COURT OF CHANCERY
OF THE
STATE OF DELAWARE

CAROLINE C. BRITTINGHAM
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October 22, 2026

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RE: *Charles Dean Coverdale and Mary Elizabeth Coverdale v. Sylvan Acres Homeowners Association, Inc. and Thomas Leschak*
C.A. No. 2025-1167-CCB

Dear Counsel:

Pending before me is an action brought by a homeowner seeking injunctive relief and a declaratory judgment related to deed restrictions under 10 *Del. C.* § 348. Petitioners own residential property subject to a Declaration of Restrictive Covenants and Remedial Clauses (the "Restrictions"). Petitioners submitted plans to construct a garage, which were denied by the homeowners association for being in violation of the Restrictions. Petitioners nevertheless proceeded with excavation work, after which the President of the homeowners association recorded a Notice of Violation against the property with the Recorder of Deeds.

For the reasons further explained below, Petitioners request for injunctive relief and a declaratory judgment against the homeowners association is GRANTED. The Restrictions as they relate to the denial of Petitioners' proposed

garage are unenforceable. I find that the President of the homeowners association is not personally liable for his actions, taken in his capacity as President, in recording the Notice of Violation, thus the claim for injunctive relief against him is DISMISSED. I further conclude that the Notice of Violation imposed upon Petitioners' property shall be cancelled and costs shall be shifted in Petitioners' favor as the prevailing party.

I. BACKGROUND[1]

This action was brought by Charles Dean Coverdale and Mary Elizabeth Coverdale (the "Petitioners") against Sylvan Acres Homeowners Association, Inc. ("SAHA") and SAHA Board President, Thomas Leschak ("Leschak") (collectively the "Respondents"). Petitioners own residential property located at 111 Red Cedar Drive in Milton, Delaware, located in Sylvan Acres. I begin with some background on the community, before turning to the Restrictions, the parties, and the dispute before me.

A. Sylvan Acres

The Sylvan Acres development has been in existence since the 1980's and consists of over 100 single-family homes.[2] Petitioners moved to the development in

[1] I refer to the September 30, 2026 draft trial transcript as "Dr. Tr. __." I refer to Petitioners' Pre-Trial Memorandum as "Pet'rs' Pre-Trial Mem." I refer to Respondents' Pre-Trial Memorandum as "Resp'ts' Pre-Trial Mem."

[2] Dr. Tr. 83:23-84:5.

February 2024.[3] Through its Board, the Respondents are tasked with, among other things, the authority to "examine and approve, or disapprove, plans, specifications, color schemes, block plans and grading plans for any building outhouse, garage . . . or other structure."[4] The Certificate of Incorporation further provides that SAHA has authority to "enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of said property."[5] The By-Laws provide general information related to membership, meetings, voting requirements, and officer roles.[6]

B. The Restrictions

Properties within Sylvan Acres are governed by the Restrictions.[7] The Restrictions were first executed on October 30, 1983, with amendments occurring on December 12, 1983, July 31, 1997, June 18, 2001, and January 25, 2003.[8] This action requires my review of multiple sections of the Restrictions, most notably: Section 2, Section 15, Section 20, and Section 28. I will briefly address each in turn.

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[3] Dr. Tr. 6:2-4.
[4] Certificate of Incorporation of Sylvan Acres Homeowners Association [hereinafter, "COI"] at 3, JX 1.
[5] COI at 4.
[6] By-Laws of Sylvan Homeowners Association [hereinafter, "By-Laws"], JX 2. Article VII of the By-Laws provides that the By-Laws may be altered or repealed by the affirmative vote of a majority of the stock issued and outstanding or entitled to vote. By-Laws at 9.
[7] Declaration of Restrictive Covenants and Remedial Clauses [hereinafter, "Restrictions"], JX 3.
[8] *See generally* Restrictions.

Section 2 governs the construction of buildings and prohibits any structure beyond a dwelling on the property, other than a garage used for privately owned automobiles.

> 2. No building shall be designed for or used for the accommodation of more than one family, and no structure shall be erected on their property in addition to the dwelling house, except a garage for the use of privately owned automobiles.[9]

Section 15 requires that the plans and specifications for any building, house, fencing, or other structure be submitted and approved in writing. Because an Architectural and Building Committee was established in 1992, any plan review would be carried out by the Architectural and Building Committee.[10]

> 15. No building, house, fencing, or other structures shall be commenced, erected, or maintained, nor any addition to, change, or alteration thereon shall be made until plans and specifications showing the nature, kind, shape, height, materials, floor plan, color schemes, locations and approximate cost of such structures, and the grading plan of the lot to be built upon, shall have been submitted and approved in writing by the developer, Waples Mill Pond Association, and any copy thereof as finally approved having been permanent filed with the said developer. The developer shall have the sole and complete authority to approve or disapprove plans and specifications submitted to it, without the right of appeal by the owner or owners. In the event that a building control committee is established, all functions of construction plan review shall

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[9] Restrictions at 16.

[10] The Architectural and Building Committee operates as what is often referred to in case law as an "architectural review committee." Within the SAHA Restrictions, it is also referred to at times as the "building control committee." *See* By-Laws at 3.

