

State of Delaware
Secretary of State
Division of Corporations
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**ARTICLES OF INCORPORATION
OF
RESERVE AT PILOTTOWN MAINTENANCE CORPORATION**

**ARTICLE I.
NAME**

The name of this Corporation is Reserve at Pilottown Maintenance Corporation.

**ARTICLE II.
REGISTERED AGENT AND OFFICE**

The Corporation's registered office is located at 222 Delaware Avenue, 10th Floor, P.O. Box 2306, in the City of Wilmington, New Castle County, Delaware. The name of the initial registered agent of the Corporation is Delaware Corporate Services, Inc.

**ARTICLE III.
PURPOSE AND POWERS OF THE CORPORATION**

The purpose for which the Corporation is formed is to provide that all private open space and common facilities within that certain parcel of land known as Reserve at Pilottown (the "Community") located in The City of Lewes, Sussex County, Delaware, and being shown on the Revised Plot Plan of Pilottown Park Addition recorded in the Office of the Recorder of Deeds for Sussex County, Delaware, in Book 00076, Page 00128, on 8-26-02, and as shall be shown on the Revised Plot Plan for Reserve at Pilottown, prepared by Karins and Associates, plan dated 2-4-02 and last revised 4-22-04, whereby the name of the community shall be changed to "Reserve at Pilottown", not yet recorded but intended so to be, as may be amended from time to time (the "Plan"), shall be maintained according to the provisions of (i) Declaration of Restrictions for Reserve at Pilottown made by Pilottown Road, L.L.C., a Delaware limited liability company ("Declarant") and dated as of August 5, 2004, as may be amended from time to time and as shall be recorded from time to time in the Office of the Recorder of Deeds in and for Sussex County, Delaware (the "Declaration"), and (ii) the Bylaws of Reserve at Pilottown Maintenance Corporation.

**ARTICLE IV.
STOCK ISSUANCE**

The said Corporation shall not have the authority to issue capital stock.

**ARTICLE V.
MEMBERSHIP**

The said Corporation is not a corporation organized for profit, and it shall have no capital stock. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Corporation shall be a member of the Corporation. This is not intended to include persons or entities who or which hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and

may not be separated from ownership of any lot which is subject to assessment by the Corporation. Ownership of the lot shall be the sole qualification for membership.

ARTICLE VI. VOTING RIGHTS

At all meetings of the Corporation, the owners of each lot shall be entitled to cast such vote or votes as provided for in the Bylaws, which vote or votes may be cast in person or by proxy. The Corporation shall have two classes of voting membership, Class A and Class B.

(a) Class A Member: Except for the Declarant and any express designee of Declarant, which shall initially be the Class B Members, a Class A Member shall be a record owner holding title to one or more lots laid out in the Community. Each Class A Member shall be entitled to one (1) vote per lot, for each such lot owned by such member, in all proceedings in which action shall be taken by members of the Corporation.

(b) Class B Member: The Class B Members shall be the Declarant and any express designee thereof which is a record owner of any lot. The Class B Members shall be entitled to three (3) votes for each lot or lots within the Community owned by the Class B Members in all proceedings in which action shall be taken by members of the Corporation.

When more than one person holds such interest or interests in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one total vote be cast with respect to any such lot.

ARTICLE VII. BOARD OF DIRECTORS

The affairs of this Corporation shall be managed by a board of directors, consisting of two (2) or more directors, not to exceed eight (8). Directors must be members of the Corporation with the exception of the initial board. The names and addresses of the persons who are to act in the capacity of directors of the initial board until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Jack L. Hilaman	220 Continental Dr., Suite 410 Newark, DE 19713
Jeffrey W. Seemans	220 Continental Dr., Suite 410 Newark, DE 19713
Julie R. Smith	220 Continental Dr., Suite 410 Newark, DE 19713

ARTICLE VIII. LIABILITIES OF MEMBERS

If employees or agents of The City of Lewes enter upon property that is owned and titled in the name of Reserve at Pilottown Maintenance Corporation for the purpose of bringing such property into compliance with The City of Lewes Code, State or Federal law, members of the

Corporation shall be personally liable for debts of the Corporation caused by such corrective action and assessed against said Corporation. Such liability shall not, however, as to any member exceed a fraction in which the number of lots owned by such member is the numerator, and the number of all such lots is the denominator.

