

Tax Map Parcel No. 1-33-10-12
PREPARED BY: MOORE & RUTT, P.A.
P.O. Box 554, Georgetown, DE 19947
RETURN TO: HOLSTON FARM ASSOCIATES, INC.
P.O. Box 1040, OCEAN VIEW, DE 19970

DECLARATION OF RESERVATIONS, RESTRICTIONS,
COVENANTS AND EASEMENTS FOR

WILLOW LAKE

A PLANNED RESIDENTIAL COMMUNITY

THIS IS A DECLARATION, made this 13th day of November, A.D., by Holston Farm Associates Inc., a Corporation organized under the laws of the State of Delaware (hereinafter referred to as the "Declarant").

WHEREAS, Declarant is the owner in fee simple of all that certain tract, place and parcel of land lying and being in Dagsboro Hundred, Sussex County, Delaware being more particularly described in a deed to Declarant from Charles P. Spicer Sr. dated January 31, 1990 and Recorded (as the term is hereinafter defined) in the Office of the Recorder of Deeds, at Georgetown, Sussex County, Delaware, in Deed Book 1698 page 147 (said land being hereinafter referred to as the "Entire Tract") and

WHEREAS, Declarant has subdivided into numbered lots (the "Lots") that portion of the Entire Tract located in the State of Delaware to form a subdivision known as Willow Lake (the "Subdivision"), the land included in said Subdivision being more particularly shown and delineated upon a plot of survey Recorded in Sussex County, Delaware, in Plot Book 69, page 163 (the "Subdivision Plot"); and

WHEREAS, It is the intent of the Declarant that the Common Areas, as hereinafter defined, be for the use of Owners of a real estate Interest in the Subdivision; and

WHEREAS, the Declarant, by this Declaration, Intends to establish a plan for the maintenance and administration of the Common Areas and a general plan for the improvement and development of the Subdivision; and the Declarant does hereby establish the covenants, conditions, reservations, restrictions and easements upon which and subject to which all Lots and portions of such Lots shall be improved or sold and conveyed by it as owner thereof; and

WHEREAS, each and every one of the covenants, conditions, reservations and restrictions as set forth herein is and all are for the benefit of and shall be binding upon each Owner of land in the Subdivision or any interest therein, and shall inure to, run with, and pass with each and every lot in the Subdivision; and

WHEREAS, these covenants, conditions, reservations and restrictions are and each thereof is Imposed upon such Lots and the Subdivision shall be subject to those easements set forth herein, all of which are to be construed as restrictive covenants and easements running with the title to such Lots and with each and every parcel thereof.

NOW, THEREFORE, the Declarant hereby declares that the Subdivision and all Lots and land areas therein are and shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions, restrictions, reservations, and easements hereinafter set forth.

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01 Definitions.

The terms set forth below shall have the following meanings in this Declaration unless the context clearly otherwise requires:

(a) "Assessment" shall mean those levies, charges, or sums payable by an Owner from time to time as established by the Declarant, as provided herein, the obligation to pay such charges to be deemed a covenant running with the land owned by said Owner forming a part of the Subdivision.

(b) "Assessment Year" shall mean the calendar year.

(c) "Association" shall mean and refer to The Willow Lake Homeowners Association, Inc., a Delaware Corporation, Its successors and assigns, which shall be a non-profit membership corporation with each Owner mandatorily being a member thereof.

(d) "Board" or "Board of directors" means that board or group of natural individuals of the number stated in the By-Laws which has the obligation of managing the business operations and affairs of the Association for and on behalf of the Owners.

(e) "By-Laws" means such governing regulations for the Association as may be adopted from time to time pursuant to the Certificate of Incorporation, Including such amendments thereto.

(f) "Certificate of Incorporation" means that Certificate filed with the Secretary of State of Delaware, and the Recorder of Deeds at Georgetown, Sussex County, Delaware, pursuant to the General Corporation Laws of the State of Delaware for purposes of creating the Association, and any amendments thereto.

(g) "Common Areas" shall mean and refer to those areas in the Subdivision which are intended to be devoted to the common use and enjoyment of the Owners, all upon and subject to the terms and conditions hereinafter stated, including but not limited to, the Roads and those areas designated on the Subdivision Plot as Common Areas, the Pond, and Outlots.

(h) "Declaration" means this document.

(i) "Director" means a member of the Board.

(j) "Entire Tract" means those certain tracts, pieces and parcels of land described

in a deed from Charles P. Spicer Sr. in the Office of the Recorder of Deeds in Sussex County, Delaware, in Deed Book 1698, page 147.

(k) "Lot" means those individually numbered parcels of land shown on the Subdivision Plot intended for independent ownership.

(l) "Lot Owner" means the Person or Persons owning a Lot to wit, an Owner.

(m) "Member" means the Owners who shall be members of the Association as provided in Article VI hereof.

(n) "Mortgage" means any mortgage, deed of trust, or similar instrument granted as security for the performance of any obligation.

(o) "Owner" means the record owner, whether one or more Persons, of the fee simple interest in any Lot in the Subdivision in any Section thereof, 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 proceedings in lieu thereof.

(p) "Person" means a natural individual, corporation, partnership, trustee or other legal entity, public or private.

(q) "Roads" means those roads, streets or rights-of-way designated as such or as shown on the Subdivision Plot and named Lakeshore.

(r) "Recorder of Deeds" means the Recorder of Deeds in and for Sussex County, with offices located in Georgetown, Delaware.

(s) "Rules and Regulations" means those rules and regulations promulgated by

the Association pursuant to the provisions hereof and of the By-laws with regard to the operation of the Association; the use of the Common Areas and for such other purposes as are authorized herein or in the Certificate of Incorporation or the By-laws.

(t) "Subdivision" means all that certain tract, piece and parcel of land, lying and being situate in Dagsboro Hundred, Sussex County, Delaware, being known as Willow Lake as more particularly shown on plot of survey, prepared by Land Tech Inc. on January 27, 1993 and Recorded in Sussex County, Delaware, in Plot Book _____, page _____.

(aa) "Subdivision Plot" means the plot of survey.