> be carried out by the said building control committee of the property or any home owner association.[11]

Section 20(c) governs the construction of utility buildings/sheds and requires that they be constructed out of wood and finished in exterior colors and roofing shingles that match the siding and roofing of the home. Under Section 20(c), utility buildings/sheds are limited to 12' x 24' x 10' and 288 square feet.

> 20(c). Utility Buildings/Sheds. All utility buildings/sheds shall be exclusively of wood construction and shall be finished in exterior colors and roofing shingles that match the home siding and roofing shingles as closely as possible. The maximum allowable side is 12' x 24' x 10' high. All such accessory/shed buildings which are not a part of the main building shall be constructed in a rear yard, provided that such accessory building does not contain a total of more than 288 square feet of area, and shall be located a minimum of five (5) feet from a side lot line and five (5) feet from a rear lot line.[12]

Section 28 is an anti-waiver provision that notes that any failure to enforce any restrictions, conditions, covenants or agreements does not constitute a waiver of the right to do so.

> 28. The provisions herein contained shall run with and bind the land and shall inure to the benefit of and be enforceable by the grantees of the owner of any lot in the subdivision, their respective legal representatives, heirs, successors or assigns, and failure by the grantors or grantees of any lot owner to enforce any restrictions, conditions, covenant or agreement herein contained shall, in no event, be deemed a waiver of the right to do so

[11] Restrictions at 18.
[12] Restrictions at 56.

> thereafter as to the same breach or as to one occurring prior or subsequent thereto.[13]

C. Petitioners' Proposed Garage

In August 2025, Petitioners sought to construct a garage on their property and submitted plans prepared by their contractor, A&S Contractors, to the Architectural and Building Committee.[14] The plans called for a 24' x 28' wood post-frame garage with vinyl siding on the front to match the attached garage. The other three sides and the roof would be clad in vertical metal.[15] The submission was evaluated by the Architectural and Building Committee, which, acting through its architectural review process, denied the application.[16] On August 14, 2025, Petitioners' counsel sent a letter to SAHA disputing the denial because Section 15 of the Restrictions "fails to give objective criteria on the application review criteria."[17] In response, on August 22, 2025, and again on August 26, 2025, SAHA reaffirmed its decision to deny the proposed construction.[18]

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[13] Restrictions at 19.
[14] JX 4 (Blueprint).
[15] JX 4 (Blueprint); Dr. Tr. 8:19-9:2.
[16] Petitioners did not submit a formal written request to the Architectural and Building Committee. Rather, Petitioners submitted the building plans prepared by their contractor to Gregory O'Brien, the Board President at the time. Dr. Tr. 8:9-11; 9:3-8. Denial of the plans was also informal, given orally by Board member Mike Lacey. Dr. Tr. 16:5-17:3.
[17] JX 5.
[18] JX 6; JX 8. The August 22nd and August 25th letter are silent as to what provision in the Restrictions led to the denial.

Following the denial, Petitioners began excavation work on the property by removing top soil and placing filler down on the area where the proposed garage was to be built.[19] Petitioners did not intend to build the garage at that time, but testified that they were readying the area for anticipated approval of the plans.[20] On September 4, 2025, SAHA, through its counsel, issued a cease and desist letter to A&S Contractors regarding their work at 111 Red Cedar Lane and requested the company stop work immediately, cautioning that the company will be "held accountable and liable for aiding and abetting the violation of the Restrictive Covenants."[21] On September 5, 2025, Leschak recorded a Notice of Continuing Violation of Declaration of Covenants, Conditions, and Restrictions ("Notice of Violation") with the Sussex County Recorder of Deeds.[22] The Notice of Violation stated that the property was in violation of the Restrictions because "improvements on the Property, including excavation, site work, grading and the installation of hardscaping and a non-permitted infrastructure, did not receive the required approval of Sylvan Acres Homeowners Association."[23]

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[19] Dr. Tr. 31:15-19; 54:6-12.
[20] Dr. Tr. 31:17-19.
[21] JX 9.
[22] JX 11.
[23] D.I. 8 ¶¶ 5-6; D.I. 20 ¶¶ 5-6; JX 11. Petitioners received a copy of the Notice of Violation after it was filed with the Recorder of Deeds. Dr. Tr. 30:7-31:7.

Despite the first denial and the subsequent Notice of Violation, Petitioners continued attempts to receive approval for their proposed garage. On September 30, 2025, Petitioners submitted a second request for approval of the garage to SAHA, while reserving all rights to contest the necessity of the permit application, and noting that the governing documents have no objective criteria upon which to approve or disapprove the garage.[24] According to the Sylvan Acres Homeowners Association ("HOA") Permit Request Form, completed and submitted by Petitioners, the proposed garage is a 24' x 28' post-frame structure with a vinyl gray metal front intended to match the color of the house, white trim, and vertical siding on the sides intended to match the T-111 siding used on utility sheds throughout the development.[25]

The HOA Permit Request Form requires the homeowner to list their general contact information, briefly describe the proposed request, attach plans and indicate whether the proposed change(s) will affect any basic utilities and/or existing structure.[26] Additionally, the HOA Permit Request Form requires the homeowner to list the major construction materials to be used in the proposed project and includes language noting "[e]xterior material must conform to those used on the original

