

07 Cliff House

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CLIFF HOUSE CONDOMINIUM  
CODE OF REGULATIONS

9067

ARTICLE I  
IDENTIFICATION OF PROPERTY

1. Application of Code of Regulations

This Code of Regulations governs administration and management of Cliff House Condominium, a condominium property located on the southwesterly side of Naamans Road in the Brandywine Hundred, New Castle County, State of Delaware, which was submitted to the provisions of Title 25, Chapter 22 of the Delaware Code, known as the Unit Property Act, by Declaration dated the 31st day of January, 1983, and recorded in the Office of the Recorder of Deeds, in and for New Castle County, on the 19<sup>th</sup> day of October, 1983, in Deed Record F, Volume 124, Page 1 et seq. A detailed plan of the project appears in a Declaration Plan prepared by Howard L. Robertson, Inc., licensed engineers and surveyors, dated the 31st day of January 1983, and recorded in the aforesaid Office of the Recorder of Deeds, on the 19<sup>th</sup> day of October, 1983, in Microfilm No. 6928.

ARTICLE II  
MEETINGS; NOTICE THEREOF; WAIVER

2.1 Meetings of Unit Owners

2.1.1 Annual Meeting. Commencing with the last Saturday in the first April which occurs after the organizational meeting of the unit owners (which organizational meeting shall be held at the time specified hereinafter) an annual meeting of the unit owners shall take place on the last Saturday in April of each year, at such generally convenient time and location as may be specified by the President of the

Council in a written notice mailed or delivered to each owner no more than thirty (30) days before and no less than ten (10) days before the date of the meeting. The purpose of the meeting shall be to elect members of the Council and to transact such other business as may then come before the unit owners.

**2.1.2 Special Meetings.** Special meetings of the unit owners shall be promptly called by the President of the Council whenever the Council so directs; or by any member of the Council who is presented with a petition signed by unit owners representing an aggregate of at least twenty percent (20%) of the total unit owner vote entitled to be cast, subject to the limitation in Section 2.1.3 hereof. Written notice of any such meeting shall be mailed or delivered to each unit owner at such address as each unit owner shall then have on file with the Council, no more than thirty (30) days before and no less than five (5) days before the date of the meeting, except that special meetings called under circumstances designated in good faith by the Council as constituting an emergency may be held as soon after a good faith effort has been made to give each unit owner notice in person or by telephone as the Council shall decide. The notice shall specify a generally convenient date, time, and location of the meeting, and shall state with particularity the business to be transacted. No special meeting shall be called except for the purpose of transacting a particular item or items of business. No business shall be transacted except that specified in the notice unless at least sixty-seven percent (67%) of all unit owners are either present or represented at the meeting.

**2.1.3 Organization Meeting.** An organizational meeting of the unit owners shall be called in accordance with the provisions governing special meetings and shall be held no later than one hundred and twenty (120) days after Declarant (as identified in the aforesaid Declaration) has conveyed seventy-five percent (75%) of the units in the condominium, or no later than the expiration of three (3) years after Declarant has

conveyed the first unit in the condominium, whichever first occurs. Prior to the organizational meeting, the Council shall create a transitional committee on which the unit owners shall be invited and encouraged to serve by way of preparing to assume control of the condominium project from the Declarant. The purpose of the organizational meeting shall be to elect new Council members to serve until the next annual meeting, and to conduct such other business as may be specified in the notice of meeting. No special meetings shall be called by unit owners' petition until after the organizational meeting of unit owners has been held.

2.1.4 Preorganizational Meeting. A preorganizational meeting of the unit owners shall be held within thirty (30) days after the Declarant has conveyed sixty-four (64) units in the condominium, or at such earlier time as the Declarant may deem appropriate. The purpose of such meeting shall be to establish committees of unit owners to assist in an advisory capacity with the management and operation of the condominium. There shall be a finance committee, a rules committee, a building and grounds committee, and such other committees as the Council may wish from time to time to establish. Any unit owner may be a member on one or more such committees. The committees shall receive, evaluate, and formulate questions and suggestions from the unit owners concerning the operation of the condominium community; shall communicate these to the Council; and shall offer such assistance as they can in implementing their proposed solutions to any problems which may be perceived.

2.2 Meetings of Council

2.2.1 Annual Meeting. An annual meeting of both the incumbent and the newly elected Council members shall take place immediately after the annual meeting of the unit owners. The first item of business at such meeting shall be the election of officers among and by the newly elected Council members. This election shall be

conducted by the incumbent President. Thereafter, the incumbent Council members together with the newly elected members shall proceed under the newly elected officers to conduct any other business which may be brought before the Council. This annual meeting shall then be adjourned for no less than fourteen (14) days nor more than forty-two (42) days, to a generally convenient date, time, and place as determined by majority vote of newly elected Council members. During the period of adjournment, the incumbent officers shall assist the newly elected officers in becoming familiar with the responsibilities, problems, procedures, and techniques of their office. Upon the resumption of the meeting following the period of adjournment, the incumbent officers shall make a final report to the Council. The incumbent Council members and officers shall then be regarded as having concluded their responsibilities and the newly elected Council members and officers shall alone constitute the Council, and shall proceed to set dates for the regular meetings of Council, and to transact such other business as may then come before the Council, including consideration of a budget for the coming year.

**2.2.2 Special Meeting.** Special meetings of Council members shall be called whenever the President deems appropriate, or whenever he is presented with the written request of another Council member. Written notice of any such meeting shall be mailed or delivered to each Council member not more than thirty (30) days before and not less than three (3) days before the date of the meeting. The notice shall specify a generally convenient date, time, and location of the meeting, and shall state with particularity the business to be transacted. No special meeting shall be called except for the purpose of transacting a particular item or items of business. No business shall be transacted except that specified in the notice unless all Council members either are present or subsequently waive the necessity for notice.

**2.2.3 Regular Meetings.** Regular meetings of the Council shall take place at intervals of six (6) months or less. The date, time, and location of such meetings shall be set at the annual meeting of the Council by a majority agreement of the members. Written notice shall be mailed or delivered to each member not more than thirty (30) days before and not less than ten (10) days before the date of each such meeting. The purpose of the regular meetings shall be the transaction of such business as may come before the Council.