(bb) "Supplemental Declaration" means any supplement to this Declaration, recorded for purposes of amending, modifying, supplementing, deleting, or changing the provisions hereof.

(cc) "Willow Lake" means the Subdivision.

(dd) "Total Assessment" means the aggregate of all the Assessments.

(ee) "Total Lots" means all of the Lots in the Subdivision.

(ff) "Total Vote" means the aggregate of all the votes attributable to all the Lots.

Section 1.02 Rules of Construction

(a) All references in this declaration to designated "Articles", "Sections", and other subparagraphs or subsections are to the designated articles, sections and other paragraphs of this indenture as originally executed.

(b) Article and section headings appearing herein are inserted for convenience

only and do not purport to, and shall not be deemed to define, limit, or extend the scope of the respective articles and sections to which they pertain.

(c) The words "herein", "hereof", and "hereunder" and other words of similar import refer to the indenture as a whole and not to any particular article, section or paragraph unless the context indicates otherwise.

(d) Words of the neuter gender shall be deemed and construed to include correlative words of the feminine and masculine gender.

(e) Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.

ARTICLE II

APPLICATION

Section 2.01 Property

The real property subject to this Declaration is all that property located in Dagsboro Hundred, Sussex County, Delaware, as described on the subdivision plot.

Section 2.02 Binding Effect

This Declaration and the covenants, conditions, restrictions, easements, provisions, and obligations set forth herein, shall be binding upon and inure to the benefit of the Owners.

ARTICLE III

COMMON AREAS, EASEMENTS AND CERTAIN RESERVATIONS

Section 3.01 Common Areas

The Common Areas are dedicated to the common use and enjoyment of the

Owners.

The Owners shall be required to pay the costs of the administration, maintenance, repair and improvement of the common areas, as more particularly set forth herein.

All roads are dedicated for the use of the Owners of Lots, subject to the restrictions contained herein. Every Lot Owner, by the acceptance of a conveyance of a Lot or Lots in the Subdivision agrees to assume the responsibility of maintaining, repairing and replacing the Roads. This responsibility shall be shared equally by every Lot having access off of a Road and shall be binding upon the Owners, their heirs, successors and assigns. As hereinafter stated, as long as the Association is in existence it shall maintain such Roads and levy as part of the Assessments on all of the Owners for the purpose of such maintenance, all in accordance herewith.

Section 3.02 Owners Easements of Enjoyment

Subject to the provisions of this Declaration, the Certificate of Incorporation, and the By-laws, the Declarant does hereby establish and create for the benefit of and does hereby give, grant and convey to the Owners the following easements, rights and privileges which shall be appurtenant to and shall pass with title to every Lot:

- (a) Right -of-way for Ingress and egress by vehicle or on foot in, to, upon, over and under the roads for all purposes for which roads are commonly used; and
- (b) Rights to connect with and make use of underground utility lines, pipes, conduits, and drainage lines which may, from time to time, be in or along the Roads or other areas shown as utility or drainage easements on the Subdivision Plot.
- (c) The right to enter upon all Common Areas and to use and enjoy the same for the purposes for which they are intended, subject to the restrictions imposed in this

Declaration.

Section 3.03 Title to Common Areas

Title to the Common Areas shall remain vested in the Declarant, subject however, to the terms, provisions, covenants, conditions and easements set forth herein, and the Declarant may lease, convey or encumber all or a part thereof or any interest therein. The Declarant shall have the right, but shall not be obligated, to convey title in and to all or a part of the Common Areas or any interest therein to the Association, subject to any terms, conditions, reservations, restrictions, covenants or easements in addition to those set forth herein, as the Declarant may, in its sole discretion, impose, and the Association shall be required to accept the same.

The right to use the Roads and other Common Areas is also hereby made subject to the right of the Declarant to dedicate or transfer all or any portion thereof to any public agency or authority for such purposes and subject to such conditions as may be agreed upon by it and such public entity. If, prior to such dedication, the title to the Roads is transferred to the Association, then the right to use the Roads shall be subject to the right of the Association to make such dedication for such purposes and subject to such conditions as may be agreed upon by the Members, provided that no such dedication, or transfer by the Association or determination by the Association as to the purpose of or as to the condition upon which such dedication or transfer shall be made, shall become effective unless such dedication, transfer, and determination as to purpose and conditions thereof, shall be authorized by the vote, in person or by proxy, of two-thirds (2/3) of the Total Vote and unless written notice of the proposed resolution authorizing such action is sent to the Members according to the procedures outlined in the By-laws at least ten (10) and no more than sixty (60) days in advance of the scheduled meeting, at which such action is to be taken. A true copy of such resolution, together with a certificate of the result of the vote taken thereon, shall be made and acknowledged by the President or Vice President and Secretary or assistant Secretary of the Declarant, and such Certificate shall

be annexed to any Instrument of dedication or transfer affecting the roads prior to Recordation. Such Certificate shall be conclusive evidence of authorization by the Membership. Upon dedication or transfer of a Road or any portion of the Common Areas to a public agency or authority, as aforesaid, such portion of the Common Areas shall no longer be considered a Common Area.

Section 3.04 Drainage and Utility Easements

The Declarant expressly reserves easements and rights-of-way over all property within the Subdivision for the purpose of drainage and the supplying of utility services to the Subdivision, including but not limited to water, electric, telephone, cable television, etc., said easements and rights-of-way to be located within those areas generally identified as follows:

- (a) Easements and rights-of-way twenty feet (20') in width having as their center lines all interior side, front, and rear property lines of the Lots.
- (b) Ten (10') foot wide easement or right-of-way along the perimeter boundary line of the Subdivision.
- (d) The Common Areas.

All of the aforesaid easements and rights-of-way shall be hereinafter referred to as the "Utility Easements".

Section 3.05 Declarant's Easements and Reservations

The Common Areas, the Utility Easements, and the rights and easements of enjoyment created hereby shall be subject to, and Declarant hereby specifically reserves, the following:

(a) The right of the Declarant to grant and convey perpetual or temporary easements to or in favor of any individual or entity, their heirs, successors, assigns, agents, servants, licensees and invitees, together with the right of ingress and egress and regress over the Common Areas.