[24] D.I. 8 ¶ 37; D.I. 20 ¶ 37; JX 10. The second request was dated September 9, 2025, but submitted on September 30, 2025.
[25] JX 10 at 2.
[26] JX 10 at 2.

structure."[27] Before the signature line, the HOA Permit Request Form includes the following acknowledgement:

> I hereby acknowledge that I have read and understand the Sylvan Acres HOA By-Laws and Rules as set forth by the Board, as well as the Declaration of Covenants and Restrictions, and architectural change, to the best of my knowledge, this request complies with said rules, regulations, and covenants.[28]

On October 23, 2025, SAHA sent a letter to Petitioners denying their September application, specifying that the proposed garage must be clad in wood on all four sides using the same siding as the house, that the roof must utilize the same roofing materials as the house, and that all materials must match the house's color scheme.[29] The letter notes that SAHA has over thirty years of consistent applications as evidenced by the other sixteen free-standing garages in the community.[30]

D. The Parties' Contentions

Petitioners' position is that although their property is governed by the Restrictions, there are no fixed guidelines in place for the Architectural and Building Committee that serve as a basis to deny the proposed garage, and therefore the

[27] JX 10 at 2.
[28] JX 10 at 3.
[29] JX 12.
[30] JX 12.

Restrictions are unreasonable and unenforceable. Petitioners received various reasons for denial after the original plans and subsequent plans were submitted.[31]

Respondents' position is that the By-Laws and the Restrictions give the Board authority to deny the proposed garage plans. Respondents point specifically to Section 15 of the Restrictions which requires the homeowner to submit plans before building, detailing—among other things—the nature, kind, shape, height, and color scheme of the structure.[32] Respondents also point to Section 20 which requires that all utility buildings/sheds be made of wood and finished in exterior colors and roofing shingles that match the home siding and roofing shingles as closely as possible.[33] Respondents further point to Section 28 as a non-waiver provision, and argue that any previous failure to enforce the Restrictions does not constitute a waiver of the right to do so.[34]

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[31] JX 12 (noting the garage must be "clad in wood on all four sides, the same siding that is on the outside of [Petitioners'] home."); JX 15 at 9-10 ("[A]pplication was denied because the proposed garage was not in compliance or conformity with the other garages that had been built in the neighborhood. The criteria for a garage is that it must match the house – both the siding and the roof."); Dr. Tr. 17:1-18 (citing concerns over a possible "glare" on the neighbor's house from the roof and building itself); Dr. Tr. 19:1-11 (denied because the house had horizontal siding on it which didn't match the house); Dr. Tr. 120:22-121:24 (denied because material of the siding and roof of the garage did not match the material of the siding and roof of the house).

[32] Resp'ts' Pre-Trial Mem. at 2; Restrictions at 18.

[33] Restrictions at 56.

[34] Dr. Tr. 177:4-17; Restrictions at 19.

E. Procedural Posture

Petitioners initiated this action on October 13, 2025, through a Complaint seeking injunctive relief to enjoin SAHA from maintaining the Notice of Violation or, alternatively, to require its cancellation, along with declaratory relief establishing that Respondents lacked authority to record the Notice of Violation and lacked authority to deny the construction of the garage, and an award of attorneys' fees.[35] After Petitioners filed the certification required under Court of Chancery Rule 174(c)(2), I found this action eligible to proceed under 10 *Del. C.* § 348 and referred the parties to mandatory mediation.[36] On October 31, 2025, Petitioners filed an Amended Complaint.[37] Mediation held on January 7, 2026 was unsuccessful.[38]

On March 23, 2026, Respondents filed their pre-trial brief, asserting that Petitioners had been advised of the basis for the denial of the garage application and that the denial was consistent with the applicable requirements outlined in the Restrictions.[39] On March 24, 2026, Petitioners filed their pre-trial brief, contending that the Restrictions relied upon by Respondents are arbitrary or have been waived through uneven enforcement, and that Leschak lacked authority to record the Notice

[35] Compl., D.I. 1.
[36] D.I. 3, 4.
[37] Amended Compl., D.I. 8.
[38] D.I. 22.
[39] D.I. 31.

of Violation.[40] The case proceeded to a one-day trial on September 30, 2026. At the conclusion of the trial, this matter was taken under advisement.

II. ANALYSIS

The central issues in this case are (1) whether the Restrictions, as they relate to construction and design of Petitioner's proposed garage, provide clear, precise, and fixed standards for the Architectural and Building Committee to apply, (2) whether Leschak's filing of the Notice of Violation was improper and should be cancelled, and (3) whether Leschak can be personally liable for actions he took in his capacity as Board President, during which time he recorded the Notice of Violation.

A. Legal Standards

The Restrictions at issue in this case are commonly referred to as architectural review covenants, in that they require prior review and approval of plans for improvements. These types of covenants are "neither new nor uncommon in Delaware" but they "must be carefully evaluated because their arguably subjective nature introduces the risk of arbitrary and capricious application."[41]

Deed restrictions requiring approval of an association, or its architectural committee, before a property owner can erect a structure on their property, are

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[40] D.I. 33.