**2.2.4 Minutes.** A copy of all minutes of Council meetings shall be promptly mailed or delivered to each unit owner.

**2.3 Notice; Waiver**

**2.3.1 Address for Notice.** Each unit owner shall furnish the Condominium Council with an address where notices should be sent, if other than the unit to which such owner holds title. Notices shall be deemed sufficiently given if delivered or mailed by certified mail, return receipt requested, to such address, in the absence of any other address, to the unit of the owner who is entitled to receive such notice.

**2.3.2 Attendance.** Attendance at any meeting by a unit owner or Council member who has not been given notice thereof shall constitute a waiver of the necessity for such notice, but not of the necessity for notice of special business to be transacted.

**2.3.3 Written Waiver.** Any unit owner or Council member may waive in writing the necessity for notice of any meeting or special business before or after the occurrence of such meeting.

ARTICLE III  
QUORUM; EFFECTIVE VOTE; PROXIES; CONDUCT OF MEETINGS

3.1 Requisites for a Quorum

3.1.1 Unit Owners' Meeting. The presence in person or by proxy of any number of unit owners who hold in the aggregate sixty-seven percent (67%) or more of the total unit owner vote entitled to be cast, shall constitute a quorum for the transaction of business by the unit owners, except as herein elsewhere expressly provided.

3.1.2 Council Meetings. The presence in person of a majority of Council members shall constitute a quorum for the transaction of business by the Council, except that for the purposes of the annual meeting a majority of the incumbent members and a majority of the newly elected members, separately tallied, must be present.

3.1.3 Adjourned Meetings. If any meeting of unit owners or Council members cannot be convened because a quorum has failed to attend, the meeting may be adjourned to a time not less than forty-eight (48) hours from the time for which it was originally called. An effort shall be made to give each unit owner notice by telephone of the time and place of the adjourned meeting. When the meeting is reconvened, the unit owners or Council members present validly may conduct any business properly before them, regardless of whether or not a quorum is attending the meeting.

3.2 Vote Necessary for Resolution

3.2.1 Unit Owner Vote. Except as otherwise specifically provided in the Declaration, or elsewhere in these Regulations, the vote of a majority of the aggregate percentage of the total vote present at a meeting shall be sufficient to adopt any duly proposed resolution. The voting power represented by each unit shall be cast as a unit, and may be cast by any person in whose name all or part of record title to the unit is held

unless the Secretary of Council is notified in writing to the contrary by other persons in whose name all or part of title to the same unit is held. Votes of units standing in the name of the Council are not entitled to be cast.

**3.2.2 Council Member Votes.** The vote of a majority of Council members present and voting as a Council member shall be sufficient for the transaction of business by the Council.

**3.2.3 Vote Without Meeting.** Any business which could be conducted at a meeting may be conducted without a meeting provided (i) that the same notice of such business is given as would be required to conduct such business at a special meeting, (except that such notice shall indicate an intention that the business be conducted without a meeting actually being called); (ii) that no valid petition or request to call a special meeting for the conduct of such business is presented or made within five (5) days after said notice has been given; and (iii) that all such business is reduced to written resolutions signed, if the vote is of the unit owners, by owners or proxies of units having a majority of the aggregate percentage of the total vote entitled to be cast; or signed, if the vote is by Council members, by a majority of such members. The foregoing shall not, however, be utilized as a substitute for any annual meeting, nor may it be used to affect adversely the rights of any unit mortgagee.

**3.3 Proxies**

Unit owners may be represented and may vote at any meeting by proxy. Proxies must be in writing on a form (if any) prescribed by the Secretary of the Council and filed with such Secretary prior to or at the commencement of the meeting at which the proxy is to be used. No proxy shall be for greater duration than one (1) year. Proxies may be cancelled at will, provided the Secretary is timely notified in writing by the person who gave the proxy. Units standing in the name of a corporation, partnership, trust, or other entity not a natural person, may only be voted by a duly executed proxy.

3.4 Order and Conduct of Business

3.4.1 Customary Order. The order of business at all meetings insofar as pertinent or necessary shall be as follows:

Roll call  
Proof of notice of meeting or waiver of notice  
Reading of and action on minutes of preceding meeting  
Reports of officers  
Reports of committees  
Removal of members or officers of Council  
Election of inspectors of election  
Election of members of Council  
Election of officers of Council  
Unfinished business  
New business  
Adjournment

3.4.2 Roberts' Rules. Meetings shall be conducted in accordance with the latest edition of "Roberts' Rules," as reasonably modified by decision of Council (if any) made prior to the meeting and conspicuously posted or distributed at the meeting.

ARTICLE IV  
ELECTION OF COUNCIL MEMBERS; TERM AND LIABILITY

4.1 Number, Qualification, and Compensation

4.1.1 Appointed by Declarant. Prior to the organizational meeting of unit owners there shall be two (2) members of Council who shall be appointed by the Declarant, and who shall serve as such until the organizational meeting of the unit owners is held.

4.1.2 Elected by Unit Owners. After the organizational meeting there shall be three (3) members of Council, two of whom shall be elected at large by the unit owners, and one of whom shall be appointed by Declarant to serve until an annual meeting occurs at a time when Declarant holds title to less than five (5) units.

4.1.3 Qualification. All Council members shall be either residents of the State of Delaware or unit owners, and shall be bondable.



4.1.4 Compensation. Council members shall receive that compensation, if any, for their services in such capacity, as the unit owners may provide by majority vote at their annual meeting.

4.2 Term of Office

4.2.1 Duration. The two (2) Council members who are first elected shall serve only until the next annual meeting. Thereafter, each elected Council member shall be elected for a term of one (1) year. Appointed Council members shall serve for the balance of the term of the member whom they replace, or for such other term as may elsewhere be provided herein.

4.2.2 Early Termination. The term of each elected member of the Council shall be subject to the right of the unit owners to remove him, after he has had an opportunity to be heard, with or without cause at any meeting held for that purpose, but no Council member shall be removed by less than three-fifths (3/5) of the total unit owner vote entitled to be cast. A Council member who was a unit owner or occupant at the time of his election shall automatically be incapacitated from continuing as a Council member and an officer of the Council at any time during his term that he ceases to be a unit owner or occupant.

