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Tax Map Parcel Nos.: 3-30 10.16 10.00 through 87.00
Prepared by and return to:
George B. Smith, Esquire
Smith O'Donnell Feinberg & Berl, LLP
406 South Bedford Street, P. O. Box 588
Georgetown, Delaware 19947-0588

**DECLARATION OF RESTRICTIVE COVENANTS, CONDITIONS AND
REMEDIAL CLAUSES FOR**

WALNUT VILLAGE SUBDIVISION

CITY OF MILFORD, SUSSEX COUNTY, DELAWARE

WALNUT VILLAGE, LLC, a Delaware limited liability company ("Declarant"), the owner of certain real property located on the east side of South Walnut Street in the City of Milford Sussex County, Delaware and being a subdivision consisting of seventy-eight (78) lots (the "lots") on approximately twenty-one (21) acres (the "Subdivision"), as set forth in the Subdivision Plan for Walnut Village as recorded in the Office of the Recorder of Deeds in and for Sussex County, Delaware, in Plot Book 108, Page 145, et seq. (the "Subdivision Plan"), for the purpose of ensuring the use of the Subdivision for attractive residential purposes, of preventing nuisances, of preventing the impairment of the attractiveness and value of the Subdivision, of maintaining the desired tone and quality of the Subdivision, and thereby securing to lot owners the full benefit and enjoyment of their homes, with no greater restriction on the free and undisturbed use of said lots than is necessary to ensure the same advantages to the other lot owners, hereby covenants, agrees and declares that all of the property and land areas shown on the above-mentioned Subdivision Plan, except as may be specifically herein exempted and excluded, are hereby subjected to the following declaration of restrictive covenants, conditions and remedial clauses for Walnut Village Subdivision as by this document (the "Declaration"), which shall run with the land and be binding against it, in perpetuity, unless the same be modified or amended as hereinafter provided.

Any deed, conveyance, testamentary disposition or contract made in violation of this Declaration shall be void *ab initio* and may be set aside on petition of Declarant, any lot owner or any of their respective heirs, executors, administrators, successors or assigns. All such parties shall be deemed parties hereto to the same effect as Declarant. In the event any such conveyance or other instrument is set aside by decree of any court of competent jurisdiction, all damages, costs and expenses of such proceedings and the reasonable attorneys fees of the offended party or parties shall be taxed against the offending party or parties and shall be declared by such court to constitute a lien against the real estate wrongfully deeded, sold or conveyed, until the same shall be paid in full. Such lien may be enforced in such manner as such court may order, or as provided herein.

This Declaration constitutes a mutual covenant running with the land and all successive future owners shall have the same right to invoke and enforce its provisions as Declarant.

This Declaration shall take effect and be in full force when placed of public record in the Office of the Recorder of Deeds, in and for Sussex County, Delaware.

As used herein, references to Declarant shall include Declarant, its successors and assigns.

The restrictive covenants, conditions and remedial clauses for Walnut Village Subdivision which shall be applicable to all of the aforesaid lots and land areas in said Subdivision, as set forth in this Declaration, are as follows:

1. Walnut Village Subdivision is hereby established as a restrictive subdivision for single family detached dwellings.
2. Each lot or given land area located in the Subdivision shall be used solely and exclusively for residential purposes, except as hereinafter provided. No structure or other improvement, except as hereinafter provided, shall be erected, altered, placed, grown, installed, used or permitted to remain in the Subdivision. Nothing herein contained shall limit or restrict the right of Declarant to use all or portions of lots or other lands in the Subdivision which are not sold for residential purposes as Declarant may see fit.
3. One (1) detached single family dwelling (defined as a building containing cooking and housekeeping facilities, designed and used exclusively for residential occupancy) may be placed, erected, altered and occupied upon any numbered lot in the Subdivision. Small storage buildings are allowed subject to the City of Milford building, zoning and subdivision codes, regulations and rules.
4. No lot within the Subdivision shall be resubdivided, sold or otherwise alienated into a lesser or smaller parcel, except by being recorded as a revision of or as a plan of resubdivision of Walnut Village Subdivision, which revision or resubdivision shall bear the signature and approval of Declarant herein, and which shall have been duly approved and recorded by Declarant in the Office of the Recorder of Deeds, in and for Sussex County, Delaware. In the event of a violation of ~~this provision, Declarant shall be entitled to petition any court of competent jurisdiction to grant such injunctive or other relief as such court might consider appropriate under the circumstances, including the awarding of damages, costs, expenses and reasonable attorneys fees to the party taking action to enforce this Declaration against the offending party or parties, as provided in the preamble to this Declaration.~~
5. A land area of not less than one (1) full lot as shown on the aforesaid Subdivision Plan shall be provided for each dwelling placed, erected, constructed altered or used in the Subdivision. If more than one (1) lot is to be used for one (1) dwelling, specific written prior approval for such use must be obtained from Declarant.
6. The dwelling erected and maintained upon any numbered lot in the Subdivision shall front or face toward the street providing vehicular access to the lot, unless the owner shall obtain prior written approval from Declarant for any other or different placement, and provided, further, that Declarant shall not be required or obligated to approve any other or different placement of the

dwelling.