[41] *Lawhon v. Winding Ridge Homeowners Ass'n, Inc.*, 2008 WL 5459246, at *5 (Del. Ch. Dec. 31, 2008).

enforceable if they articulate "a clear, precise, and fixed standard the reviewing body must apply."[42] However, such restrictions "are viewed with suspicion due to the tendency of such review to be arbitrary, capricious, and therefore unreasonable," and are strictly construed.[43] In reviewing requests under the restrictions, an association or its architectural committee cannot unreasonably withhold approval, and "any doubts as to [the architectural review function's] reasonableness must be resolved in favor of the landowners."[44] Although restrictions "based on abstract aesthetic desirability are impermissible[,]" deed restrictions designed to ensure the "overall harmony of appearance within a community, when that community possesses a 'sufficiently coherent visual style' enabling fair and even-handed application[,]" are permissible.[45] The restrictions must provide "a reasoned, non-arbitrary basis for the reviewing authority to assess whether a proposal would disrupt the visual harmony of the affected community."[46]

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[42] *Benner v. Council of Narrows Ass'n of Owners*, 2014 WL 7269740, at *1 (Del. Ch. Dec. 22, 2014), *adopted*, 2015 WL 1206724 (Del. Ch. Mar. 16, 2015); *see Lawhon*, 2008 WL 5459246, at *5 (articulating the same standard).

[43] *Benner*, 2014 WL 7269740, at *7; *see also Tusi v. Mruz*, 2002 WL 31499312, at *3 (Del. Ch. Oct. 31, 2002) ("because [architectural review restrictions] restrict the 'free use of property,' restrictive covenants must be strictly construed").

[44] *Seabreak Homeowners Ass'n, Inc. v. Gresser*, 517 A.2d 263, 268 (Del. Ch. Aug. 22, 1986), *aff'd*, 538 A.2d 1113 (Del. 1988); *see also Dolan v. Vills. of Clearwater Homeowner's Ass'n, Inc.*, 2005 WL 2810724, at *4 (Del. Ch. Oct. 21, 2005) ("Under Delaware law, a deed that conditions the right to make improvements on the permission of a developer or Review Board is enforceable but permission must not be withheld unreasonably and the burden is on the Review Board to show its actions are reasonable.").

[45] *Lawhon*, 2008 WL 5459246, at *5.

[46] *Dolan*, 2005 WL 2810724, at *4.

In reviewing requests under deed restrictions, the burden falls on the architectural review committee to show the restriction is valid, reasonable, and enforceable.[47] The party requesting injunctive relief bears the burden of proving they are entitled to it.[48] The burden of proof for these claims is by a preponderance of the evidence.[49] "Proof by a preponderance of the evidence means proof that something is more likely than not. It means that certain evidence, when compared to the evidence opposed to it, has the more convincing force and makes you believe that something is more likely true than not."[50] Whichever party prevails on their claims is then entitled to statutory fee shifting, unless the non-prevailing party can demonstrate an exception thereto.[51]

B. The Restrictions are Unenforceable as they Relate to the Denial of Petitioners' Proposed Garage.

When reviewing the Restrictions for enforceability, I am guided by contract-interpretation principles. "Interpreting deed restrictions is a matter of contract interpretation and provisions are construed by determining original intent from the plain and ordinary meaning of the words."[52] In doing so, I must review the

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[47] *Quail Vill. Homeowners Ass'n, Inc. v. Rossell*, 2018 WL 6534456, at *3 (Del. Ch. Dec. 10, 2018).
[48] *Id.* at *2.
[49] *Id.*
[50] *Del. Exp. Shuttle, Inc. v. Older*, 2002 WL 31458243, at *17 (Del. Ch. Oct. 23, 2002) (citations and quotation marks omitted).
[51] 10 *Del. C.* § 348(e).
[52] *Wild Quail Golf & Country Club Homeowners' Ass'n, Inc. v. Babbitt*, 2021 WL 2324660, at *3 (Del. Ch. June 3, 2021).

Restrictions "as a whole[.]"[53] If the language of a restrictive covenant is so vague that it does not provide "clear, precise, and fixed standards of application," there is a risk of arbitrary or capricious decision-making by the entity reviewing the homeowner's request.[54] In such cases, the restriction will be deemed unenforceable by the court.[55]

The testimony at trial regarding the Restrictions varied between the witnesses—three of whom either previously served on the Board, or currently serve on the Board. The previous Board President, Gregory O'Brien ("O'Brien"), testified on behalf of Petitioners.[56] O'Brien testified that, in his opinion, the Restrictions are vague and can be interpreted in different ways which leads to inconsistency within the development.[57] O'Brien testified that Section 20 was not interpreted during his time on the Board, because it had been completely ignored for enforcement purposes and was basically an "abandoned covenant."[58]

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[53] *Id.*

[54] *Canal Corkran Homeowners Ass'n, Inc. v. Petrone*, 2017 WL 1450168, at *4 (Del. Ch. Apr. 21, 2017).