4.3 Vacancies

4.3.1 Caused by Removal. Vacancies on the Council caused by removal shall be filled by vote of the unit owners at a special meeting held for that purpose as soon as practicable after the vacancy has occurred.

4.3.2 Caused by Death or Incapacity. Vacancies caused by death or incapacity shall be filled by Council appointment as determined by majority vote of the remaining Council members, except that Declarant may fill the vacancy of any member appointed by it.

4.4 Election Procedures

4.4.1 Majority Vote. Election of Council members shall take place each year at the annual meeting of the unit owners. A member shall be elected to Council by a majority of the total unit owner votes entitled to be cast for him.

4.4.2 Successive Balloting. If no candidate for a given seat on the Council obtains such a majority on the first ballot, then the candidate receiving the least portion of the vote shall be eliminated and a second ballot shall be taken. This procedure shall be repeated as often as required to obtain a majority vote.

4.4.3 Written Secret Ballot. The voting shall be by written and secret ballot, supervised by an election inspector elected by the unit owners at the annual meeting or any special meeting at which a Council member is being elected.

4.4.4 Cumulative Voting. In the event that unit owners holding in the aggregate at least twenty percent (20%) of the total interest in the common elements so petition the Council in writing more than sixty (60) days prior to the next annual unit owners' meeting, voting for Council members shall be cumulative, i.e., any unit owner may apply the total number of votes which he is entitled to cast for all candidates, towards the election of one candidate, or may apportion such votes among fewer than all candidates, as he may determine.

4.5 Liability of Council Members

4.5.1 Disclosed Agents. The status of Council members in exercising their powers as established under the Declaration, Code of Regulations, Rules of Conduct, and the Delaware Unit Property Act, all as amended from time to time, shall be that, and solely that, of disclosed agents. No property collected, acquired, held, invested, spent, or divested by Council shall be regarded as belonging to Council; rather, at all times such property shall belong to the unit owners, subject only to the application and management of same by Council as required by the condominium documents and by Delaware law.

4.3.2 Limitations on Council Members' Liabilities.

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The members of the Council shall not be liable to the unit owners for any mistake of judgment, negligence, or other reason, except for their own individual willful misconduct or bad faith.

4.3.3 Indemnification by Unit Owners. The unit owners shall defend, indemnify, and hold harmless each of the Council members against all contractual, tort or other liability arising out of their actions or responsibilities undertaken on behalf of the unit owners, except and unless such action or responsibility reflects willful misconduct or gross negligence, or is clearly contrary to the Declaration or this Code of Regulations.

4.3.4 Unit Owner Liability. The liability of any unit owner arising out of any contract made by the Council or out of the aforesaid indemnity in favor of the Council members shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the unit owners in the common elements, except that the amount of such liability may be increased by ten percent (10%) thereof in the event of default by other unit owners. Council shall so notify those with whom it contracts; and shall have the power to levy special assessments against the unit owners to implement the foregoing provisions.

4.3 Bond

The Treasurer of the Council shall be bonded in an amount and to the extent necessary to provide the unit owners, occupants, and mortgagees with adequate protection.

ARTICLE V  
ELECTIONS AND KINDS OF OFFICERS

5.1 Officers

The Council shall elect each year at its annual meeting, by majority vote from among its members, a president, a secretary, and a treasurer. A vice president and assistant officers may also be elected.

5.2 Simultaneous Duties

Any Council member may hold more than one (1) office at any time.

ARTICLE VI  
TERM, DUTIES, COMPENSATION OF OFFICERS

6.1 Term; Removal and Vacancies

6.1.1 One Year Term. Each officer shall serve for a term of one (1) year (except those appointed by Declarant) and except those elected at the organizational meeting who shall serve until the next annual meeting).

6.1.2 Early Termination. Each officer's term (except an officer appointed by Declarant) shall be subject to the Council's right to remove him or her from office, after he or she has had an opportunity to be heard, with or without cause at any meeting called for that purpose.

6.1.3 Vacancies. Vacancies shall be filled at a meeting of the Council called for that purpose and held as soon as practicable after the vacancy has occurred.

6.2 Duties of Officers

6.2.1 Professional Manager. The officers of Council may select and hire the services of a professional management company regularly engaged in the business of condominium management to assist them in the discharge of the Council's responsibilities in general and their duties in particular. The delegation of responsibilities and duties to

the manager shall be by written contract, signed by the President and Secretary. The cost of such management shall be a common expense, and the management contract shall be binding upon all unit owners and occupants, present and future, and upon all succeeding Councils and officers, for the duration of the term of such contract, except no contract shall be made for a term longer than one (1) year, and any such contract shall be subject to cancellation by Council for cause upon thirty (30) days' written notice to the management company, and without cause and without payment of a termination fee upon ninety (90) days' written notice.

6.2.2 President. The President shall preside at all meetings of the unit owners and at all meetings of the Council. He shall have the powers and duties generally associated with the office of the President of an association of individuals, including but not limited to the power to appoint committees from time to time from among Council members and any unit owners willing to assist in the conduct of the project's affairs. The President shall hire, supervise, discharge, and be ultimately responsible to the unit owners for the performance of, persons employed by the Council for management, maintenance, accounting, or any other purposes. He shall oversee all arrangements for water service, gas, electricity, trash disposal, insurance, security, maintenance, repairs, reconstruction, and all other contracts relating to the common elements or to the project as a whole. Insofar as practicable and possible, the President shall endeavor to include in every contract binding on the unit owners as a whole, a provision limiting each unit owner's liability therefor to the same percentage thereof as his percentage interest in the common elements.

6.2.3 Vice President. The Vice President (if any) shall serve as an ex officio member on all committees appointed by the President. He shall also fulfill the responsibilities of the President in the event of the latter's incapacity, absence, removal, or refusal to serve.

**6.2.4 Secretary.** The Secretary shall keep or cause to be kept minutes of all meetings of the unit owners and of the Council. He shall receive and send out notices and correspondence on behalf of the Council. He shall have charge of such books, papers, and documents as the Council may direct; and shall in general perform all the duties incident to the office of Secretary of an association of individuals. He shall promptly inform any institutional lender holding a first mortgage against one or more units, which has registered as such with the Council, of any delinquency extending thirty (30) days or more in the payment of any general or special assessment on such unit or units, and of any other matter regarding which mortgagees are entitled under the provisions of the Declaration or Code of Regulations to receive notice.