7. The following building setback lines are hereby established and no dwelling, including a garage, shall be erected in violation of any of these requirements:

(a) The front yard setback line shall be twenty five (25) feet from the nearest street right-of-way line.

(b) The rear setback line shall be fifteen (15) feet from the rear line of each numbered lot.

(c) There shall be two (2) side yard setback lines, each of which shall be seven (7) feet from the respective sidelines of each lot,

8. Receptacles for storage of trash, refuse or garbage shall be kept inside the dwelling on each lot, except on pick-up days, or screened from view.

9. The elevation of any given lot or land area shall not be changed by a lot owner so as to affect the surface grade or drainage of his lot, surrounding lots or land areas without first obtaining the written approval of Declarant.

10. No structure of any temporary character and no tent, trailer or mobile home shall be placed on any numbered lot at any time except during periods of construction of a dwelling for the storage of construction materials only, such temporary structures for construction material storage not to exceed four hundred (400) square feet. Under no circumstances shall any such temporary construction material storage structure be used for living quarters or sanitary disposal purposes. Structures for construction material storage shall consist of a construction type trailer or construction building, but no tent, other trailer, mobile home, travel trailer or other building shall be used for construction material storage purposes. Structures for construction material storage shall be promptly removed upon the issuance of a certificate of occupancy for the dwelling being constructed.

~~11. Nothing shall be done or maintained upon any lot, land area, road, drive, lane or other way which is or may become a nuisance to Declarant or other lot owners.~~

12. No stripped down, inoperable, disabled or junk motor vehicles or any sizeable part thereof shall be permitted to be parked or maintained on any lot (whether inside or outside a garage) or on any street.

13. No noxious, offensive or illegal activity shall be carried on upon any lot.

14. A lot owner or his Realtor may place one sign on his lot offering the premises for rent, sale or both. The sign must be posted on the road side of the lot.

15. Declarant reserves the right and privilege of designating, selecting and using any given lot and land area of its choice for itself and for its agents, successors and assigns as an office and place of business for transacting and carrying on a real estate business in all its phases.

16. At any time prior to the sale of seventy-five percent (75%) of the lots subject to this Declaration, Declarant may, in its discretion, appoint a Board of Governors (the "Board") of Walnut Village Property Owners Association (the "Association") consisting of not less than five (5) nor more than seven (7) members, as well as to appoint their respective successors. Board members appointed by Declarant may, but need not be, persons owning lots in Walnut Village Subdivision. However, after Declarant has sold and disposed of not less than seventy-five percent (75%) of the total number of lots subject hereto, successors to the Board of Governors appointed by Declarant shall be elected by the vote, in person or by proxy (as set forth in paragraph 18 hereof), of the owners of the majority of the lots located in Walnut Village Subdivision, the owner or owners thereof to have one (1) vote for each lot owned by him, her, them or it, as the case may be. Each elected Board member shall be a lot owner in Walnut Village Subdivision. Upon the establishment of such Board, as aforesaid, such Board shall thereupon succeed to all the privileges, powers, rights and authority reserved by, vested in and exercised by Declarant or any such appointed Board, as provided herein, except as otherwise reserved by Declarant in this Declaration.

17. Nothing contained herein shall be construed as an obligation of Declarant to remove underbrush or rubbish, or to cut grass on any lots owned by it. Individual owners of lots, however, do hereby covenant and agree to be responsible for the appearance of such lot or lots sold or otherwise conveyed to them by cutting grass and brush and by removing trash and rubbish therefrom at all reasonable times. Should such owners fail to maintain the appearance of such lots in accordance with Declarant's standards, Declarant reserves the right and privilege to enter upon such property for the purpose of maintaining the appearance of any improved or unimproved lot, the cost of which is to be borne by the lot owner or owners.