(b) The right to grant easements in the Subdivision for the Installation and maintenance of electrical service, telephone service, water service, drainage facilities and other utility services and necessary appurtenances to all entities, their heirs, successors and assigns owning or operating such services or facilities as the same may be supplied or provided from time to time to the Subdivision.

(c) The rights of ownership of the Declarant in and to the Common Areas and the Utility easements, and the right of the Declarant, its successors and assigns, agents, servants, contractors, workmen, employees, licensees and invitees in and to the use of all of the Common Areas and the Utility Easements, including but not limited to, purposes of ingress, egress, construction, reconstruction, maintenance, and repair; and

(d) The right, without being obligated to do so, to construct lighting along the roads but within the road rights-of-way, to pave the Roads and to construct curbs and gutters in connection therewith, to construct an appropriate sign at the entrance to the Subdivision indicating the name thereof, and other improvements in the Common Areas that will benefit the Owners, the maintenance and operation of which is to be the responsibility of the Association, the cost of said maintenance and operation to be paid from the Assessments.

(e) Other restrictions and reservations set forth herein.

All of the rights and easements created hereby for the use and benefit of the owners shall be nonexclusive in nature and each Owner shall use and exercise the rights and easements created hereunder in common with other Owners and the Declarant, and shall

not unreasonably interfere with the rights of the Declarant and other Owners or other persons or entities having rights therein in their exercise and use thereof. The Declarant further reserves the right to assign, transfer, or convey the above rights, reservations, and easements to the Association.

Section 3.06 Delegation of Use

An Owner may delegate his rights of enjoyment and use of the Common Areas to the members of his family, tenants or contract purchasers (and members of the family of any tenant or contract purchaser) who reside on or in any Lot and their respective invitees, all subject to the terms and conditions set forth herein.

Section 3.07 Maintenance of Common Areas

The Association shall administer, maintain, improve, and repair the Common Areas and pay the cost of utilities supplied thereto to the degree allowable pursuant to the budget formulated in accordance with Article IV hereof, and in accordance with the limitations which might be placed upon it by the amount of the Assessments received pursuant to said Article.

Section 3.08 Rules and Regulations

The Association shall have the right to promulgate and enforce reasonable rules and regulations with regard to the use of the Common Areas from time to time, subject, however, to the approval of the Declarant as long as it owns the Common Areas and until such time as it conveys a majority of the Lots shown on the Plot.

Section 3.09 Transfer of Title

The Declarant specifically reserves the right to transfer title in and to the Common

Areas to the Association or any other Person without being obligated to do so, subject to the terms, reservations, easements, covenants, and restrictions set forth herein.

Section 3.10 Pond Easement

Each Lot adjoining the Pond shall have as appurtenant thereto an exclusive easement within that area determined by extending the side lines of such Lot from the rear Lot line to the water's edge. Use and occupancy of such an easement shall be subject to all of the terms and conditions set forth in this declaration. The ownership of each such easement will run with the Lot to which each easement is appurtenant.

Section 3.11 Potable Water

The Declarant reserves the right to enter into an agreement with a public utility for and on behalf of and for the benefit of itself and the Owner's whereby such entity will provide water to the Subdivision for domestic use. Such services and facilities shall be subject to those rules and regulations imposed by such entity in connection therewith, and the Owners shall enter into such contracts as may be required by such utility in connection with charges for such services and facilities as may be rightfully imposed by such entity. Such entity shall have the right to discontinue providing such services and facilities to an Owner upon the failure of such Owner to comply with such contracts or rules and regulations or to pay such fees, rates, tariffs, or charges. All of the foregoing shall be subject to and in compliance with all applicable statutes, rules and regulations enacted or promulgated by such federal, state, or local government or agency having jurisdiction over the providing of such services and facilities.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.01 Creation of Lien and Personal Obligation of Assessments

The Owners, for themselves and their successors and assigns, and for each Lot within the Subdivision, hereby covenant, and each Owner of any Lot, by acceptance of a deed or other transfer document therefor, whether or not such shall be expressed in such deed or other transfer document, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges and (2) special assessments for maintenance, repair and operation of the common Areas, capital improvements and operating, repair and replacement reserve funds and for other purposes herein mentioned, such assessments to be fixed, established and collected as hereinafter provided (herein referred to sometimes individually or collectively as the "Assessments" as the context requires, or collectively, the "Total Assessment"). The Assessments, together with interest, costs, and reasonable attorney's fees shall be a charge on the Lots and shall be a continuing lien upon the Lot against which each assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment fell due. The personal obligation for Delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them. The Delinquent Assessment shall, however, be a lien upon the Lot against which such Assessment was made, regardless of the transfer of title to such Lot. The Assessments shall be used exclusively for the purpose of the benefit of the owners, and in particular, for the management and operation of the Association, administration, improvement, replacement, repair and maintenance of the Common Areas including but not limited to the payment of taxes and insurance thereon, the cost of utility service supplied thereto, and the repair, replacement and supervision thereof and for operating reserve funds and reserve funds for working capital, contingencies and repair and replacement of the Common Areas and the appurtenances

thereto. Provided, however, Declarant shall at all times until the lots are fully sold, or until ten (10) years after the recording of the first deed of outconveyance from the subdivision, be exempt from payment of any assessments, dues or charges under this or any other section or subsection of this Declaration.

Section 4.02 Determination of Assessments - Budget

At least thirty (30) days prior to the end of the Assessment Year, the Association shall adopt a budget containing an estimate of the Total Assessments due from all of the Owners, which shall include, but not necessarily be limited to, an estimate of the following:

(a) The total amount considered necessary to pay the costs of maintenance, management, operation, repair and replacement of the Common Areas.

(b) The cost of wages, materials, insurance premiums, taxes, utilities, services, supplies, principal and interest payments on debts of the Association, and other expenses that may be necessary for the administration and maintenance of the Common Areas or incurred in connection with the acquisition of land or capital improvements, and the administration and fulfillment of the obligations imposed upon the association hereby or by the Certificate of Incorporation or By-laws.