**6.2.5 Treasurer.** The Treasurer shall comply with the requirements made of him by the Delaware Unit Property Act, and by this Code of Regulations as hereinafter set forth. He shall have custody of all personal property jointly owned by the unit owners including funds, securities, and evidences of indebtedness. The Treasurer shall give the Secretary all information required to inform each unit owner of the monthly and special assessments due. The Treasurer shall be responsible for collecting all assessments from the unit owners, and all other income, rents, or proceeds due to the Council for the common benefit of the unit owners. He shall deposit and keep funds so collected in such account or accounts as the Council may direct. No withdrawals shall be made from said accounts except on the signature of two Council members.

**6.2.6 Budget.** Within fourteen (14) to forty-two (42) days after his election to the office, depending on the length of adjournment of the Council's first meeting, the Treasurer-elect, assisted by the incumbent Treasurer, shall prepare a detailed estimate of the common expenses for the coming year. A copy of the estimate as approved by Council shall be promptly mailed or delivered to every unit owner by the Secretary. The unit owners shall have ten (10) days thereafter in which to demand that a special meeting

be called for the purpose of discussing and approving the estimate. If no such meeting is demanded, the estimate shall be deemed acceptable and the Treasurer shall form a budget and calculate the monthly assessment needed from each unit owner. Each and every item of cost, expense, or reserve shown on the budget thus accepted or approved shall be deemed a valid common expense of the condominium project.

5.2.7 Special Assessments. The Treasurer shall within ten (10) days after being directed and authorized by the Council to make additional assessments for expenses not included or accurately forecast in the initial estimate, prepare an explanation of same for prompt mailing or delivery by the Secretary to each unit owner. The unit owners shall have ten (10) days after such delivery in which to demand that a special meeting be called for the purpose of discussing and approving the additional assessments. If no such meeting is demanded, the assessment shall be deemed acceptable.

6.3 Compensation and Delegation

6.3.1 Council's Approval for Delegation. The performance of, but not the responsibility for, any officer's duties may be delegated by the Council if the officer so requests to any suitable person employed or approved by the Council.

6.3.2 Unit Owner's Vote for Compensation. No officer shall be paid any compensation for his services in such capacity, except as may be provided for by vote of the unit owners at their annual or any special meeting.

ARTICLE VII  
WORK ON COMMON ELEMENTS AND UNITS

7.1 Common Elements - Upkeep Procedures

7.1.1 Limitations Against Unit Owners. Repair, maintenance, and replacement of the common elements shall be undertaken only by employees or agents of the Council and at the Council's direction, unless Council fails to respond to an

emergency as hereinafter provided in subparagraph (e). No unit owner or occupant shall paint or otherwise adorn any of the common elements; place fans, air-conditioning units, or other devices in any exterior window; permit any wires to be installed for telephone, television, radio, or otherwise along any exterior or interior common element walls, or install any antenna on the exterior of any structure; or change the color of balcony carpeting, or remove such carpeting, or screen the balcony to his unit or otherwise change the exterior appearance of the Building without first receiving written permission of the Council, which permission if given may at any time thereafter on ten (10) days' written notice be withdrawn for reasonable cause.

7.1.2 Easement for Upkeep. The employees or agents of the Council shall have the unhindered right to enter, leave, and move about in the unit as frequently and to whatever extent necessary to accomplish the required work. They shall also have the right to inspect each unit once every year to ascertain its condition.

7.1.3 Notice. Any need or suspected need for repair, maintenance, or replacement of any common element from within a unit shall be promptly brought to the attention of the Council by the owner or occupant of that unit. Emergency work within a unit may be accomplished at any time and without advance notice. All other work and the annual inspection shall be accomplished at such time or times as the Council, after ascertaining the desires of the unit owners and occupants and with due regard for their convenience, may specify by written notice delivered to the unit involved at least fifteen (15) days in advance.

7.1.4 Outside Contractor. The Council may delegate to a full or part-time project engineer or manager employed for such purpose all or any part of its duties and powers with respect to upkeep of the common elements but may not delegate its responsibilities therefor. Council may from time to time contract with any firm, person, or corporation for the performance of any maintenance, replacement, repair, or reconstruction.



**7.1.5 Right of Self-help.** In the event that the Council fails to maintain the project in accordance with its duties hereunder, any unit owner, occupant, or institutional first mortgagee shall have the right to compel the specific performance of the Council in a court of equity. Should the Council fail to make emergency repairs within twenty-four (24) hours of receiving notice of the need therefor, the unit owner, occupant, or institutional first mortgagee may cause the same to be made and seek reimbursement from the Council. All doubts shall be resolved by the court or arbitrator in favor of the good faith judgment and decision of the Council.

**7.2 Common Elements - Upkeep and Costs**

**7.2.1 Common Expenses.** The costs of materials, labor, services, supplies, and any other expense incurred to repair, maintain, replace, or reconstruct the common elements shall be paid by the Treasurer from assessments collected and reserves created or funds received for such purpose. Costs and expenses forecast in the Treasurer's annual estimate may be paid without further authorization of the Council. All other costs and expenses must be separately authorized.

**7.2.2 Borrowing by Council.** The Council shall have the power to borrow funds for maintenance, repairs, or replacements if necessary to prevent waste or meet an emergency. Otherwise, the Council shall first seek the authorization of the unit owners. No bank or other lender shall be required to ascertain if the Council has proper authority to borrow, but any bank or lender which has first obtained the written assurances of each Council member that the borrowing is proper shall be entitled to presume conclusively that such assurances are true.

**7.2.3 Council's Liability for Incidental Damage.** Any damage to a unit owner's or occupant's personal property or unit which occurs in the course of repair, maintenance, or replacement of the common elements by the Council shall be reported to the Council as soon as discovered. If satisfied that the damage was so caused, and not

as the result of any carelessness on the part of the unit owner or occupant, the Council shall make a reasonable reimbursement therefor.

