

PRESERVE ON THE BROADKILL HOMEOWNERS ASSOCIATION, INC.

SUPPLEMENTAL DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS NO. 2

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS NO. 2 (the "Supplemental Declaration II"), made on this 26th day of MAY, 2005, by PRESERVE ON THE BROADKILL, LLC, a Delaware limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, Declarant's DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") was duly recorded on May 15, 2003 in the Office of Recorder of Deeds, Sussex County, Delaware, and

WHEREAS, by a Supplemental Declaration duly recorded on October 7, 2004 in the Office of Recorder of Deeds, Sussex County, Delaware, certain changes and amendments were made to the Declaration, including the addition of "Property Phase II",

NOW THEREFORE, because further changes in circumstances require additional changes and amendments, particularly with regard to Property Phase II, and as provided in "Section 13.03. Amendments" of the Declaration, the Declarant makes the following changes and amendments to the Declaration:

A. Section 1.05 is amended to read as follows: *"Covenant Committee." A Covenant Committee composed of three (3) or more members shall be appointed by the Declarant for Property Phase I. The assignee and its successors of Property Phase II shall appoint a separate Covenant Committee of three (3) or more members for such property. The Covenant Committee for Property Phase I shall serve until all the Lots in Property Phase I have been sold, or, in the discretion of the Declarant, before that time or at or before the time all the Lots in Property Phase II are sold. The Covenant Committee for Property Phase II shall serve until all the Lots in such property have been sold, or, in the discretion of the assignee and its successors of Property Phase II, before that time. After such times, members of the Covenant Committee shall resign and members shall be appointed by the Board in such numbers as the Board may determine and shall serve at the pleasure of the Board. If any member of the Covenant Committee shall resign or die prior to sales as stated herein, the appointing party shall select a replacement. Thereafter, the Board shall select a replacement.*

B. Section 13.03 is amended to read as follows: Section 13.03. Amendments. *This Declaration, or any part thereof, may be amended by written agreement between the Declarant and the assignee or successors of Property Phase II at any time until all the Lots they own in Property Phase I and Property Phase II have been conveyed. Thereafter, it may be amended by the consent of not less than sixty-six and two-thirds percent (66 2/3%) of all Lot Owners, voting at a duly noticed and convened meeting of the Association. The notice of any meeting called at which an amendment of the Declaration may be voted shall state the purpose of the meeting and shall set forth the proposed amendment. Any amendment adopted by the Association shall be recorded in the Land Records where the property is located. Technical clarification changes to the Declaration shall not be deemed amendments.*

Prepared By & Return To:
Preserve on the Broadkill
210 Chandler Street
Milton DE 19968

IN WITNESS WHEREOF, the undersigned, being the DECLARANT, have executed this instrument this 26th day of MAY 2005.

Preserve on the Broadkill, LLC hereby executes this Declaration for the purpose of subjecting certain property to the covenants, conditions, and restrictions stated in this Declaration.

ATTEST:
[Signature]

PRESERVE ON THE BROADKILL, LLC
By: [Signature] [SEAL]
Robert G. Blayney

to wit:

On this 26th day of MAY, 2005, before me, the undersigned member, personally appeared Robert G. Blayney, known to me or satisfactorily proven to be the person whose name is subscribed to this written instrument, who acknowledged himself to be a member of Preserve on the Broadkill, LLC, being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the LLC by himself as member.

GIVEN under my hand and seal this 26th day of MAY, 2005.

[Signature]
Notary Public

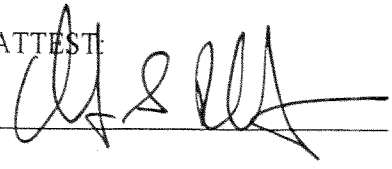
My Commission expires: N/A

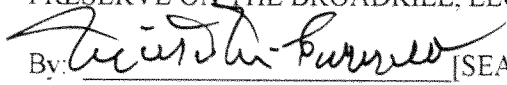
[NOTARY SEAL]

ADMITTED TO DELAWARE BAR 12/15/94
ATTORNEY
VINCENT G. ROBERTSON
NOTARY
UNIFORM LAW ON NOTARIAL ACTS
PURSUANT TO 29 DEL C. SEC 4323 (3)

IN WITNESS WHEREOF, the undersigned, being the DECLARANT, have executed this instrument this 26th day of May 2005.

Preserve on the Broadkill, LLC hereby executes this Declaration for the purpose of subjecting certain property to the covenants, conditions, and restrictions stated in this Declaration.

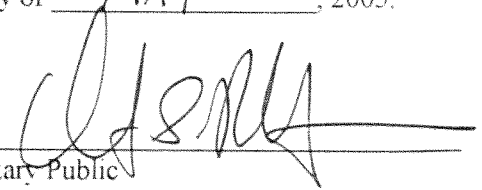
ATTEST


PRESERVE ON THE BROADKILL, LLC
By:  [SEAL]
Milton M. Carrow

to wit:

On this 26 day of MAY, 2005, before me, the undersigned member, personally appeared Milton M. Carrow, known to me or satisfactorily proven to be the person whose name is subscribed to this written instrument, who acknowledged himself to be a member of Preserve on the Broadkill, LLC, being authorized to do so, he executed the foregoing instrument for the purposes therein contained, by signing the name of the LLC by himself as member.

GIVEN under my hand and seal this 26th day of MAY, 2005.


Notary Public

My Commission expires: N/A

[NOTARY SEAL]

ADMITTED TO DELAWARE BAR 12/15/94
ATTORNEY
VINCENT G. ROBERTSON
NOTARY
UNIFORM LAW ON NOTARIAL ACTS
PURSUANT TO 29 DEL C. SEC 4323 (3)