(c) Reasonable amounts as the Association considers necessary to provide working capital, a general operating reserve, and reserves for contingencies and repairs and replacements, and also such amounts as may be necessary to make up any deficit in the Assessments for any prior year.

(d) Amounts necessary for the proper management and operation of the Association and the administration of the Declaration.

The budget shall include a capital budget which shall serve as the base for

determining the amounts needed from time to time to fund the reserve for repairs and replacement. Such capital budget shall take into account the number and nature of the replaceable assets and assets which will require periodic repairs, the expected life of each such asset, or expected period before repairs will be required and the expected repair or replacement cost. The required capital contribution shall be established in an amount sufficient to permit meeting the projected capital needs of the Association as shown in the capital budget, and such amount shall be a part of the Assessment.

Section 4.03 Assessment and Payment of Assessments

The total amount of the estimated funds required from assessments set forth in the annual budget adopted by the Association shall be assessed among the Owners for each Lot on the basis of the following computation: The Total Assessment divided by the number of Lots in the Subdivision with the resulting figure being the Assessment due from each Lot. The fact that one Owner may own two or more adjoining Lots shall not cause a reduction in the liability of each Lot for an assessment due. Rather, the assessment shall be made on the basis of each lot owned regardless of the number of lots owned by one Owner. On the first day of each Assessment Year of the Association, each Owner shall be obligated to pay to the Association the Assessment levied against their respective Lots. The Assessment may be paid at such other time or times as the Association shall determine. Within ninety (90) days after the end of each Assessment Year, the Association shall supply to each Owner and to each Mortgagee requesting the same, in writing, an itemized accounting of the expenses for each Assessment Year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Association for such Assessment Year and showing the net amount over or short of the actual expenditures plus reserves. Any net shortage shall be assessed promptly against the Owners as an assessment and shall be payable either (1) in full with payment of the next annual or periodic Assessment due or (2) within a period not to exceed six (6) months, as the Association may determine.

Section 4.04 Subordination and Mortgage Protection

Notwithstanding any other provisions hereof to the contrary, the lien of any Assessment (and any interest, costs, or attorney's fees in connection therewith) shall be subordinate to and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received, provided, however, that such subordination shall apply only to Assessments which may have become due and payable prior to the sale or transfer of that portion of the Subdivision described in a Mortgage pursuant to foreclosure by Mortgagee or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of such property at such sale from liability for any Assessments thereafter becoming due. Such sale or transfer shall not relieve the selling Owner from personal liability for any amounts due the Association unpaid as a result of such sale or transfer.

Section 4.05 Reserves - Special Assessments

The Association may, but shall not be required to, accumulate and maintain reasonable reserves for working capital, operations, contingencies, repairs and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against the applicable reserves. If the reserves are inadequate for any reason, including non-payment of any Member's Assessment, the Association may, at any time, levy a further Assessment which shall be assessed against the Owner and which may be payable in a lump sum of installments, as the Association may determine. The Association shall serve a notice of any such further Assessment on the Owners by a statement, in writing, giving the amount and the reason therefor, and such further Assessment shall, unless otherwise specified in the notice, become effective with the next regular Assessment payment which is due more than ten (10) days after such notice of further Assessment, and all Owners so notified shall be obligated to pay such amount. Such Assessments shall be enforceable as set forth in Section 4.08.

All reserves for replacements shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Association, be invested in obligations of or fully guaranteed as to principal by any state or the United States of America. The reserve for replacements may be expended only for the purpose of effecting a replacement or repair of the Common Areas and for start-up costs and operating contingencies of a non-recurring nature. The proportionate interest of any Owner in any reserve for replacements and any other reserves which may be established by the Association shall be considered an appurtenance of his Lot and shall not be separately withdrawn, assigned, or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot. Any funds received by the Association as a result of an Assessment of Common Expenses in an Assessment Year not utilized during said year may be deposited in the reserve for replacement account.

Section 4.06 Failure to Adopt Budget

Failure or delay to prepare or adopt a budget for any assessment Year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his share of the Assessments as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, such Owner shall continue to pay each periodic installment at the periodic rate established for the previous Assessment Year until notified after such new annual or adjusted budget is adopted.

Section 4.07 Owners' Review of Budget

The Owners shall have the right to reject any budget which may be adopted by the Association acting through its Board of Directors by a vote of a majority of the votes represented at the annual Members meeting where a quorum is present or any special meeting of the Members called specifically to consider the rejection thereof, provided, however, that the budget for the preceding Assessment Year shall serve as a basis for

determining the Assessments due pending the adoption of any new budget.

Section 4.08 Collection of Assessments

Assessments will be due on the first day of each Assessment Year and shall be considered in default if not paid within thirty (30) days of that date. The Association may, however, by notice to the Owners, determine that assessments shall be paid in installments.

In any case where Assessments are payable in installments, upon default by an Owner in the timely payment of any installment, the maturity of the remaining total of the unpaid installment or installments of Assessments for that Assessment Year may be accelerated at the option of the Association and the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner and his Mortgagee (if notice thereof has been given to the Association by the Owner). Interest shall accrue on the amount of any Assessment or installment thereof or interest shall accrue on the amount of an Assessment which may be due by way of acceleration, as aforesaid, from the 30th day following the date of the notice of acceleration. Interest shall be computed at the highest rate allowable by law. The defaulting Owner shall be obligated to pay all costs incurred by the Association in collecting a delinquent Assessment, including court costs and reasonable attorney's fees.

The association may, at the expense of the defaulting Owner, file of record a notice of the lien created by an Assessment or such other or further document as may be deemed necessary to confirm the establishment of such lien. The cost of preparation of and the filing of any notice of lien and any release or satisfaction thereof shall be paid by the defaulting Owner. The Association may take whatever action as may be lawfully allowable to collect or cause the collection of an Assessment and may request an award of counsel fees, collection costs, and court costs in addition to the amount of the Assessment, and interest which may be due.