ARTICLE IX. LIABILITY OF DIRECTORS

A Director shall not be personally liable for monetary damages for a breach of a fiduciary duty as a director unless: (i) such breach constitutes a breach of the duty of loyalty to the Corporation or its members; (ii) the act or omission was not in good faith or otherwise involved intentional misconduct or a knowing violation of law; or (iii) for any transaction from which the director derived an improper personal benefit. A director shall not be liable for a breach of the duty of loyalty for a self-interested transaction if the provisions of 8 Del.C. § 144 are satisfied.

ARTICLE X. ASSESSMENT RIGHTS

Nothing herein shall authorize the Corporation to determine assessments except for a proper corporate purpose as set forth in these Articles of Incorporation, the Bylaws or the Declaration.

ARTICLE XI. INCORPORATOR

The name and address of the Incorporator is as follows: Delaware Corporate Services, Inc., 222 Delaware Avenue, 10th Floor, Wilmington, DE 19801.

The powers of the Incorporator shall terminate upon the filing of these Articles of Incorporation. The Incorporator shall designate the persons who are to serve as the initial Board of Directors of the Corporation until their successors are elected and qualified in accordance with the Bylaws.

ARTICLE XII. AMENDMENTS

The Bylaws may be amended, altered or added to by majority vote of the Board of Directors; provided, that unless seventy-five percent (75%) of the members of the Corporation have approved such amendment in writing, no such amendment shall take effect until sixty (60) days after notice of such amendment, accompanied by the language thereof, has been mailed to the members of the Corporation. These Articles of Incorporation may be amended by the affirmative vote of seventy-five percent (75%) of the Board of Directors; provided, that unless seventy-five percent (75%) of the members of the Corporation have approved such amendment in writing, no such amendment shall take effect until sixty (60) days after notice of such amendment, accompanied by the language thereof, has been mailed to the members of the Corporation. Notwithstanding the foregoing, however, no amendment made after the first regular meeting of the members of the Corporation following the transfer of control of said Corporation from the initial Board of Directors to a Board of Directors comprised of homeowners, shall be effective without the prior written consent of the Declarant, so long as the Declarant holds title to

any portion of the Community; or shall be effective without a meeting and affirmative vote of seventy-five percent (75%) of the members of the Corporation, if at least ten percent (10%) of the members call for such meeting and vote within sixty (60) days of the date when notice of the adoption of such amendment was mailed to the members. In addition, no such amendment shall become effective without the prior written consent of the Department of Housing and Urban Development, the Farmers Home Administration, the Veterans Administration, the Federal National Mortgage Association or of any mortgage insurance provider, secondary mortgage market administrator, mortgagee or other institutional third party holding a mortgage against any portion of the Community, if such consent is a condition upon which any federally regulated financing or mortgage insurance for any lot in the Community was granted, accepted, insured, or qualifies in a secondary mortgage market.

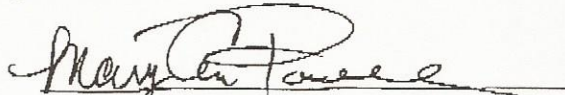
**ARTICLE XIII.
FULL MEMBERSHIP VOTING**

The Board of Directors must bring all matters relating to membership fees and land use to all members of the Corporation for voting thereon, in accordance with the aforesaid Declaration and Bylaws.

**ARTICLE XIV.
DURATION**

The Corporation shall exist perpetually.

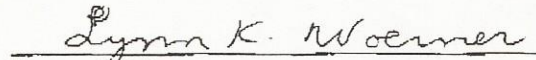
THE UNDERSIGNED, being the Incorporator for the purpose of forming a corporation in pursuance of Title 8, Chapter 1, of the Delaware Code entitled "General Corporation Law", and the acts amendatory thereto and supplemental thereto, if any, makes and files these Articles of Incorporation, hereby declaring and ratifying that the facts herein are true, and accordingly, has set his or her hand and seal the 13th day of August, 2004.



Mary Ann Powell, Vice President
Delaware Corporate Services Inc.

STATE OF DELAWARE)
: SS.
NEW CASTLE COUNTY)

The foregoing instrument was acknowledged before me this 13th day of August, 2004 Delaware Corporate Services Inc [Incorporator].



Notary Public
Print Name: LYNN K. WOERNER
Commission Expires: NOV. 20, 2007

LYNN K. WOERNER
Notary Public - State of Delaware
My Comm. Expires Nov. 20, 2007