenants and obligations with respect to the maintenance of the Private Open Spaces; and to bind Declarant as well as Declarant's successors and assigns with respect to the Land to such covenants.

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

Declarant does covenant and declare that it shall hold and stand seized of all the Land, under and subject to the following covenants with respect to the maintenance of the Private Open Spaces, which covenants shall perpetually run with the Land and bind Declarant, its successors and assigns (as the owner(s) from time to time of the Lots as

defined below) for the benefit of Declarant and such subsequent owners and for the benefit of New Castle County, Delaware (hereinafter the "County"):

1. Definitions. The following definitions are also applicable hereto:

(a) "Lot" or "lot" shall mean and refer to a separately subdivided residential lot or parcel as shown on the Plan.

(b) "Maintenance Corporation" shall mean and refer to the "maintenance corporation," as described in Section 2 below, its successors and assigns, and to the proper named corporate entity to be formed as provided hereunder.

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

(d) "Owners" shall mean and refer to the record owner or owners of a fee simple title to any Lot.

(e) "Plan" shall mean the Plan referred to on page 1 of this Declaration and all subsequently recorded subdivision, resubdivision or land development plan or plans for the Land, or portions thereof, as the same be amended, resubdivided or enlarged from time to time by Declarant, its successors and assigns.

(f) "Private Open Spaces" shall mean any and all private open spaces, wetlands, play areas and common facilities designated and established as such on the Plan (hereinafter defined), including and together with any sidewalks abutting thereto, signs, monuments, storm water management basins, areas and facilities, landscaping and berms therein, active recreational facilities and other common amenities depicted, located or constructed on the Land.

2. Establishment of Maintenance Corporation. In order that the Private Open Spaces as set forth on the Plan shall be maintained in a good and proper condition, fit for their intended purposes, and according to the provisions of the New Castle County Code, and this Declaration. Declarant shall, prior to the conveyance of the first lot on the Plan, incorporate under the laws of the State of Delaware, a non-profit Corporation to be known as the "Estates of Red Lion Maintenance Corporation". Such Maintenance Corporation shall be charged with the duty of maintaining the Private Open Spaces in accordance with the terms of this Declaration and such other or more stringent standards imposed by the County and assuring that such maintenance is performed. The Members of the Corporation shall be the owner(s) (including the Declarant) from time to time of the several lots comprising any and all subdivisions that may, now or hereafter, be established on the Land pursuant to any Plan (collectively, the "Subdivision"). Declarant shall be responsible to secure a Federal Employer Identification Number for the Maintenance Corporation.

3. Owners Bound. The purchaser of any Lot, by the acceptance of the deed thereto, shall thereby obligate and bind such purchaser as well as the purchaser's heirs, successors and assigns as a member of the aforesaid Maintenance Corporation and be bound by all of such Corporation's rules and regulations and be subject to all of the duties and obligations imposed by reason of such membership.

4. Assessments. (a) The Owners of each Lot that are (1) the initial purchasers of the Lot after the construction of a residential dwelling unit thereon, or (2) the initial purchasers of the individual Lot that intend at the time of delivery to construct a dwelling on the Lot for their own use or investment and not for resale to another subsequent purchaser intended to be the initial occupant of the dwelling on the Lot after completion; whichever of (1) or (2) above shall first occur with respect to such Lot, are by accepting the deed thereto deemed to covenant and agree to pay the Maintenance Corporation, at the time of the delivery of the deed to such Owners at settlement, an assessment of One Hundred Fifty Dollars (\$150); plus an amount equal to the number of complete months remaining until the next March 1st, multiplied by Twelve and 50/100 Dollars (\$12.50).

(b) The Owners described in the immediately preceding Subsection 4(a), together with all subsequent Owners of each Lot, their heirs, successors and assigns, by accepting the deed to their Lot, also are each deemed to covenant and agree to pay to the Maintenance Corporation on March 1st of each year an annual assessment of One Hundred Fifty Dollars (\$150) per Lot, or such other periodic assessments or charges fixed or established from time to time as hereinafter provided in Subsection (c) below; 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 the Private Open Spaces after the Private Open Spaces have been transferred to the Maintenance Corporation. Nothing in this Declaration shall prevent the Corporation from levying other assessments for such purposes as the Corporation, pursuant to its governing documents, determines appropriate.