[55] *Id.*

[56] O'Brien testified that he has lived in Sylvan Acres for thirteen years and served as Vice-President of the Board for two years before serving as the President of the Board for six years. Dr. Tr. 91:21-92:12.

[57] O'Brien testified "It's not a cookie cutter neighborhood. All the houses are somewhat different sidings, the style of the house, tree property, some people have lawns, some people don't have lawns." Dr. Tr. 93:17-20.

[58] Dr. Tr. 97:4-17. O'Brien did not recall Section 20(c) ever being enforced with respect to a garage. Dr. Tr. 98:18-20.

The current Board President, Leschak, testified that he served as Vice-President for a period of time until he was elected President when O'Brien stepped down.[59] Leschak testified that Petitioners' denial had nothing to do with vertical or horizontal siding on the garage, but instead was denied because the metal siding and metal roof did not match the house.[60] Leschak testified that the language within the Certificate of Incorporation was one of the reasons for the denial, noting the requirement that the color scheme between both buildings on the property must match.[61] Based on Section 15 of the Restrictions, Leschak testified that the color scheme is an important aspect of the review.[62] Leschak testified that he told Petitioners that the color and material did not match, and that was the reason for the denial.[63]

Leschak testified that Section 20(c) also governed the denial, because in his opinion, a utility building included a garage, despite the fact that Section 20(c) does not include the word "garage."[64] However, Leschak's testimony was inconsistent and he later testified that Section 20(c) did not apply to garages.[65] Importantly, when Leschak was questioned about the existence of architectural guidelines, Leschak

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[59] Dr. Tr. 118:7-119:2.
[60] Dr. Tr. 119:14-23; 120:23-121:18.
[61] Dr. Tr. 122:20-123:8.
[62] Dr. Tr. 126:2-9; *see* Restrictions at 18.
[63] Dr. Tr. 126:14-19.
[64] Dr. Tr. 128:7-20; *see* Restrictions at 56.
[65] Dr. Tr. 148:24-149:2.

testified that he assumed the community had guidelines.[66] Yet, when confronted regarding his answer to the interrogatories, Leschak was not as confident. Leschak's interrogatories provide, "[t]o the extent any architectural guidelines exist, they were never incorporated into the Declaration and were never distributed to residents."[67]

The current Board Secretary, Laura Jenkins ("Jenkins"), testified that she became aware of Petitioners' proposed garage in September, and that the Board decided "it really wasn't in compliance to what we were looking for in the neighborhood."[68] Jenkins testified that the materials proposed for the garage did not match the house and the Board was "not comfortable with having two different types of materials on the same property."[69] Jenkins testified that it was her understanding that the Board had always required that the garage match the house.[70] When asked what fixed standards the Board uses to determine how the garage should be constructed, Jenkins testified she is not on the Architectural and Building Committee and, therefore, was unable to answer the question.[71]

Delaware courts have held that deed restrictions may be unenforceable where, even if actually recorded, they are too vague to provide adequate notice of what

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[66] Dr. Tr. 156:21-157:3.
[67] JX 15 at 12.
[68] Dr. Tr. 173:7-17.
[69] Dr. Tr. 173:20-174:2.
[70] Dr. Tr. 176:4-7.
[71] Dr. Tr. 186:5-11. Despite the Board's presence at trial, no one from the Architectural and Building Committee testified.

conduct is restricted.[72] "[F]undamental fairness requires that a property owner be given notice, whether written or *de facto*, of the specific requirements to which their building plans must conform.[73] "Adequate notice means communicating the demands of compliance[,]" whether that be a ten-foot setback or a specific architectural style, and restrictive covenants which are too vague to serve these functions of notice and fairness are unenforceable.[74] In *Benner v. Council of Narrows Ass'n of Owners*, the Court emphasized that the absence of clear, precise, and fixed standards in an architectural review covenant renders that portion of the deed restriction unenforceable.[75]

In the current case, although Petitioners acknowledge that their property is subject to the Restrictions, the Restrictions permit the construction of "a garage for

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[72] *See Seabreak Homeowners Ass'n, Inc. v. Gresser*, 517 A.2d 263, 270 (Del. Ch. Aug. 22, 1986) ("Covenants requiring that building plans be submitted to a committee and that the committee give its prior consent before construction can begin, are valid if they furnish adequate notice of the specific restriction sought to be enforced."), *aff'd*, 538 A.2d 1113 (Del. 1988).

[73] *Id.*

[74] *Lawhon v. Winding Ridge Homeowners Ass'n, Inc.*, 2008 WL 5459246, at *5 (Del. Ch. Dec. 31, 2008). The architectural review restrictions in *Lawhon* are like the ones at issue here. But, despite the Court's helpful analysis of enforceability, the Court in *Lawhon* was not asked to decide whether the restrictions were unenforceable as written. *See id.* at *4 (explaining the questions presented were whether (1) the homeowners association had the power to enforce, (2) enforcement was arbitrary and capricious, or (3) enforcement was barred by laches, equitable estoppel, or waiver).