No Owner may relieve himself from the responsibility for the payment of assessments by abandoning or otherwise relinquishing his use of the Common Areas or his membership in the Association.

Section 4.09 Exemptions from Assessments

The following property shall be exempted from Assessments:

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

(b) All Common Areas.

ARTICLE V

INDEMNITY AND INSURANCE

Section 5.01 Indemnification

The Association, in addition to the other powers conferred upon it hereunder, and the powers of indemnification set forth in Section 145 of Title 8 of the Delaware Code, shall have the power to indemnify every officer and Board member against any and all expenses, including counsel fees reasonably incurred by or imposed upon any officer or governor in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer or director. The officers and Board members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officer and Board members shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association and the Association

shall have the power to indemnify and forever hold each such officer and Board Member free and harmless against any and all liability to others on account of any such contract or commitment. Any indemnification provided for herein shall not be exclusive of any other rights to which any officer or Board member or former officer or Board member may be entitled. The Association shall have the authority to maintain adequate and general liability and officers and directors liability insurance to fund this obligation and to pay the expense of such insurance from the proceeds of the Assessments. This section shall not be construed as relieving any officer or Board member from liability as a Member to pay any Assessment necessary for such indemnification.

Nothing contained in this Declaration, nor any instrument of writing to which the same may be attached, shall be construed in any manner so as to impose upon The Willow Lake Architectural Control Committee or The Willow Lake Homeowners Association, or their successors or assigns, any liability whatsoever for property damage and/or personal injury occurring to any person or persons whomsoever, for or by reason of the use of any of the streets, roads, entrance way, waters, or any of them in or adjacent to the Willow Lake or the Common Areas generally. Any and all persons using any such streets, roads, entranceway, waters, Common Areas, or any of them, shall do so at their own risk and without liability whatsoever on the part of the Willow Lake Architectural Control Committee or the Willow Lake Homeowners Association, or their successors or assigns, as the case may be.

Section 5.02 Insurance

The Association shall have the authority to maintain or cause to be maintained the following insurance with regard to the Common Areas:

- (a) Comprehensive general liability insurance with limits of not less than \$1,000,000.00 per person and per occurrence and \$1,000,000.00 annual aggregate for bodily injury, and property damage coverage with a limit of not less than \$150,000.00 per

occurrence.

(b) Such insurance policies or bonds (whether or not required by any provision of this Declaration, the Certificate of Incorporation, or any By-laws) as the Association shall deem to be appropriate for the protection or benefit of the Common Areas and the Improvements located therein, the Association, the members of the Board, the members of the Architectural Control Committee referred to in this Declaration and the By-laws and of other committees as set forth in the By-laws, Members, their tenants or guest, including, but without limitation, fire and extended coverage insurance covering the Common Areas, liability insurance workmen's compensation insurance, malicious mischief insurance, and performance and fidelity bonds.

To the extent possible or reasonable, the aforesaid policies of insurance will include the owners as lost payees thereunder as their interest may appear. Premiums for such insurance shall be paid from the Assessments.

Section 5.03 Special Provisions of Insurance Policies

In all events to the extent obtainable, each policy or policy of insurance under Section 5.02 shall provide or contain the following:

(a) A provision to the effect that any Owner in his own right may procure other insurance and that such other insurance shall in no wise serve to reduce, abate, diminish, or cause any proration in payment of the total loss by the insurer.

(b) A statement that the exclusive right and authority to adjust losses under the policy shall be vested in the Association.

(c) A provision to the effect that the policy or policies cannot be canceled, invalidated, or suspended on account of the conduct of any member of the Association or

officer or employee of the Association or the Manager without prior demand, in writing, that the Association or manager cures such default.

(d) A provision to the effect that such policies shall not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least sixty (60) days prior written notice to the Association and the Manager, if any.

ARTICLE VI

ASSOCIATION

Section 6.01 Formation - Restrictions on Amendments

Subsequent to the recordation hereof, the Declarant, acting as Incorporator, shall incorporate in the State of Delaware a non-profit, non-stock corporation, to be known as the Willow Lake Homeowners Association and designate the Board of Directors thereof. The Owners shall not have the right to affect the rights of the Declarant as set forth herein and therein without the written consent of the Declarant.

Section 6.02 Association Powers, Duties and Purpose

The nature of the business and the objects and purposes to be transacted, promoted and carried on by the Association are to assume the rights, duties and obligations created herein applicable to or for the benefit of the Association, and as set forth in the Certificate of Incorporation; to promote and protect the Interest of Owners; to maintain and administer the Common Areas; to transact any business involving the interest of said owners as a group; to do any and all other things related to the operation of a homeowners association; to do any and all other acts which are lawful under the laws of the State of Delaware.

Without limiting the generality of the foregoing, the Association shall have, in addition to such powers, duties and purposes as are assigned to it by other provisions of this Declaration and its Certificate of Incorporation, the powers, duties and purposes to do and perform each and every of the following for the benefit of the Owners and the Association:

- (a) Common Areas. To administer and maintain the Common Areas.
- (b) Membership. To accept all Owners as members of the Association.
- (c) Enforcement. To take such action, whether or not expressly authorized herein, in the Certificate of Incorporation or in the By-laws as may reasonably be necessary to enforce the restrictions, limitations, covenants, affirmative obligations, conditions and other provisions of the Declaration, and contained in the Certificate of Incorporation and the By-laws, and any Rules and Regulations which may be promulgated from time to time.
- (d) Operation and Maintenance of Common Areas. To operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Common Areas, to keep all Improvements of whatever kind and for whatever purpose, from time to time located thereon, in good order, condition and repair, and to maintain the Roads free and clear of obstructions and in a safe condition for vehicular use at all times.
- (e) Water and Other Utilities. To acquire, provide and/or pay for any necessary utility services for the Common areas.
- (f) Taxes and Assessments. To pay all Income and real and personal property taxes and Assessments (if any) separately levied upon or assessed against the Association and/or property owned by the Association. Such taxes and Assessments may be contested or compromised by the Association provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property

to satisfy the payment of such taxes to avoid such sale or disposition.