18. Each owner of property subject to this Declaration shall pay an annual assessment to the Walnut Village Property Owners Association, which may be formed either as an unincorporated or as an incorporated property owners association. Assessments levied by the Association shall be used to promote the recreation, health, safety and general welfare of the property owners of this Subdivision and, in particular, for the improvement and maintenance of stormwater management area and pond, any school bus shelter, any Walnut Village subdivision sign and landscape area, any fencing on the exterior boundary line of Walnut Village including property line along railroad tracks and along southern line next to adjoining apartments and construction and maintenance of other facilities devoted to the common use and enjoyment of the owners. The initial annual assessment shall be \$100.00 per lot and is subject to adjustment and shall be levied at a stipulated rate per lot, regardless of the size of such lot. The first payment is due at the time of initial purchase after which the annual assessment shall be paid in advance and the due date of the annual assessment for each lot is March 1 of each year. Notwithstanding the foregoing, Declarant shall not be obligated to pay assessments for unsold lots until 75% of the total lots are sold. The annual assessment may be adjusted by Declarant until such time as seventy-five percent (75%) of the lots subject to these restrictions have been sold. Thereafter, the basis and amount of the assessment may be increased or decreased by a majority affirmative vote of the property owners present and voting, either in person or by proxy, thirty (30) days after written notice has been sent to the owners, giving notice of the intended adjustment in the assessment and setting forth the purpose of such regular or special meeting of the Association. In order to be counted, a proxy must be received on or before the date

of the stated meeting and prior to any vote and must be in compliance with Delaware corporation law, whether or not the Association is incorporated. At the time notice of said meeting is mailed to the property owners, information shall be included showing a justification for any increase in the assessment and directly relating the increase to the budgetary needs of the Association. Every person who acquires legal title to any lot in Walnut Village Subdivision shall automatically become a member of the Association and shall be obligated to pay the assessments, provided for above, PROVIDED, HOWEVER, that such membership is not intended to apply to those persons who hold an interest in any such lot merely as security for the performance of an obligation to pay money, namely mortgages, deeds of trust or executory real estate contract purchasers. However, if such person should realize upon his security and become the owner of a lot, such person will then be subject to all the requirements and limitations imposed in the Declaration on owners within the Subdivision and upon all members of the Association, including those provisions with respect to alienation and the payment of an annual assessment charge. The Association shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of Walnut Village Subdivision. The Association shall have all the powers that belong to it by operation of law.

Assessments not paid when due shall be a continuing lien on an owner's property within the Subdivision and shall extend to each lot owned by multiple owners and shall apply whether or not there is a dwelling erected on said lot or lots and shall bind the property in the hands of the delinquent owner, and any subsequent owner or holder of title. In order to assist in giving public notice of delinquent assessments to subsequent purchasers, grantees or third parties, the Association may record a Statement of Assessments Due in the Court House in Georgetown, Delaware, if the assessment is not paid within sixty (60) days from the due day of March 1 of each year. Further, interest shall accrue on all unpaid assessments at a rate equal to five (5) percentage points above the Federal Reserve Discount Rate in effect on the due date of the assessment. In addition to interest, as provided herein, a delinquent payment penalty equal to ten percent (10%) of the amount of the assessment shall be added and paid by the owner or owners. Interest shall only accrue upon the amount of the assessments and not upon the amount of any additional penalty.

(a) In the event a lot owner conveys property to a subsequent purchaser without ~~paying assessments owed, Declarant or the Association, as the case may be,~~ may proceed against both the seller of the property and the buyer, since the obligation for payment of assessments remains an obligation of the delinquent owner as well as a charge upon the lands in the hands of the subsequent purchaser. In the event legal action is necessary to collect the delinquent assessments, all land owners, present and future, are expressly put on notice that court costs and reasonable attorneys fees shall be added to and become a part of any court award or judgment rendered to Declarant or the Association, as the case may be. Reasonable attorneys fees shall be defined as being fifteen percent (15%) of the amount of the delinquent assessment. In the event a default judgment is taken against a delinquent owner, attorneys fees in the above amount may be added to the amount of the delinquent assessments, if requested in the Complaint.

(b) Lots which are titled in the name of Declarant and held by it for sale or resale shall be exempt from the assessments or any charge or lien created as a result thereof, as long as so titled.

19. The property owners of Walnut Village and the Walnut Village Property Owners Association are responsible for the maintenance of the stormwater management area, any school bus shelters, Walnut Village signs and landscape areas, boundary fencing along exterior subdivision property lines including along the rail road tracks and apartments on the south side as shown on the recorded plot of Walnut Village. This maintenance responsibility can not be changed or waived unless assumed in part or whole by a governmental agency.