[75] 2014 WL 7269740, at *8 (Del Ch. Dec. 22, 2014). The Court further explained that even if property owners know approval is required, the restriction fails if the deed does not specify what standard will be used to grant or deny approval. *Id.* at *1.

the use of privately owned automobiles."[76] The Restrictions grant the Architectural and Building Committee "sole and complete authority to approve or disapprove plans and specifications submitted to it," however, that grant of discretion is inherently imprecise and does not establish clear, objective standards capable of consistent application by the Architectural and Building Committee.[77] Reading the plain and ordinary meaning of the language within the Restrictions, they do not require that the garage siding and roofing match the house siding and roofing.[78] Because deed restrictions must be strictly construed, the Court cannot expand their scope beyond what is expressly stated. Any ambiguity must be resolved in favor of the landowner.[79] Because Respondents have failed to establish the existence of an enforceable restriction applicable to Petitioners' proposed garage, the denial of Petitioners' application was unreasonable and cannot stand.[80]

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[76] Restrictions at 1. Petitioner testified that they plan to use the garage for their vehicles, mower and grills, along with storage of other outdoor materials. Dr. Tr. 11:2-7.

[77] Restrictions at 3.

[78] Although a creative argument, the Court does not find that Section 20(c) in the Restrictions governs garages. Section 20(c), according to the plain and ordinary meaning of the language within the Section, applies to "utility buildings/sheds" with a maximum allowable size of 12' x 24' x 10' high and no more than 288 square feet of area. Petitioner's proposed garage therefore does not qualify as a utility building/shed and is not governed by Section 20(c). Restrictions at 56.

[79] *Alapocas Maint. Corp. v. Wilmington Friends Sch., Inc.*, 2023 WL 5013706, at *4 (Del. 2023); *Dolan v. Vills. of Clearwater Homeowner's Ass'n, Inc.*, 2005 WL 2810724, at *3 (Del. Ch. Oct. 21, 2005) ("The Deed Restriction, if ambiguous, of course, must be read in Dolan's favor.") (citing *Alliegro v. Home Owners of Edgewood Hills, Inc.*, 122 A.2d 910, 912 (Del. Ch. May 23, 1956)).

[80] Leschak testified that Petitioners were given an alternate method of gaining compliance, which was by seeking a two-thirds vote of the community. Dr. Tr. 133:10-17. Leschak

Respondents seek to enforce unwritten requirements regarding clad, siding, and enclosures that are neither contained in the Restrictions nor derived from any discernible, objective standard. Permitting such requirements to be imposed under the guise of general architectural discretion would effectively allow SAHA to create new restrictions without formal amendment.[81] As the Court cautioned in *Seabreak*, architectural review authority cannot be used to impose requirements inconsistent with or beyond those expressly provided, particularly where the governing language is vague and lacks definite standards.[82]

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testified that Section 30 of the Restrictions requires that any change in covenants required a two-thirds vote. Dr. Tr. 134:6-13. Leschak testified that it was "not necessarily" the plan to amend the covenants, but instead to grant Petitioners a "variance" to allow the garage to be built as requested, if Petitioners received approval from two-thirds of the community. A variance application was drafted by the Board Secretary and provided to Petitioners but Petitioners declined the Board's proposed idea of seeking community approval. JX 23. Leschak testified that the Board had allowed the two-third approval process before to allow deviation from the Restrictions. Dr. Tr. 162:15-18. Section 30 of the Restrictions contemplates that the Restrictions can be altered or rescinded by the written consent of two-thirds of all the property owners in the development at the time the vote is taken. Restrictions at 5. The Court does not read Section 30 to allow a "variance" on a case-by-case basis to property owners to "get around" the Restrictions. Instead, Section 30 is the mechanism the Board can rely on to alter or rescind the Restrictions.

[81] To create new restrictions without amendment would render meaningless the provision that "[t]he above restrictions can be altered or rescinded by the written consent of two-thirds (2/3) of all the 'property owners' in the development at the time the vote is taken." Restrictions at 5.

[82] *See* 517 A.2d at 268-269, 271 (noting that applying a newly asserted or previously undisclosed requirement to a property owner without prior notice constitutes arbitrary and unreasonable conduct). The HOA Permit Request Form, which was given to Petitioners to fill out after their initial plans were denied, includes language that "[e]xterior materials must conform to those used on the original structure." JX 10 at 2. The language within the HOA Permit Request Form is not included within the Restrictions as it relates to garages.

C. Petitioners are Entitled to Injunctive Relief.

Petitioners seek injunctive relief enjoining the Respondents from maintaining the Notice of Violation. I find this relief should be granted.

On September 5, 2025, Leschak recorded a Notice of Violation.[83] The Notice of Violation was recorded with the Record of Deeds and was signed by Leschak as President of Sylvan Acres.[84] The Notice of Violation states that Petitioners, as record owners, are "in violation of the Declaration because improvements on the Property, including excavation, site work, grading and the installation of hardscaping and a non-permitted infrastructure, did not receive the required approval of Sylvan Acres Homeowners Association."[85] The Notice of Violation notes that the amount of $247.95 shall "be required to be paid for filing a termination of this Notice of Violation" and will only be filed "upon the correction and/or abatement of this violation."[86]

By its very title, the Notice of Violation infers a continuing violation. The testimony at trial indicates that Petitioners removed top soil and placed filler down at the location of the proposed garage.[87] There was no continuing violation.