(g) Dedication for public Use. Upon the affirmative vote of a majority of its Members to dedicate Roads, and such water, sewer or other utility lines or facilities and appropriate easements as may be owned by the Association and as may be specified by resolution of the Board, approved by the Members, as aforesaid, to the State of Delaware; Sussex County, Delaware; or such utility companies, political subdivisions, public authorities or similar agencies or bodies as may be designated in said resolution adopted by the Board.

(h) Rule Making. Acting through the Board to make, establish, promulgate, amend and repeal any Rules and Regulations for purposes of governing the Common Areas, and fulfilling the duties and obligations and exercising the powers of the Association.

(i) Assessments. To levy assessments on the members and to enforce payment of such Assessments, all in accordance with the provisions of this Declaration and Regulations as may be necessary to assist in the enforcement of the payment of such assessments.

(j) Easements and Rights of Way. To grant and convey to any third party easements and rights of way in, on, over, or under the Common Areas owned by it for purposes of construction, erecting, operating or maintaining thereon, therein, or thereunder:

(1) Overhead or underground lines, cables, wires, conduits or other devices for the transmission of electricity, and for lighting, heating, power, telephone, cable television, radio and audio antenna facilities and for other appropriate purposes.

(2) Public sewers, storm water drains and pipes, water systems, sprinkling systems, water heating and gas lines or pipes, and other similar public or quasi-public

Improvements or facilities.

(k) Employment of Manager and Employees. To retain such employees and to employ the services of any person or corporation as manager, together with employees to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board, and to enter into contracts for such purposes.

(l) Common Area Maintenance. To contract and pay for or otherwise provide for the maintenance, restoration, repair and Improvement of the Common areas and all Improvements of whatsoever kind and for whatever purpose from time to time located upon or within the Common Areas.

(m) Insurance. To obtain, maintain and pay for such Insurance policies or bonds (whether or not required by any provision of this Declaration, the Certificate of Incorporation, or any By-laws) as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board, the members of the Architectural Review Committee referred to in the Declaration and the By-laws and of other committees as set forth in the By-laws, Members, their tenants or guests, including, but without limitation, fire and extended coverage insurance and flood insurance covering the Common Areas, liability Insurance, workmen's compensation insurance, malicious mischief insurance, and performance and fidelity bonds.

(n) Professional Services. To contract and pay for or otherwise provide for the services of architects, engineers, surveyors, attorneys, certified public accountants, public accountants, and such other professional and non-professional services as the association deems necessary.

(o) General Contracts. To contract and pay for or otherwise provide for such materials, supplies, furniture, equipment, labor and protective services as and to the extent the Association deems necessary.

(p) Liens. To pay and to discharge any and all liens from time to time placed or imposed upon any Common Area on account of any work done or performed by or on behalf of the Association in the fulfillment of any of its obligations and duties of maintenance, repair or operation, and administration.

(q) Acquisition of Land and Improvements. To acquire by purchase or gift land and/or Improvements for the benefit of the Association or the Owners and to incur such debt as may be necessary in connection with the financing of such acquisition and to execute such documents as may be reasonably required to secure the payment of such debt.

Section 6.03 Membership

The Association shall have two classes of membership -- Class "A" and Class "B", as follows:

(a) Class A. Class A Members shall be all Owners with the exception of the Declarant or any successor Declarant who takes title for the purposes of development and sale of the Subdivision.

Every Owner, as aforesaid, shall be deemed to have a Membership in the Association. Membership shall be appurtenant to and not be separated from the ownership of a Lot. The foregoing is not intended to include mortgagees or any Person who holds an Interest merely as security for the performance of an obligation and the giving of a security interest shall not terminate an Owner's membership.

(b) Class B. Class B members shall be the Declarant and any successor of the Declarant who takes title for the purposes of development and sale of the Subdivision. The Class B Membership shall terminate and become converted to a Class A membership upon the happening of the earlier of the following: (i) The expiration of ten (10) years from

the date of recording the deed for the first lot in the subdivision or (ii) when, in its discretion, the Declarant so determines. From and after the happening of these events, whichever occurs earlier, the Class B Members will be deemed to be class A Members entitled to one vote for each Lot in which it holds the interest required for Membership.

Section 6.04 Voting

Voting shall be on the basis of one (1) vote per Lot for each Lot owned by a Class A member or Members regardless of the number of Owners of such Lot, and two (2) votes per Lot for each Lot Owned by a Class B Member or Members. A majority of the Total Vote cast at a meeting at which a quorum is present shall be binding upon all Members for all purposes except when a higher percentage is required by these By-laws, the Declaration, or the Certificate of incorporation.

In the event a Lot is owned by more than one Person and only one of the multiple Owners of a Lot is present at a meeting of the Members, the Lot Owner present at the meeting is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners of a Lot are present, the vote allocated to that unanimous agreement if any one of the multiple Owners casts the vote allocated in the meeting by any of the other Owners of the Lot. If such protest is made or if the multiple Owners of a Lot cannot agree upon the exercise of their right to vote, each Owner shall have a fraction of the vote assigned to its Lot based upon its fractional share of the ownership of the Lot. A co-owner of a Lot may permit the other co-owner of the Lot to vote his interest by furnishing the other co-owner with a proxy as hereinafter stated. If a Lot is owned by a corporation, the Individual authorized to cast any vote for the said corporation shall be designated in a duly adopted resolution of the board of Directors or other similar governing body of the corporation, certified by the secretary of the corporation and filed with the Secretary of the Board. If a Lot is owned by a partnership or limited partnership, the Individual authorized to cast any vote for the said partnership shall be designated in a proxy executed by all partners of a partnership and general partners in the case of a limited partnership, filed with the

Secretary. Such authorization to vote on behalf of a corporation, partnership or limited partnership, as aforesaid, shall be valid until revoked or until superseded by a subsequent resolution or proxy, or until a change in the ownership of the Lot concerned.