7.2.4 Unit Owner's Liability for Damage Caused. Any maintenance, replacement, or repair to the common elements made necessary by an act or acts of a unit owner, occupant, or invitee other than such as occur in the course of normal, careful usage resulting in ordinary wear and tear, shall be assessed solely to and paid by the unit owner involved.

7.2.5 Limited Common Elements. Notwithstanding the foregoing, in the event that the Declarant or Council limits the use of any common element to a specific unit, thereby making it a limited common element, then unless all units receive substantially comparable treatment in having the exclusive use of a portion of the same or similar common elements, the cost of maintaining and repairing such limited common elements shall be solely assessed against and collected from the units and unit owners benefitted thereby. Failure to pay any such assessment shall entitle the Council to cancel any assigned exclusive use of a common element benefitting the unit against which such assessment has been made and is delinquent.

7.3 Maintenance of Units by Unit Owners

7.3.1 Liability for Failure to Maintain. Each unit owner must promptly, at his own expense, perform all maintenance and repair work within his unit, exclusive of common elements, which if not performed would or might cause damage to any portion of the common elements or to any portion of any other unit including the contents thereof. Each unit owner shall be strictly liable for damage to property and personal injury caused by his failure so to perform.

7.3.2 Unit Maintenance by Council. Notwithstanding that all repairs, maintenance, and replacements required in connection with any unit exclusive of common elements shall be the responsibility of the various unit owners, the Council may,

at its option, undertake to arrange for repairs, maintenance, and replacements which are the unit owner's responsibility if the unit owner so requests and deposits with the Council in advance an amount of money estimated by the Council as being sufficient to meet the cost of the work to be done. Any excess will be refunded, and any deficiency will be assessed, to the unit owner. The Council shall also have the right to make repairs to units which are the responsibility of the owners under Section 7.3.1 but which the owner has neglected or refused to perform. The cost of any work performed by the Council shall be borne by the owner of the unit to which the work has been done. All units which include an assigned parking space shall be irrevocably deemed to have requested that the Council clear, maintain and repair said parking space at the expense of its owner.

7.3.3 Structural Alterations. No unit-owner or occupant shall make any structural installation or alteration to which the Council objects. A unit owner or occupant desiring to make a structural installation or alteration shall first so notify the Council in writing. He shall furnish the Council with such further information and drawings as may be requested. The Council shall have thirty (30) days from its receipt of the notification within which to deliver to the unit owner, at the unit involved, its written objection. The Council shall be justified in resolving all doubts regarding duress, damage to, and safety of the common elements against the proposed installation or alteration.

7.3.4 Withdrawal of Prior Approval. In the event that no objection is made the installation or alteration may proceed, subject to the right of the Council at any time thereafter to conclude that an objection should have been made. If the Council so concludes, the owner of the unit in question shall cause the installation to be removed or the alteration to be changed back, and the Council shall reimburse the unit owner for the resulting diminution in the value of the unit or for the original cost of the installation or alteration, without depreciation, whichever amount is greater; provided, however, that

the unit owner shall bear all costs of, and shall receive no reimbursement for, removing or changing back any installation or alteration which materially varies from the plans submitted to the Council.

7.3.5 Exception for Declarant's Units. The foregoing provisions shall neither apply to, nor limit, the Declarant in rehabilitating or completing any unit to which it holds title.

7.4 Construction Using Insurance or Condemnation Proceeds

7.4.1 Restoration by Council. In the event of damage to or destruction of all or any part of a building or other improvement as a result of any casualty against which the Council has obtained insurance, or as the result of taking under power of eminent domain, the Council shall arrange for the prompt repair and restoration thereof, including without limitation, nonsupporting partition walls, wallboard, paint, finished floor surfaces, electrical outlets, lighting fixtures, plumbing fixtures, doors, windows, hot water heaters, appliances, and heating and air-conditioning units, and other common elements and unit elements, but only to the extent that the same were considered in determining the replacement value of a building for insurance purposes, or are otherwise covered by the insurance proceeds or condemnation award. (Carpeting, furniture, household equipment, and other improvements, furnishings and decorations which are not standard shall be the responsibility of the unit owners, to the extent not covered by the Council's insurance.) The insurance trustee or Council, as the case may be, shall disburse the insurance proceeds or condemnation award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the insurance or condemnation proceeds are not sufficient for repair and restoration, the Council shall nevertheless accomplish same and shall collect the deficiency by special assessment.

7.4.2 Suit for Partition. The foregoing provisions are subject to the condition that no such work shall be begun or continued nor shall any disbursements be

made if the condominium or any part thereof is validly the subject of any suit in partition by reason of the damage or destruction. Each suit to be effective must be brought within seven (7) days after the occurrence of the damage or destruction, otherwise the right to partition shall be conclusively deemed waived.

7.4.3 Distribution of Unused Proceeds. Any insurance proceeds not otherwise spent in repair or reconstruction shall be distributed in accordance with the Delaware Unit Property Act, subject, however, to the rights of mortgagees to receive any proceeds otherwise payable to the owners of mortgaged units. Any condemnation proceeds not needed for repair and restoration shall be divided among the unit owners in the same manner as insurance and salvage proceeds would be divided after a casualty and as the result of a suit for partition; provided, however, that where the taking of a common element under power of eminent domain disproportionately and materially diminishes the value of any unit or units in comparison with any others, as determined in the sole but good faith, reasonable discretion of Council, then the proceeds shall be divided and distributed so as to equalize such disproportionate diminution.

7.5 Appearance Regulations. In the event that any unit owner desires to change the color or appearance of any portion of his unit or any limited common element visible to third parties from outside of his unit (including but not limited to balcony carpeting or screen installation), such owner shall first seek and obtain the Council's written approval for such change, which approval Council may withhold for the sake of uniformity. This provision is subject to all of the foregoing limitations and does not create any right to make changes not otherwise herein granted. Council shall have the right, power, and authority to regulate by rules all matters affecting the exterior appearance of the Building, including but not limited to drapery colors and blinds, and use and contents of balconies.