20. Nothing contained herein shall be construed in any manner so as to impose upon Declarant any liability for property damage and/or personal injury occurring to any person or persons whomsoever, for or by reason of the use of the ways, roads, streets, lanes, easements, areas devoted to common use of the owners or lands owned by Declarant in Walnut Village Subdivision or adjoining such Subdivision. Any and all persons using such ways, roads, streets, lanes, easements, common areas or lands of Declarant shall do so at their own proper risk without any liability whatsoever on the part of Declarant, its successors and assigns.

21. The restrictions and agreements set forth herein are for the mutual and reciprocal benefit of each and every lot and are intended: to create mutual, equitable servitudes upon each of said lots in favor of each and all other lots herein; to create reciprocal rights between the respective owners of all the said lots; to create privity of contract and estate between the grantees of said lots, their heirs, executors, administrators, successors and assigns and shall, to the owner or owners of each such lot, their lessees, sublessees, tenants, co-tenants, heirs, executors, administrators, successors and assigns, operate as covenants running with the land for the benefit of each and all other lots and their respective owners.

22. Any lot owner to whose benefit this Declaration inures may proceed at law or in equity to prevent the occurrence of or continuation of a violation of this Declaration and the court in any such action may also award the successful party damages and reasonable expenses in prosecuting such action, including reasonable attorneys fees. The remedies specified herein are cumulative and the specification of them shall not be taken to preclude any aggrieved party from resorting to any other remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect to a violation of this Declaration shall be held to be a waiver by that party or an estoppel by that party to assert any right available to him upon the reoccurrence or continuation of such violation or the occurrence of a different violation.

23. After the sale of seventy-five percent (75%) of the lots in Walnut Village Subdivision, this Declaration may be amended by and with the written consent or affirmative vote of no less than two-thirds (2/3) of the then owners of all lots. The owners of the various lots shall have the power to waive, abandon, terminate, modify, alter, change, amend or add to this Declaration at any time thereafter; Any such waiver, abandonment, termination, modification, alteration, change, amendment or addition shall take effect only when a copy thereof, executed and acknowledged by each of the lot owners who assent thereto in accordance with the usual form of execution and acknowledgment of deeds to land, shall have been filed for record in the Office of the Recorder of Deeds, in and for Sussex County, Delaware, and the same thereafter shall remain in effect in perpetuity unless the same shall be waived, abandoned, terminated, modified, altered, changed, amended or added to, as

the case may be. In the taking of any such vote or the obtaining of any such written consent of the lot owners in Walnut Village, each owner shall have as many votes or consents as he may own lots situate in Walnut Village, including Declarant. Prior to the sale of seventy-five percent (75%) of the lots, Declarant reserves the right to amend this Declaration without the consent of the other lot owners.

24. Declarant reserves the right, but is not obligated, to convey to the Association title to any land area within the Subdivision which contains an area which either is or may later be devoted to the common use and benefit of all owners, such as a recreation area, streets (after initial construction is completed and approved), open space areas or any other such area. Any land area so conveyed by Declarant shall be subject to such restrictions or conditions as may be provided in the deed or deeds.

25. The invalidating of any one of the foregoing restrictions by any court of competent jurisdiction shall in no way adversely affect or impair the full force and effect of all other restrictions set forth herein and, in such event, all other restrictions not expressly invalidated thereby shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has executed this Amended and Restated Declaration of Restrictive Covenants, Conditions and Remedial Clauses for Walnut Village Subdivision, this 5th day of April, A.D. 2007.

RECEIVED

APR 10 2007

Signed, Sealed and Delivered in the Presence of:

WALNUT VILLAGE, LLC
a Delaware limited liability company
ASSESSMENT DIVISION OF SUSSEX COUNTY

Christy Karris

By: Randy E. Marvel (SEAL)
Randy E. Marvel, Managing Partner

STATE OF DELAWARE)
) SS.
COUNTY OF SUSSEX)

BE IT REMEMBERED, that on this 5th day of April, A.D. 2007 personally came before me, the Subscriber, a Notary Public for the State and County aforesaid, Randy E. Marvel, Managing Partner, party to this Indenture, known to me personally to be such, and acknowledged this Indenture to be his act and deed and the act and deed of the Limited Liability Company, duly authorized.

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

RECORDER OF DEEDS
JOHN F. BRADY
04/09/2007 03:29P
SUSSEX COUNTY
000 SURCHARGE PAID

Patricia Hollins
Notary Public
My commission expires: 10/20/10