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[83] JX 11.
[84] *Id.*
[85] *Id.*
[86] *Id.*
[87] Dr. Tr. 31:15-19.

Additionally, the Notice of Violation references a non-permitted infrastructure.[88] However, there was no evidence presented regarding a non-permitted infrastructure.

To obtain injunctive relief, Petitioners must demonstrate, by a preponderance of the evidence, "(1) actual success on the merits, (2) irreparable harm if relief is not granted, and (3) that the balance of the equities favors relief."[89] The first prong has already been addressed.[90] Thus, I turn to irreparable harm and balance of equity.

Delaware courts have recognized that, in cases involving property rights and recorded instruments affecting title, irreparable harm is often presumed.[91] Here, the recorded Notice of Violation constitutes a continuing cloud on Petitioners' title, impairing their ability to freely use, transfer, or encumber the property. Because no adequate legal remedy would remove the cloud on their title, Petitioners are entitled to equitable relief to eliminate the continuing encumbrance.[92]

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[88] JX 11.

[89] *Yu, Tr. of Elmer Yu Revocable Tr. v. Cahill*, 2024 WL 4100859, at *5 (Del. Ch. Sept. 6, 2024) [hereinafter, "Yu"].

[90] Actual success on the merits is found here based on the finding that Section 15 of the Restrictions is unenforceable. *See supra* Section II.B. Because the Notice of Violation is grounded on an alleged violation of that section, the Notice is likewise improper, unenforceable, and must be cancelled.

[91] *Yu*, at *7.

[92] *See Rudnitsky v. Rudnitsky,* 2000 WL 1724234, at *8-9 (Del. Ch. Nov. 14, 2000) ("This Court has recognized that [c]ancellation is the ordinary remedy in removing clouds [on title]. Where a lien or encumbrance on title to real property appears valid on its face but is shown by extrinsic evidence to be void, a court of equity may intervene and set it aside as a cloud upon the real title to the land. Cancellation or equitable rescission has been found appropriate where, in addition to a judicial declaration that a contract is invalid and a judicial award of money or property to restore plaintiff to his original condition is made,

The balance of the equities also favors Petitioners. Respondents have not demonstrated that removal or cancellation of the Notice of Violation would impose any substantial hardship or economic harm.[93] By contrast, absent injunctive relief, Petitioners would continue to bear the burden of a recorded encumbrance lacking a valid basis. Thus, injunctive relief is appropriate and the Notice of Violation shall be cancelled.

D. Leschak is Not Personally Liable for his Actions while Acting on Behalf of the Board as President.

Petitioners request injunctive relief to enjoin *ultra vires* activity by association board members and argue that the Notice of Violation was filed by Leschak, not as President, and without the requisite authority from the Board.[94] Specifically, Petitioners allege that the Board did not vote on, approve, or resolve the Notice of Violation, and that Leschak caused injury and slandered the title to Petitioners' property.[95] At the conclusion of Petitioners' case, Respondents moved for dismissal

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further equitable relief is required.") (alteration in original) (footnotes and internal quotation marks omitted).

[93] *Yu*, at *7 ("The third element then requires me to balance the harms. Although injunctive relief may be an extreme remedy at times, it is appropriate when there would not be 'substantial economic harm'" to the other party.); *see The Cove on Herring Creek Homeowners' Ass'n, Inc. v. Riggs*, 2003 WL 1903473, at *6 (Del. Ch. Apr. 9, 2003) (granting injunctive relief where the non-pleading party failed to make a showing of substantial economic hardship).

[94] Amended Compl. at 6.

[95] *Id.*

under Court of Chancery Rule 41(b).[96] In making their motion, Respondents contend that Leschak was acting, at all times, as President.[97]

The testimony at trial was clear, Leschak was acting as President when he recorded the Notice of Violation. The Notice of Violation indicated that Leschak signed as President.[98] Leschak testified that everything he did to enforce the Restrictions was done in his capacity as President.[99] Leschak denied taking any action in his individual capacity.[100] Leschak further testified that all actions he took were approved by the Board, and the Notice of Violation was recommended by counsel after approval by the Board during a September 4, 2025 phone call.[101]

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[96] For failure of the plaintiff to prosecute or to comply with these Rules or any order of court, a defendant may move for dismissal of an action or of any claim against the defendant. After the plaintiff has completed the presentation of plaintiff's evidence, the defendant, without waiving the right to offer evidence in the event the motion is not granted, may move for a dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief. The Court as trier of the facts may then determine them and render judgment against the plaintiff or may decline to render any judgment until the close of all the evidence. Unless the Court in its order for dismissal otherwise specifies, a dismissal under this paragraph and any dismissal not provided for in this Rule, other than a dismissal for lack of jurisdiction or for improper venue, or for failure to join a party under Rule 19, operates as an adjudication upon the merits. Court of Chancery Rule 41(b). The Court deferred judgment on the request for dismissal until the close of all evidence. At the conclusion of the trial, Respondents renewed their request for dismissal.

