

EXHIBIT C

COMMUNITY RULES AND REGULATIONS

for the

Reserve at Pilottown

To promote harmony among neighbors and to enhance the enjoyment of homeowners and other residents in the Reserve at Pilottown (referred to below as the "Community"), all homeowners and occupants shall abide by the following Community Rules and Regulations:

1. Vehicles

(a) Motorcycles, motor scooters, trail bikes, all terrain vehicles, ATV's, go-karts, snow mobiles and similar recreational vehicles may not be operated in the Community; except that licensed motorcycles or motorbikes quietly operated by licensed drivers may be driven to and from a particular dwelling being occupied or visited by the driver.

(b) Vehicles must travel along the streets at a speed not exceeding twenty-five (25) miles per hour unless otherwise posted. All vehicles operated upon the streets are to be used so as to avoid unnecessary noise and danger to others.

(c) Vehicles may not park, stop or stand in a way which impedes or prevents ready access to and from any other vehicle or driveway. No inoperable or unlicensed vehicle may be parked outside of any garage for more than forty-eight (48) hours. Vehicles are not to be parked upon any unpaved area or any paved areas not created for vehicle parking.

(d) The Reserve at Pilottown Maintenance Corporation (hereinafter referred to as the "Corporation") has the right to cause any vehicle not conforming with these regulations to be moved or towed away, as necessary, at the expense of its Owner or operator, and without liability for damage caused to the moved or towed vehicle.

2. Open Spaces, Common Facilities and Streets

(a) The Corporation's maintenance responsibilities for open spaces, unless expanded by vote of the Lot Owners, will be confined to cutting of grass, fertilization and weed control, maintenance of landscaping signage and entrance features, and maintenance of storm water drainage systems. Lot Owners and occupants may not undertake open space maintenance, encroach or place any item on the open space without the Corporation's written approval.

(b) No masonry or other mailboxes not acceptable to The City of Lewes, basketball backboards or street hockey goals, structures, toys, play or sporting equipment, rocks, shrubs, trees or other items shall be erected, placed or permitted in any right-of-way, or upon any common area.

(c) No lawn chairs, tables, barbecues, game equipment, toys or other such items may be placed upon or within the open spaces, street rights-of-way and common facilities except at such times and places, if any, as the Corporation may from time to time prescribe; and must be removed from the open spaces, street rights-of-way and common facilities when not in use.

(d) No fires may be caused or permitted upon the streets; nor caused or permitted upon the open spaces or common facilities except pursuant to the Corporation's prior written permission, and in accordance with the Corporation's instructions.

(e) No refuse whatsoever, including leaves and cuttings, is to be discarded or placed upon the open spaces, common facilities or streets.

3. Homes

(a) Owners and occupants may not cause or permit any sign to be displayed, or any rug, laundry, antenna, aerial, fan, air-conditioner, wire or other object to hang or protrude, from any roof, wall, window, door or deck except the foregoing does not prohibit the display of customary holiday decorations or the American flag, customary "for sale" or "for rent" signs, subject to such specific limitations on type, manner of display, and duration as the Corporation may from time to time determine and publish in writing.

(b) All screens, screening, storm windows and storm doors and visible from the streets are subject to the Corporation's prior written approval as to appearance, design, materials, and manner of installation.

(c) No exterior shades, awnings, or window guards visible from the streets may be used except with the Corporation's written approval.

(d) Shutters and window grids (muntins and mullions) are not be removed from any window that is visible from the streets, except temporarily for painting or window cleaning.

(e) Bicycles, toys (including sporting equipment such as but not limited to basketball hoops and street hockey nets), garbage cans, tires, tools, ladders, barbecues and other ancillary or recreational items may not be stored or left outside of the front of any dwelling.

(f) Television, radio and other electrical devices subject to volume control may not be played above moderate levels if any home Owner or occupant objects. However, this does not prohibit occasional large parties or celebrations planned and conducted in accordance with written procedures (if any) established and circulated from time to time by the Corporation, which may include an advance notice or registration requirement.

(g) Garbage, trash and other refuse will be kept in tight, enclosed containers stored out-of-sight except for collection and removal purposes. Such containers shall not remain outside for collection and removal purposes longer than twenty-four (24) consecutive hours in any five (5) day period.

(h) All lawns, shrubs and trees are to be regularly mowed, raked and trimmed so as to maintain a neat and cared for appearance.

4. Pets

All dogs, cats and other permissible pets must be confined inside if they otherwise make noise reasonably annoying to neighboring residents. Pets should run only upon their Owner's Lots or upon open spaces where specifically designated by the Corporation, and only if leashed or under their Owner's firm control. In no event shall outdoor shelters, pens or runs be permitted. All Owners and their guests, invitees, agents and others who allow or permit their pets and/or animals in their charge to defecate upon the grounds of the Property shall immediately thereafter remove from the grounds of the Property any and all excrement left by the pet or animal and dispose of it as soon as possible in a sanitary fashion. All Owners, guests, invitees, agents and others shall accompany the pet or animal in their charge at all times, shall keep the pet on a leash when it is not on the Owners Lot, and shall carry with them at such time devices necessary to remove the pet excrement; which removal shall be done immediately.

5. Developer's and Builder's Exemptions

To the extent reasonably necessary or convenient for completion of construction of the Community and all dwellings therein, the Developer and Builder of the Community and dwellings therein, their respective successors, agents, subcontractors and assigns (other than grantees of Lots) shall not, as to dwellings or site improvements under construction, unsold dwellings or Lots which remain unsold and are offered for sale, or with respect to construction vehicles and materials, be bound to observe the foregoing Rules and Regulations.

6. Enforcement

The Corporation shall have the right to enforce these Rules and Regulations against any Owner or occupant (other than the Community Developer "Declarant", Builder and their agents and employees) violating them, and may at the expense of the Owner of any dwelling occupied by a tenant who has violated any of these Rules and Regulations, terminate occupancy of the dwelling by such person and all others with him, and change the locks to the dwelling to enforce such termination, all in accordance with the requirements of Delaware Law governing such matters.

7. Miscellaneous

Any consent or approval given by the Corporation or its managing agent under these Rules and Regulations may be revoked or modified. At any time the Corporation may amend these Rules and Regulations, except that no rule or regulation benefitting the Builder or Developer of the Community may be amended without the Builder or Developer's written consent. The Corporation may delegate any of its responsibilities hereunder to its managing agent, except that only the Corporation may amend these Rules and Regulations.

RECORDER OF DEEDS
JOHN F. BRADY

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SUSSEX COUNTY
DOC. SURCHARGE PAID

Received

AUG 09 2004

ASSESSMENT DIVISION
OF SUSSEX CTY