ARTICLE VIII  
COLLECTION OF COMMON EXPENSES

8.1 Budget and Assessments in Advance

8.1.1 Scope and Validity. The Council through its Treasurer shall have the power and authority to prepare a budget for each year in advance and to make assessments each month in advance for the common expenses anticipated in such budget, subject only to the right of the unit owners to call a meeting for the purpose of discussing and approving or disapproving the budget when the Treasurer presents his annual estimate of common expenses. No objection shall be made to any assessment on the basis that the expenses which such assessment is intended to meet have not yet been incurred. Nor shall objections be made to assessment for expenses which by statute are common expenses necessary for Council to discharge its duties and responsibilities to the condominium property and unit owners, occupants, and mortgagees. Any and all expenses provided for in the budget shall be deemed valid common expenses on which all unit owners have agreed, unless said budget is disapproved and rejected by unit owner vote as provided elsewhere herein.

8.1.2 Reserves. The budget and assessments therefor shall provide an adequate reserve fund for the maintenance, repair and replacement of those common elements of the condominium project that must be replaced on a periodic basis; such fund shall be established by separate regular monthly assessments payable monthly in regular installments by the unit owners, maintained in trust separately from all other funds. The budget may provide as part of this same trust fund for the creation of reserves to meet unforeseen contingencies or to provide for expenses which may not be incurred until an undetermined time in the future beyond the one year period during which the budget will be in force.

**5.1.3 Working Capital.** At the time of the first conveyance of each unit, the grantee named in the first deed to such unit shall contribute to the Council a working capital fund equal to two (2) month's estimated common expense assessment against such unit, to be held by and for the Association of Owners in a separate account to meet unforeseen contingencies and to provide capital for equipment or services deemed necessary by the Council. Such working capital shall not constitute advance payment of assessments, nor shall it be refunded to any unit owner upon conveyance of his unit, but shall be deemed automatically assigned to each successive unit owner as an appurtenance of the unit until such time, if any, as the condominium regime is terminated or until such fund is otherwise exhausted. Within sixty (60) days after Declarant has conveyed the first unit in the condominium property, Declarant shall contribute each un conveyed unit's share of the working capital fund, i.e., two month's condominium common expense amount; but same shall be refunded to Declarant as each unit is sold and as the new owner of such unit contributes, at settlement, two month's condominium assessments to the Council for the working capital fund.

**5.2 Default and Enforcement**

**5.2.1 Due Date.** Assessments shall be paid by check, cash, or money order delivered to the Treasurer on or before the date when such assessment is due as communicated in the notice of assessment. Payment by check shall not be deemed made until the funds represented thereby are actually collected. Failure to pay any assessment when due constitutes a default and subjects the unit owner responsible therefor to the Council's enforcement procedures.

**5.2.2 Suspension of Privileges.** The Treasurer may require cash or a certified or local bank's treasurer check from any unit owner whose personal check has not been honored by his bank, which requirement may in the Treasurer's discretion remain in effect for up to six (6) months following receipt of the first dishonored check.

and for up to twelve (12) months following receipt of the second or more dishonored checks.

8.2.3 Acceleration of Assessment Upon Default. In the event that the monthly or any special assessment of any unit owner remains unpaid, regardless of the amount which he has on deposit, or in the event that the amount on deposit remains deficient, for a period of more than sixty (60) days, the Council shall have the right to call in writing for immediate payment of all sums past due and all assessments scheduled to become due during the remainder of the fiscal year, as if this aggregate amount had originally been due and payable in full. The Council may take any and all steps available within the law to collect the amount due plus interest and attorneys' fees.

8.2.4 Effect of Unpaid Assessment. So long as any general or special assessment is due and unpaid, the unit subject to such assessment (with the exception of units owned by the Declarant) shall not be sold or encumbered, nor shall any lease thereon be entered or assigned, nor shall any existing lien or encumbrance be extended or increased, except with the Council's written consent, and any rents, common profits, or other income rights with respect to such unit shall be deemed assigned to the Council as security. This paragraph shall be subject to such rights as may be then vested in the institutional first mortgagee of such unit, if any.

8.2.5 Suspension of Utilities as Penalty. So long as any general or special assessment is due and unpaid, the Council shall have the right to suspend any centrally-supplied utility or service for the unit subject to such assessment, with the exception of units owned by the Declarant, or units as to which a first mortgagee has taken a deed by foreclosure or in lieu of foreclosure. No such suspension shall reduce the affected unit's liability for common expenses during the time of such suspension or thereafter. Nor shall any unit owner or occupant be denied free and unburdened access to his unit prior to foreclosure sale thereof.



8.2.6 Settlement; Expenses of Collection. Every unit owner, except the Declarant, against whom legal action is taken to collect an assessment or enforce any covenant, condition, obligation, or restriction shall, if judgment is rendered against him, be liable for all court costs and for a reasonable attorneys' fee, the same as if such costs and fee were part of the original amount due, except that no interest shall be calculated on the costs and fee. The Council shall have the right to settle any claim against a unit owner, occupant, or other person or legal entity for such amount and on such terms as the Council believes to be in the project's best interests.

8.3 Exceptions for Declarant's Units

Notwithstanding any other provision to the contrary, no lawsuit, suspension of utilities, or other action shall be taken by or on behalf of the condominium Council, or any unit owner, occupant, mortgagee, or other lienor, to collect any assessment against any unit owned by Declarant, or its successors or assigns, which relates to any period of time or times during which the unit was not actually being occupied as a residence (and the performance of work on Declarant's units to rehabilitate or improve same shall not constitute occupancy thereof) unless and except to the extent that such assessment is for expenditures actually made by the condominium Council for the cost of electricity, gas, oil, water, sewer, insurance protection, trash disposal, or maintenance personnel, in fact directly consumed or utilized by such unit, independently of and apart from its interest in the common elements. Declarant shall be entitled, when any unit to which Declarant has theretofore held title is for the first time being conveyed, to receive from the Council a credit or reimbursement for all common assessments against said unit during any period of time while it was not being occupied as a residence as above provided, except for such portion of the assessments as has been actually expended by Council for Declarant's use and benefit as above specified; and such reimbursement shall be a common expense of the condominium project. To the extent that Declarant owes any assessment on a unit at

the time when that unit is being conveyed, the amount due shall be reimbursed to the Council without interest, from the net proceeds of sale received by the Declarant, but only insofar as such net proceeds are adequate. Any deficiency shall be allocated to the Declarant's unsold units in proportion to the percentages of interest attributed to each such unit. In no event, however, shall Declarant receive the benefit of the foregoing provisions for more than two (2) months after conveyance of the first unit if a deficit occurs in the condominium budget for the year in which such benefit occurs, but Declarant shall make up such deficit to the extent, and only to the extent, of any such benefit.