(c) A change in the amount of the annual assessment imposed pursuant to Subsection (b) above or to the date upon which the annual assessment is due shall be made only by a two-thirds (2/3) affirmative vote of the Maintenance Corporation's members in good standing voting in person or by proxy at the annual meeting. Similarly any special assessments or other matters to be decided by the members of the Maintenance Corporation with respect to the Subdivisions or the Maintenance Corporation's ongoing operation shall, unless otherwise specified in this Declaration, be set or decided by a two-thirds (2/3) vote of the Maintenance Corporation's members in good standing, voting in person or by proxy at the annual meeting or at any other membership meeting duly called for this purpose. A member shall be in good standing only if all assessments and other charges due the Maintenance Corporation from such member or with respect to such member's particular lot are current. Each lot shall be entitled to one vote regardless of whether or not such lot is owned by a single individual or entity. In the case of a lot owned by an entity rather than a single individual, the vote

pertaining to such lot shall be effective only if such vote constitutes the duly authorized action of such entity. In the case of any Lot having multiple owners, the unanimous accord of such multiple owners shall be required for such vote to be effective. All assessments, annual and special, shall be fixed at a uniform rate for all Lots.

(d) Declarant shall receive, record, and deposit all assessments received from Owners into an escrow account for the benefit of the Maintenance Corporation (the "Escrow Account") until such time as the Private Open Spaces in the Subdivision are conveyed to the Maintenance Corporation pursuant to Section 13 hereof. At the time of the conveyance of the Private Open Spaces, the balance of such Escrow Account shall be paid to the Maintenance Corporation by transmitting such funds to the then-incumbent Treasurer of the Maintenance Corporation. The Declarant shall not be responsible to the Maintenance Corporation or the Owners for any investment decisions concerning the amount of interest earned on, or bank service charges imposed on, the Escrow Account. At the time of transfer of the Escrow Account to the Treasurer, the Declarant shall prepare a complete record of the Escrow Account funds, and the Treasurer shall review such record. Promptly upon the completion of such review, and after appropriate clarifications or legally required adjustments, if any, are made by Declarant, the Treasurer of the Maintenance Corporation shall certify in writing to Declarant the accuracy and completeness of the Escrow Account record.

(e) Upon acceptance of the escrowed assessments from Declarant, as provided in the immediately preceding subsection, the Maintenance Corporation assumes responsibility for all subsequent collection, receipt, and deposits of assessments for all Lots.

5. No Waiver of Liability for Assessments. No Owners may waive or otherwise avoid liability for the assessments provided for herein by nonuse of the Private Open Spaces.

6. Collection Procedures for Assessments. (a) Bills for annual assessments of the Maintenance Corporation shall be sent to Owners prior to March 1st of each year. The Maintenance Corporation shall send overdue notices to Owners for any remaining unpaid annual assessments by mid-March of each year.

(b) Any assessment 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 then legal rate of interest until such delinquency is cured and the Maintenance Corporation may bring an action at law or in equity against the delinquent Lot Owner (who shall be personally obligated to pay the same) or foreclose a lien against the pertinent Lot for the assessment and other amounts payable hereunder. With respect to annual assessments remaining unpaid as of May 1st of the then current year, the Maintenance Corporation shall automatically cause such an action or lien foreclosure to be brought promptly after such date. Costs and reasonable attorney's fees incurred by the Maintenance Corporation incident to any such action, as

well as interest due on the delinquent assessment, shall be added to the amount of the original assessment.

(c) It is expressly agreed that the assessments, interest and reasonable attorney's fees payable hereunder by Owners shall be a lien or encumbrance on the Lots with respect to which the assessments are made and it is expressly stated that by acceptance of title to any Lot within the Subdivision, the initial Owners described in Section 4(a) above, and any subsequent Owners of such Lots, their heirs, successors and assigns, from the time of acquiring title thereto shall be held to have covenanted and agreed to pay all applicable assessments to the Maintenance Corporation (including both current and prior unpaid assessment).

