

CERTIFICATE OF INCORPORATION
OF
ORCHARD HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1. Name. The name of the Corporation is Orchard Hill Homeowners Association, Inc.

ARTICLE 2. Duration. The Corporation shall have perpetual duration.

ARTICLE 3. Applicable Statute. The Corporation is organized pursuant to the provisions of 8 Del.C. Chapter 1.

ARTICLE 4. Purpose. The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to its members and is to be considered, for all purposes, a not-for-profit corporation. In way of explanation and not of limitation, the purposes for which it is formed are:

(a) To be and constitute the Homeowners Association to enforce that "Declaration of Covenants, Conditions, and Restrictions," for the Orchard Hill Subdivision as said restrictions more fully appear in the Office of the Recorder of Deeds in and for Sussex County, State of Delaware in Deed Record Book 3142, Page 12, being a homeowners association for that development known as Orchard Hill, as said development more fully appears on Plot of said development, recorded on August 1, 2001, in the Office of the Recorder of Deeds in and for Sussex County, State of Delaware, in Plot Book 71, Page 229, and generally to perform all obligations and duties of the Association and to exercise all rights and powers of the Association as provided by law; and

(b) To provide an entity for the furtherance of the interests of the owners of lots in Orchard Hill Development, and

(c) To take title to and manage the Common Areas, water retention basins, conservation areas, and generally all "common areas" under the aforesaid Declaration and aforesaid Plot of Orchard Hill.

ARTICLE 5. Powers. In furtherance of its purposes, the Corporation shall have the following powers, which unless indicated otherwise may be exercised by the Board of Directors.

(a) All of the powers conferred upon non-profit corporations by common law and the statutes of the State of Delaware in effect from time to time.

(b) All of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in this Certificate, or the Plot Declaration, including, without limitation, the following:

(i) To fix and to collect assessments or other charges to be levied against the members as is necessary to fulfill the purposes identified aforesaid for which this corporation has been formed as provided for in the Declaration of Covenants, Conditions, and Restrictions as recorded in the Office of the Recorder of Deeds for Sussex County in Deed Book 3142, Page 12;

- (ii) To manage, control, operate, maintain, repair, and improve the Common Area and facilities, and property subsequently acquired by the Corporation or any property owned by another, for which the Corporation, by rule, regulation, Plot Declaration, or contract, has a right or duty to provide such services;
- (iii) To enforce covenants, conditions, or restrictions affecting any property of Orchard Hill Subdivision;
- (iv) To pay property taxes and other charges assessed against the Common Areas;
- (v) To have the authority to obtain for the benefit of the Common Areas, all water, gas, and electric service and refuse collection;
- (vi) To grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas.
- (vii) To maintain such policy or policies of insurance on the Common Areas as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members;
- (viii) To have the authority to employ a manager or other persons to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed shall not exceed one (1) year in term unless approved by a majority of the members of the Association, with the exception of an insurance contract that may be for a period not to exceed three (3) years.
- (ix) To engage in activities which will actively foster, promote, and advance the common interests of all members of Orchard Hill Development;
- (x) To adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-laws may not be inconsistent with or contrary to any provisions of the Plot Declaration;
- (xi) The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to any

inference from the terms of any other paragraph or provision of this Article 5.

ARTICLE 6. Non-Stock Corporation. The corporation shall not issue any capital stock and the conditions of the membership shall be stated hereinafter and in accordance with the Declarations.

ARTICLE 7. Membership. The Association shall be a membership corporation without certificates or shares of stock. All lot owners, by virtue of their fee ownership or undivided fee interest of lots in Orchard Hill Development, are members of the Association. The Association shall have two (2) classes of membership: Class A membership consisting of the lot owners; and Class B membership consisting of the Declarant and its grantees, successors, and assigns.

Class A membership shall be all lot owners, except for the Class B Declarant. Class A members shall be entitled to one vote per lot owned. When more than one person holds an interest in any lot, all such persons are members, but in no event shall have no more than one vote per lot owned, said vote shall be exercised as they determine.

Class B membership shall be the Declarant and its grantees, successors, and assigns who acquire more than one lot prior to completion of a dwelling thereon. Class B members shall be entitled to three (3) votes for each lot owned. Class B membership shall cease and be converted to Class A membership on the happening of either of the following events: whichever occurs earlier:

- (1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (2) Seven (7) years from the date of recordation of this Declaration; or

Provided, however, that if the Class B member is delayed in the improvement and development of the property on account of a sewer, water, or building permit moratorium or any other cause or event beyond the Class B member's control, then the aforesaid seven (7) year period shall be extended by a period of time equal to the length of the delays of three (3) years, whichever is less.

ARTICLE 8. Board of Directors. The business and affairs of the Association shall be conducted, managed, and controlled by a Board of Directors. The Board of Directors shall consist of three (3) members to seven (7) members and shall be set in accordance with the By-Laws. The initial Board of Directors shall consist of three (3) members and may be appointed by the Incorporator and failing that, shall be appointed at the first meeting of the members. The method of election and term of office, removal, and filling of vacancies shall be as set forth in the By-Laws of the corporation. The Board of may delegate such operating authority to such companies, individuals, or committees as it, in its discretion, may determine.

The initial Board of Directors shall consist of the following persons:

Lindsay Dixon
28 North Walnut St.
Milford DE 19963

Darrin Simpson
28 North Walnut St.
Milford DE 19963

ARTICLE 9. Dissolution. The Corporation may be dissolved only as provided by the laws of the State of Delaware.

ARTICLE 10 Amendments. These Articles may be amended as provided by Delaware General Corporation Law, provided that no amendment shall be in conflict with the Declaration of Covenants, Conditions, and Restrictions of Orchard Hill Development as amended from time to time, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration of Restrictions, and expressly further subject to the following:

a. For so long as LHID Orchard Hill, LLC, a Delaware limited liability company, its successor or an assignee to which it assigns the right hereunder by express reference thereto, shall own at least one (1) lot in Orchard Hill Development, then the Declarant shall have the absolute, unilateral right, power and authority to modify, revise, amend or change any of the terms or provisions of the Certificate of Incorporation.

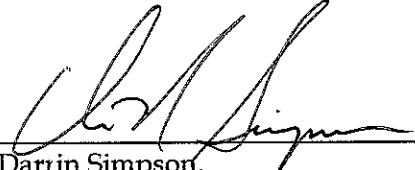
b. And at such time as there be no lots owned by LHID Orchard Hill, LLC, then this Certificate of Incorporation may be amended by a two-thirds (67%) percent vote of the membership (see Article 7 for membership) provided that the amended terms do not conflict with the terms of the recorded Declaration of Covenants, Conditions, and Restrictions.

ARTICLE 11. Incorporator. The name and address of the Incorporator is as follows Darrin Simpson, 28 North Walnut Street, Milford, Kent County, Delaware 19963. The power of the Incorporator shall terminate upon the filing of this Certificate 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 12. Registered Agent and Office. The registered agent of the corporation shall be Dover Delaware Incorporators, LLC, c/o Harry M. Fisher, Esq. and the address of the resident agent shall be 225 South State Street, Dover, Kent County, Delaware 19901.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation.

Dated at Dover, Delaware, this 16 day of October, A.D. 2006.

 (SEAL)
Darrin Simpson,
Authorized Person