8.4 Exceptions for Mortgages. Any first mortgagee or other party who obtains title to a condominium unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage shall not be liable for such unit's unpaid dues or charges (including late charges and attorney's fees) which accrue prior to the acquisition of title to such unit by the mortgagee, except insofar as any delinquent assessments for which the lien is extinguished pursuant to the foregoing provision may be reallocated to all units as a common expense assessment.

ARTICLE IX  
PROMULGATION AND AMENDMENT

9.1 Rules of Conduct

The Council may from time to time promulgate and amend rules governing the use and operation of the project facilities and common elements in general.

9.2 Amendments to Code of Regulations

The Council may from time to time amend the Code of Regulations, subject to the requirements for amendments set forth in the Declaration.

9.3 Unit Owner Approval

Except as hereafter provided, no Rule of Council, and no Amendment to the Code of Regulations, shall be recorded or become effective until a copy thereof has been made available for inspection by all unit owners at some convenient place in the project for a period of at least fifteen (15) days following written notification of each unit indicating the general purpose of the rule or amendment and the location of the copy. Any time before or after the effective date of the rule or amendment, the unit owners may cause a special meeting to be held at which the same may be rescinded by a majority of the total vote cast. Rescission shall automatically revive the previous status of the Rules or Code as the case may be. The unit owners shall not have the power themselves directly to promulgate or amend any rule or regulation.

9.4 Declarant Approval

So long as the Declarant holds title to one (1) or more units, whether in the Declarant's name or in the name of a nominee, which units continue to be offered for sale as part of the original marketing effort, no Rule of Conduct, or amendment, addition to or deletion from the Code of Regulations or Declaration or Declaration Plan shall be effective without the Declarant's written consent.

ARTICLE X  
ACQUISITION OF UNITS BY COUNCIL

10.1 Unit Liened by Council. The Council may, if authorized by unit owner vote of a majority of the votes cast, acquire by purchase as a common expense any unit offered for sale under circumstances making its acquisition necessary or advisable in order to protect the Council's lien for unpaid assessments thereon.

10.2 Unit Not Liened. The Council may, if authorized by a unit owner vote of at least sixty-seven percent (67%) or more of the votes cast, seek to purchase as a common expense any unit or interest therein.

10.3 Power to Borrow on and Dispose of Units

VGL F.124 PAGE 59

The Council may, if authorized by the unit owners, borrow money to accomplish any of the aforesaid acquisitions. Management and disposition of any unit or units standing in the Council's name may be accomplished by the Council without prior authorization of the unit owners.

ARTICLE XI  
SUIT BY AND AGAINST UNIT OWNERS

11.1 Unit Owners as a Quasi-class

11.1.1 Council as Agent. The Council, whether acting directly or through an incorporated condominium homeowner's association, shall have the sole and exclusive right, as a common expense, to bring, prosecute, settle, arbitrate, and defend claims, suits, governmental proceedings, and other actions of a legal nature brought by or against all of the unit owners of the Council, or which could have been brought by or against all of the unit owners or the Council; except that Council shall not have the right, power, authority, or standing to bring any suit against the Declarant without the Declarant's prior written consent.

11.1.2 Service of Process. Any person or entity wishing to bring suit against all of the unit owners is authorized to effectuate service thereon by serving any member of the Council, provided, however, that the person or entity so making service shall thereby be deemed to consent and agree that the liability of each unit owner as to any judgment subsequently rendered against the unit owners shall be limited to his percentage interest in the common elements multiplied times the judgment, and further, as to any unit owner not a resident of the State of Delaware, that such service shall be sufficient to establish only in rem jurisdiction and not personal jurisdiction, the same as if the unit of such nonresident had been attached to compel his appearance.

11.1.3 Waiver by Council. Council shall within seven (7) days after being requested to sue or defend by any unit owner, either consent to such request in writing or else waive the exclusive right to sue or defend in writing; except that said seven (7) day period may be extended to fourteen (14) days if Council desires to and does call a meeting of the unit owners to consider such request. Upon waiver by Council of its exclusive right to sue or defend with respect to any particular situation, any unit owner may proceed, alone or with others, to sue or defend on his own or their own behalf.

11.1.4 Effect of Judgment. Any judgment which is rendered against one or more, but less than all, of the unit owners for a liability which would have supported entry of judgment against the Council or all unit owners, shall be deemed a common expense and shall be borne by all of the unit owners.

11.2 Actions to Enforce Condominium Documents

Failure of any unit owner or occupant to comply with the provisions of the Declaration, Code of Regulations, or Rules of conduct will give rise to a cause of action in the Council and in any aggrieved unit owner, occupant, or mortgagee for damages, injunctive relief, or both.

11.3 Fictitious Name Certificate. The Council shall file and refile as necessary a fictitious name certificate so that the Association of Owners shall be and remain in compliance with Delaware law governing the right of unincorporated associations to do business, and to sue and be sued, in a fictitious name.

ARTICLE XI  
MORTGAGES AND MORTGAGEES

12.1 Notice to Association

Every unit owner who mortgages his unit, or the mortgagee thereof, shall notify the Council of the name and address of the mortgagee and shall file a conformed copy of the mortgage with the Council. The Council shall maintain such information in a

book entitled "Mortgages of Units." The term "mortgagee" wherever used in the Declaration or Code of Regulations shall include and mean every holder, insurer, or guarantor of a mortgage against a unit or units in the condominium.

12.2 Notice to Mortgagees

Provided that Council has previously been furnished with the name and address of the holder, insurer or guarantor of any mortgage against a unit in the Project, and with the number or address of such unit, the Council shall give such holder, insurer, or guarantor timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any unit on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to the first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association of Owners;

(d) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in Section 9.9 (e) of the Declaration.