(d) By acceptance of title to any Lot within the Subdivisions an Owner shall be held to vest in the Maintenance Corporation the right and power (in addition to the authority established above in this Section) to take and prosecute all actions or suits, legal, equitable or otherwise, which may, in the opinion of the Maintenance Corporation, be necessary or advisable for the collection any assessments imposed pursuant to the terms of this Declaration.

7. Priority of Assessments. All assessments shall be subordinate in lien to the lien of any bona fide mortgage or mortgages on any Lot which is subject to such charges regardless of when such mortgage lien or liens 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 pursuant to foreclosure under such mortgage or mortgages. The foreclosure purchaser(s) shall not be liable for payment of any assessments accruing prior to the foreclosure sale, but nothing herein shall affect the rights of the Declarant to enforce the collection of assessment charges accruing prior to such foreclosure sale under such mortgage or mortgages against any pre-foreclosure owner(s) of the pertinent lot or to enforce collection of assessment charges accruing after such foreclosure sale against any post-foreclosure owner(s) of the pertinent Lot or against the Lot itself; provided further, however, that assessments such sale shall also be subordinate in lien to the lien of any further bona-fide mortgage or mortgages which are placed against the pertinent Lot which is subject to such charges, with the intent being that no such charges shall at any time be prior in lien to any bonafide mortgage or mortgages whatsoever on such Lot.

8. Rights of New Castle County. In the event the Maintenance Corporation fails to maintain the Private Open Spaces as contemplated herein, Declarant hereby grants to the County, its successors and assigns, the right, privilege and authority to enter upon the Land for the purposes of maintaining the Private Open Spaces at the collective expense of the owner(s) from time to time of the lots. In the event that the County elects to maintain the Private Open Spaces as set forth above, all maintenance expenses which the County elects to assess against the lot owners shall be allocated among the owners as contemplated by Section 11 of this Declaration and shall be collectible by the County in accordance with procedures established by the County for that purpose, or in the manner

set forth above with respect to collection by the Maintenance Corporation. The provisions of Section 7 above to the contrary notwithstanding, any lien for such expenses or maintenance asserted by the County and filed with the Recorder of Deeds shall be a lien from the time of recording and shall have priority in relation to all other liens, either general or special (including mortgages) according to the time of the proper recording of the same.

9. Rights of Use; Access for Maintenance. (a) Declarant, its successors and assigns, grants forever to the Owner(s) from time to time of each Lot within the Subdivisions the free and uninterrupted use of the Private Open Spaces in common with the Owner(s) of the remaining Lots within the Subdivisions as provided by this Declaration.

(b) The owner(s) from time to time of each lot, by acceptance of the deed therefor, shall thereby have further granted to the Maintenance Corporation the right to come upon such Lot as reasonably necessary at any time or times to maintain the Private Open Spaces as hereinafter provided.

10. Maintenance; Allocation of Funds. (a) Maintenance of the Private Open Spaces shall include, without limitation:

(i) Keeping such areas policed for trash, debris, and other refuse and washing or sweeping paved areas as required.

(ii) Maintaining, replacing and supplementing common area landscaping, including but not limited to grass maintenance and mowing.

(iii) Maintaining the stormwater management areas in accordance with federal, state and County regulations.

(iv) Maintaining play equipment, if any, walkways, structures, fencing, signs and other similar features constructed by Declarant on the Private Open Spaces.

(b) Maintenance of the Private Open Spaces may also include, without limitation:

(i) Posting, maintaining and replacing as required within the Subdivisions necessary, reasonable or otherwise appropriate identification, entrance, exit, and other directional signs, markers or lights at the entrances or along the roadway servicing the Subdivisions.

(ii) Cleaning, replacing lighting and lighted sign fixtures located at the entrance to or within the Subdivisions.

(iii) Painting and repainting of striping, markers, light fixtures and signage relating to the overall operation of the Subdivisions.

(iv) Maintaining the entrances and thoroughfares of the Subdivisions free from any obstructions affected the intended use thereof.