Section 6.05 Board of Directors

The affairs, administration and management of the Association shall be governed by a Board of Directors composed of that number of natural individuals as may be set forth in the By-laws, but in no event shall the Board consist of less than two (2) individuals. Initially, there will be two (2) Members of the Board, but during the period Declarant shall have the right to elect at least one (1) Member of the Board as set forth herein, the number of Members of the Board shall not be increased without the written consent of the Declarant. Declarant, for a period of ten (10) years from the date of recording the deed for the first lot in the subdivision shall, during such period, be entitled to elect all Members of the Board until such time as declarant shall have conveyed title to one-half (1/2) of the total Lots in the Subdivision, at which point the number of Directors will increase to three (3) and the Members shall be entitled to elect one Member of the Board, and thereafter during such 10-year period or until such time as Declarant shall have conveyed three-fourths (3/4) of the Total Lots in the Subdivision, Declarant shall be entitled to elect a majority of the Members of the Board. In the event Declarant conveys title to three fourths (3/4) of all the Lots in the Subdivision during the aforementioned 10-year period, then during the remainder of such period, Declarant, as long as it owns one Lot, shall be entitled to elect one member of the Board. If Declarant shall convey title to all of the Lots in the Subdivision before the expiration of said 10-year period, the Declarant shall no longer have the exclusive right to elect one member of the Board, as aforesaid. Any Person elected to the Board by Declarant pursuant to this Section may be removed by Declarant for any reason and replaced by another Board Member elected by Declarant upon fifteen (15) days notice to the Board. This Section shall not preclude or limit Declarant from participating as a Class A or Class B Member in the election of the Board Members. Within thirty (30) days after the sale of the Lots in the Subdivision, as aforesaid, or within

thirty (30) days after the expiration of the said 10-year period, whichever first occurs, the Board of Directors will call a special meeting of the Members to elect a Board Member or Members to replace that Board member or Members elected to the Board exclusively by Declarant and that member or those Members so elected by Declarant shall resign from the Board. The Board members elected at said meeting shall be a member of the Board for the remainder of the term of the Member replaced and until a successor shall be elected. Declarant may waive the aforesaid rights in whole or in part at any time by filing a written notice with the Board. The length of a Director's term of office shall be as set forth in the By-laws.

The Board shall have those powers, duties, and obligations as may be imposed upon it herein and pursuant to the Certificate of Incorporation and the By-laws.

Section 6.06 Implied Rights

The Association may exercise any other right or privilege given expressly by this Declaration, the Certificate of Incorporation, the By-Laws and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or therein reasonably necessary to effect any such right or privilege.

Section 6.07 Architectural Control Committee

The Association shall have as a standing committee a committee to be known as the **Architectural Control Committee**.

Declarant may appoint all of the original members of the Committee and all replacements until the fifth anniversary of the recording of the first deed to a Lot.

The Architectural Control Committee shall perform those duties and functions with regard to approval of plans and specifications of structures and improvements to be built, constructed, installed, or placed in the Subdivision, all as set forth in Section 6.08 of this

Declaration; and those duties, from time to time, that shall be assigned to it by the Board of Directors, including inspection of construction in progress, to assure conformance with plans approved by the Committee.

The Committee shall issue rules or guidelines setting forth procedures for the submission of plans for approval and setting forth what materials, colors, types of construction, landscaping, lighting, driveway coverage, fencing and other structural and aesthetic criteria will be permitted in Willow Lake. Each Owner shall be required to comply with the rules and guidelines as issued. As promulgated, the rules and guidelines will be deemed to be incorporated into these Restrictions by reference. The Committee will have the power to amend the rules and guidelines from time to time as it deems necessary.

The Committee shall require detail in scaled plans, specifications, and other information submitted for its review, including but not limited to: site plans illustrating the subject lot and placement of all improvements to include house, drive, walks, landscaping and site drainage, outdoor lighting and the like, foundation plan, floor plans of each floor, elevation drawings of all four elevations with all materials labeled, and specific description or samples of exterior material and colors. Until receipt by the Committee of all required plans and specifications, the Committee may postpone review of any plan submitted for approval.

The Committee may, at its sole discretion and without in any way being required to do so, require the approval of all or a portion of the plans and specifications submitted in accordance herewith by the Owners of an adjoining Lot or Lots if it determines that the proposed improvements may have a material adverse affect upon such Lot or Lots.

Section 6.08 Review of Plans and Specifications.

No building, fence, wall, obstruction, balcony, deck, porch, screen, patio, garage, road, roadway, driveway, parking area, pool, tennis court, recreational facility, landscaping,

outdoor lighting fixture or improvement or structure of any kind, nature or description (collectively the "Improvements") shall be commenced, installed, erected, located, permitted, or maintained upon a Lot; nor shall any remodeling, reconstruction, alteration, change, modification, or addition to any improvements be made until the same has been approved by the Architectural Control Committee **IN WRITING** in accordance with the provisions hereof.

Plans and specifications showing the nature, kind, shape, color, size, materials and location of the improvements, alterations, etc., shall be submitted to the Committee, in duplicate, for approval as to quality of workmanship and design, harmony of external design and existing structures, compliance with the standards set forth herein and as established by the Committee in accordance herewith, and as to the location of the improvements in relation to Lot property lines, surrounding structures, topography and finished grade elevation. No permission or approval shall be required to repaint in accordance with a color scheme previously approved by the Committee. Nothing contained herein shall be construed to limit the right of an Owner to paint the interior of a building on his Lot any color desired.

Decisions of the Committee and the reasons therefor shall be transmitted by the Committee to the applicant at the address set forth in the application for approval within forty-five calendar (45) days after receipt by the Committee of all materials required by it. Any application submitted pursuant to this section shall be deemed approved unless written disapproval or a request for additional information or materials by the Committee shall have been transmitted to the applicant within forth-five (45) calendar days after the date of receipt by the Committee of all required material. Transmittal shall occur when the writing is personally delivered to the applicant or when it is posted in the U.S. Mail by first class mail.

Approval of such plans and specifications shall also be evidenced by written endorsement on such plans and specifications, a copy of which shall be delivered to the

Owner of the Lot upon which the prospective Improvements are contemplated prior to the beginning of such construction. No changes or deviations in or from such plans and specification as approved shall be made without the prior written consent of the Committee. Neither the Declarant, the Association, nor the Committee shall be responsible for any structural defects in such plans and specifications or in any improvement erected according to such plans and specifications.