[97] Dr. Tr. 111:6-13.

[98] *See* JX 11 at 2.

[99] Dr. Tr. 124:14-18.

[100] Dr. Tr. 124:19-21.

[101] Dr. Tr. 124:22-24; 159:2-11.

Jenkins corroborated his testimony and testified that the Board granted Leschak authority to file the Notice of Violation.[102]

The By-Laws and the Certificate of Incorporation address the authority of the Board and the President. According to the By-Laws, the "President shall be the chief executive officer of the corporation and shall have the general powers and duties of supervision and management usually vested in the office of President . . . he shall execute bonds, mortgages, and other contracts in behalf of the corporation, and shall cause the seal to be affixed to any instrument requiring it."[103] Perhaps most notably, the Certificate of Incorporation grants SAHA the power to, "authorize and cause to be executed mortgages and liens without limit as to amount, upon the property of this Corporation."[104]

Leschak's actions as President are consistent with the express authority granted to the Board in the governing documents.[105] Leschak discussed the alleged

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[102] Dr. Tr. 178:23-181:2.

[103] By-Laws at 17. Moreover, the Certificate of Incorporation grants SAHA, the power to "enforce charges, restrictions, conditions, and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction." COI at 4. SAHA also has the authority "to do any and all lawful things which may be advisable, proper, authorized or permitted to be done by this Association under and by virtue of any condition, covenants, restriction, reservation, charge or assessment affecting said property . . . and to do and perform any and all acts which may be either necessary for or incidental to the exercise of any of the foregoing powers." COI at 6.

[104] COI at 7.

[105] Furthermore, because SAHA is a non-profit corporation under Delaware law and Leschak is an unpaid agent of the corporation, the Delaware Volunteer Immunity Statute (10 *Del. C.* § 8133) applies. The statute provides: "No volunteer of an organization shall be subject to suit directly, derivatively or by way of contribution for any civil damages

violation with the Board, and, together with the Board, authorized the Notice of Violation.[106] He then filed the Notice of Violation and signed it in his capacity as President.[107] Although Petitioners allege Leschak acted outside of his capacity as President in recording the Notice of Violation, that allegation is not supported by the testimony and evidence at trial.[108] Leschak is not personally liable for his actions taken as President and the claim against Leschak in his personal capacity is dismissed.[109]

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under the laws of Delaware resulting from any negligent act or omission performed during or in connection with an activity of such organization." *See Newton v. Leparc Condo. Ass'n*, 2026 WL 937381, at *6-7 (dismissing individual claim against the chair of the Council of the Association finding him immune from liability under the Delaware Volunteer Immunity Statute).

[106] Dr. Tr. 159:2-19.

[107] JX 11; JX 15 at 9. *See also* Dr. Tr. 152:22-4; 155:10-16.

[108] *See Fernstrom v. Trunzo*, 2017 WL 6028871, at *4 (dismissing the claim against the HOA's attorney after finding no proof of *ultra vires* conduct).

[109] It is well established under agency law that an agent of the principal who signs in their capacity as agent is not personally liable on the signed document. *See BuzzFeed, Inc. v. Anderson*, 2022 WL 15627216, at *10 (Del. Ch. Oct. 28, 2022) ("Generally, an agent of a disclosed principal does not become a party to the principal's contract, even if the agent negotiated and signed the contract on the principal's behalf."); *see also Lazard Debt Recovery GP, LLC v. Weinstock*, 864 A.2d 955, 975 n.44 (Del. Ch. Aug. 6, 2004) ("An agent who contracts on behalf of a disclosed principal and within the scope of his authority, in the absence of an agreement to the contrary, or other circumstances showing that he has expressly or impliedly incurred or intended to incur personal responsibility, is not personally liable to the other contracting party.") (internal quotation marks omitted); 6 *Del. C.* § 3-402(b)(1) (providing that, "[i]f a representative signs the name of the representative to an instrument and the signature is an authorized signature of the represented person, the following rules apply: (1) If the form of the signature shows unambiguously that the signature is made on behalf of the represented person who is identified in the instrument, the representative is not liable on the instrument.").

E. Fees and Costs Should be Shifted in Petitioners' favor.

Under 10 *Del. C.* § 348(e), "[t]he nonprevailing party at a trial held pursuant to the provisions of this section must pay the prevailing party's attorney fees and court costs, unless the court finds that enforcing this subsection would result in an unfair, unreasonable, or harsh outcome."

Having prevailed on the merits, Petitioners are entitled to recover reasonable attorneys' fees and costs under the statute. Thus, fees and costs should be shifted in Petitioners' favor.

III. CONCLUSION

For the foregoing reasons, I find the Restrictions as they relate to the construction and design of Petitioners' proposed garage are unenforceable. I further find that Petitioners are entitled to injunctive relief and the Notice of Violation shall be cancelled. The claims as they relate to Leschak personally are dismissed. Petitioners are entitled to shifting of fees and costs under 10 *Del. C.* § 348(e).

This is my final report and exceptions may be taken under Court of Chancery Rule 144.

Respectfully submitted,

/s/ Caroline C. Brittingham

Caroline C. Brittingham
Magistrate in Chancery