(v) Maintaining, replacing and supplementing utility conduits and service equipment used in whole or in part to provide services to common area facilities.

(vi) Maintaining, replacing and supplementing equipment and facilities in the common active recreation areas.

The cost of maintenance and operation of matters with respect to which the Maintenance Corporation is hereby directed to assume responsibility, as such cost shall be charged to the several Lots comprising the Subdivisions, shall be defined to mean the total of all items of direct cost and expense properly expended by the Maintenance Corporation or others on the Corporation's account for performing, planning, supervising, coordinating or otherwise providing services relating thereto, or causing others to do the same, as determined in accordance with generally accepted principals on the accrual method for accounting. Such cost shall include all maintenance, replacement and reconstruction services necessary to preserve the entrances and other common area in good order, condition and repair, and further includes all rental charges for equipment, the cost of small tools and supplies, all costs for security protection and traffic direction and control, the cost of cleaning, including removal of rubbish, dirt, and debris; the cost of landscaping and supplies incidental thereto; all charges for utility services used in connection with such, together with all costs of maintaining lighting fixtures and all premiums for public liability and property damage insurance covering matters with respect to which the Maintenance Corporation has responsibility. The expenses chargeable from time to time by the Maintenance Corporation shall be assessed equally among the several Lots in all Subdivisions.

(c) The Maintenance Corporation shall insure sufficient funds are allocated for required elements of maintenance in the Private Open Spaces prior to pursuit of other community interests according to the following provisions:

(i) The Maintenance Corporation shall annually contract for grass mowing by March 1st of each year. Mowing shall be performed no less than every two (2) weeks through the growing seasons on all grassed areas including woodland fringes and pond slopes to the water levels.

(ii) The Maintenance Corporation shall annually contract for landscape maintenance by March 1st of each year with Spring renewal to be completed by June 30th. Spring renewal shall include as a minimum, replacement of dead plantings, mulch renewal where necessary, grass reseeding, repair of play areas where necessary,

and repair of any eroded areas. Community volunteer efforts should be sought to be included in fulfilling this requirement.

(iii) The Maintenance Corporation shall maintain continuous insurance coverage regarding the open space and inform Owners of their responsibilities when utilizing the open space areas.

(iv) All other funds of the Maintenance Corporation are to be used as otherwise determined by the Maintenance Corporation.

11. Transfer of Control of Maintenance Corporation; Transfer of Private Open Spaces. Prior to the issuance of seventy-five percent (75%) of the building permits for the Lots within the Subdivision, but not prior to the issuance of fifty percent (50%) of the building permits for the Lots within the Subdivision, Declarant shall transfer control of the Board of Directors for the Maintenance Corporation to the Owners of Lots. Prior to the issuance of seventy-five percent (75%) of the building permits for the Lots in the Subdivision, but not prior to the issuance of fifty percent (50%) of the building permits for such Lots, Declarant shall convey good title to the Private Open Spaces and any other common facilities to the Maintenance Corporation, free of all liens (collectively the "Affirmative Acts"). Notwithstanding any other provision contained herein, the Declarant shall be solely responsible for the maintenance of the Private Open Space, at Declarant's sole expense, unless and until title to such Private Open Spaces has been properly conveyed to the lot owners in accordance with the provisions contained herein and the laws of New Castle County.

12. Additional Lots. In the event that any additional Lots are established on the Land, or existing Lots are merged or otherwise realigned by means of a duly approved and recorded resubdivision plan, the terms of this Declaration (unless correspondingly amended in accordance with Section 15 hereof) shall continue to apply to such redefined Lots and be interpreted and enforced by the Maintenance Corporation in an equitable manner consistent with the intent hereby reflected in the context of the Plan as originally approved and recorded.

13. Run With The Land. These covenants and restrictions shall be taken to be real covenants running with the Land and binding thereupon perpetually.

14. Amendment. The foregoing covenants may not be modified, amended or altered, in whole or in part, without the express written consent of two-thirds (2/3) of the current Owners of record as of the date of such modification, amendment or alteration, together with the written consent of the then County Council of New Castle County, Delaware.