The approval of the Committee of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar proposals, plans, and specifications, drawings, or matter subsequently or additionally submitted for approval or consent.

ARTICLE VII

RESTRICTIVE COVENANTS

Section 7.01 Residential Use

The Lots and each and every part thereof are for residential purposes only. No building or structure intended for or adopted for business, commercial, or manufacturing purposes and no apartment house, double house, group occupancy house, family day care home, lodging house, rooming house, hospital, sanitarium, or doctor's office, or other multi-family dwelling shall be erected, placed, permitted, or maintained thereon. **No Improvement or structure whatsoever other than a first class private dwelling house may be erected, placed, or maintained on any Lot.** This provision of the Declaration, as well as any other provision hereof, shall not be construed to preclude the Declarant from constructing Improvements upon a Lot otherwise in compliance with the provisions of this Declaration, but for purposes of sale or lease.

Section 7.02 Dwelling

No less than one (1) full numbered Lot, as delineated upon the Subdivision Plot shall be provided for each dwelling to be erected, altered, used, or maintained in the Subdivision. No dwelling shall be erected, altered, maintained or used in the Subdivision, the square footage of which is less than one thousand seven hundred (1,700) square feet, exclusive of all porches, breezeways, carports, garages, terraces, decks, stoops, and the like. If the dwelling has more than one story, the first floor must have a minimum of one thousand (1,000) square feet. Each dwelling must have an attached garage capable of storing at least two automobiles. Architectural designs which provide for the garage doors to face the street shall be discouraged. Dwellings shall be single-family houses not exceeding forty two (42) feet in height.

Section 7.03 Accessory Buildings.

No detached accessory building shall be permitted on any numbered Lot. An accessory building is a subordinate building, the use of which is clearly incidental or customarily found in connection with the residential use of the Lot. Storage sheds and pet houses will be considered accessory buildings. Any accessory building must be attached to the main dwelling. The method of attaching an accessory building to the main dwelling must be substantial in nature, that is, the accessory building must actually be a part of the structure of the main dwelling; share a wall of the main dwelling; be attached to the main dwelling by a structure having at least a roof and a foundation, or the attaching structure must be of such a nature and so integrated into the main dwelling and the accessory building that removal of the attaching structure would cause substantial damage or require substantial repair to both the main dwelling and the accessory building. No accessory building may be constructed prior to the construction of the dwelling. All accessory buildings must be used solely in connection with the dwelling.

The requirement that an accessory building shall be attached to the dwelling shall

not be applicable to a bathhouse constructed for use with an in-ground swimming pool, provided that the bathhouse is contiguous to the swimming pool and similar in design and materials to the dwelling.

Section 7.04 Prohibited Improvements

Any improvement to be located in or upon a lot must be substantially fabricated or constructed upon the Lot. No house trailer, trailer home, mobile home, double-wide mobile home or trailer or similar type structure; no improvement which moves to a building site or lot on wheels, whether attached to its own undercarriage or not; tent; shack; barn; metal storage shed, or other similar improvement, shall be located or constructed, either temporarily or permanently, on any Lot. No modular home, sectional home, prefabricated home, or any residential dwelling which is substantially constructed, built, or fabricated, either in whole or in part, in a place other than the Lot where it will be permanently located, shall be located, placed, or used in the Subdivision, either temporarily or permanently.

Section 7.05 Building Area

The building foundation area of any numbered lot located in the Subdivision shall not exceed thirty percent (30%) of the entire land area of such numbered lot.

Section 7.06 Building Materials

All construction in the Subdivision shall be of new materials, and the movement of old buildings or parts of old buildings upon any lot situate therein is strictly prohibited.

Section 7.07 Subdivision

No lot shall be re-subdivided, sold, or otherwise alienated into a lesser or smaller portion.

Section 7.08 Building Setbacks

(a) The following building setback lines are hereby established:

(1) The rear yard setback line of any lot adjoining the Pond shall be twenty (20) feet.

(2) The building setback for all other lots in the Subdivision shall be as follows:

(I) The front yard setback shall be thirty (30) feet.

(II) The side yard setback shall be fifteen (15) feet.

(III) The rear yard setback shall be twenty (20) feet.

(b) For purposes of this section, the terms set forth below shall have the following meanings:

(1) "building setback" means the minimum distance that buildings must be set back from a Road, right-of-way, or Lot boundary line, as specified above.

(2) "front yard setback" means the yard of a lot extending between the side lot lines and extending the minimum horizontal distance required by a front yard setback, set forth above, from a Road right-of-way. The front yard setback line shall be parallel to the right-of-way line of a Road.

(3) "side yard" means the yard of a lot between the main building on a lot and the side line of a lot and extending from the front yard to the rear yard, and being a minimum horizontal distance between the side lot line and side of the main buildings or any projections thereof.

(4) "rear yard" means the yard of a lot extending across the rear of a lot

between the side lot lines and measuring between the rear lot line and the rear of the building on the lot, or any projection other than steps, unenclosed or unfenced patios which are not more than six inches (6") above grade, or entranceways.

(5) "yard" means an unobstructed space where no buildings or other structures (the use of which requires more or less a permanent location on or in the ground or attached to something having a permanent location in the ground) are permitted on a lot, except as may be permitted pursuant to this Declaration.

(6) "setback" means an area extending from the lot lines to the building setback lines.

(7) "lot line" means the boundary line of a lot.

Section 7.09 Tanks

Fuel tanks, gas tanks, or similar storage receptacles shall be buried underground and obscured from view in all directions.

Section 7.10 Sewage Disposal Systems

No sewage disposal system shall be constructed, erected, maintained or used upon any lot unless the same shall be constructed and maintained according to the rules and regulations established therefor by the Delaware Department of Natural Resources and Environmental Control or other authorities having jurisdiction over such systems. Whenever public sewer service may be made available to any lot, all improvements on a lot shall thereupon be connected therewith at the expense of the Owner or Owners of such lot or lots.