12.2.2 Destruction or Condemnation. Council shall also give to all such mortgagees, with the same proviso, written notice of any damage or destruction to, or taking or proposed taking of, the common elements of the condominium project.

12.2.3 Financial Statement. Council shall give any holder, insurer, or guarantor of a first mortgage on a unit, upon request, a copy of an audited financial

statement of the condominium project for the preceding fiscal year within ninety (90) days following the end of such year.

12.2.4 Meetings. Council shall give any holder, insurer, or guarantor of a first mortgage on a unit, upon request, advance written notice of all meetings of unit owners. Such holders shall each be permitted to designate a representative who shall be entitled to attend any and every such meeting.

12.3 Examination of Books Council shall maintain at all times current copies of the Declaration, Code of Regulations, Declaration Plan, Rules of Conduct, and its own books, records and financial statements. Each unit owner and each holder, insurer and guarantor of any mortgage secured by a unit shall be permitted to examine all the condominium documents, plans, books, accounts, budget records, and financial statements of the Council and of the condominium project at a reasonable time, on business days, or under other reasonable circumstances.

WITNESS:

CLIFF HOUSE CONDOMINIUM COUNCIL

[Signature]

By: [Signature]  
Council Member

[Signature]

By: [Signature]  
Council Member

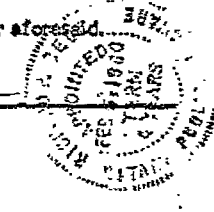
STATE OF DELAWARE )  
NEW CASTLE COUNTY ) SS.

VOL. F. 124 PAGE 63

BE IT REMEMBERED that on this 31st day of January, 1983, personally came before me, the Subscriber, a Notary Public for the State and County aforesaid, *Joseph R. Brown, Sr. and Mary Lee Saccohan*, Council Member of CLIFF HOUSE CONDOMINIUM, party to this Indenture, known to me personally as such, and acknowledged this Indenture to be his act and deed.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

*[Signature]*  
NOTARY PUBLIC

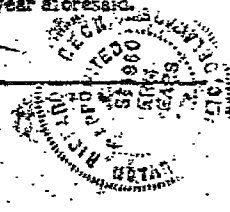


STATE OF DELAWARE )  
NEW CASTLE COUNTY ) SS.

BE IT REMEMBERED that on this 31st day of January, 1983, personally came before me, the Subscriber, a Notary Public for the State and County aforesaid, *Joseph R. Brown, Sr. and Mary Lee Saccohan*, Council Member of CLIFF HOUSE CONDOMINIUM, party to this Indenture, known to me personally as such, and acknowledged this Indenture to be his act and deed.

GIVEN under my Hand and Seal of Office, the day and year aforesaid.

*[Signature]*  
NOTARY PUBLIC



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EO J. DUGAN, Jr. Recorder





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Michael E. Kozikowski

New Castle Recorder NISC

Tax Parcel No: 06-023.00-119C001A  
through C-14G

Prepared by: Daniel R. Losco, Esquire

Return to: Losco & Marconi, P.A. (#4596)

P.O. Box 1677

Wilmington, DE 19899

AMENDMENT TO CODE OF REGULATIONS FOR  
CLIFF HOUSE CONDOMINIUM

THIS AMENDMENT made this 20<sup>th</sup> day of SEPTEMBER, A.D., 2005, by the Cliff House Condominium Council, for itself and on behalf of the Cliff House Association of Owners, organized and existing under Title 25, Chapter 22 of the Delaware Code.

WHEREAS, the Cliff House Condominium was created pursuant to the provisions of Title 25, Chapter 22 of the Delaware Code by the recordation of *inter alia*, the Cliff House Condominium Code of Regulations dated January 31, 1983 and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware in Deed Record F, Volume 124, Page 32, et al. (hereinafter called the "Code"); and

WHEREAS, by virtue of Section Article IX, Section 9.2 of the Code, the Cliff House Condominium Council may from time to time amend the Code subject, however, to the requirements set forth in the Cliff House Condominium Declaration dated and recorded October 13, 1983, in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Record F, Volume 124, Page 1, etc. (hereinafter called "the Declaration"); and

WHEREAS, Section 9, Paragraph 9.9 (e)(A)(i) of the Declaration requires that amendments to the Code affecting voting rights may only be implemented with the consent of the owners of units to which at least sixty-seven percent (67%) of the votes in the Association of Owners are allocated and the approval of eligible holders holding mortgages on units which have at least fifty-one percent (51%) of the votes of units subject to such mortgage;

WHEREAS, Council has adopted by a unanimous consent dated August ~~September 18~~, 2005 an amendment to the Code amending Section 4.4.4 of Article IV to prohibit cumulative voting in connection with the election of council members; and

WHEREAS, Council has secured and does maintain in its records written consent to the amendment of Section 4.4.4 of Article IV of the Code as described above from at least sixty-seven percent (67%) of the votes in the Association of Owners are allocated and the approval of eligible holders holding mortgages on units, if any, which have at least fifty-one percent (51%) of the votes

2

of units subject to such mortgage; and

WHEREAS, Council has provided notice of the proposed amendment contained herein to unit owners for a period of at least 15 days following written notification of general purpose of the rule or amendment and no unit owners have taken action to cause a special meeting to be held for the purpose of rescinding the proposed amendment contained herein;

NOW, THEREFORE, WITNESSETH, Article IV, Section 4.4.4 of the Code is hereby amended as follows:

Article IV, Section 4.4.4 Cumulative Voting. For all annual and special elections of Council members, cumulative voting shall be prohibited.

IN WITNESS WHEREOF, the Council of the Cliff House Condominium has caused this Amendment to the Cliff House Code of Regulations to be executed the day and year first above written.

SEALED AND DELIVERED  
IN THE PRESENCE OF:

CLIFF HOUSE CONDOMINIUM COUNCIL  
and the CLIFF HOUSE ASSOCIATION OF  
OWNERS

Kristina Gutts  
Witness

By: Anthony J. Cerce, Jr. (SEAL)  
Anthony J. Cerce, Jr., President

Michael Van  
Witness

Attest: Richard D. Pitt (SEAL)  
Secretary

STATE OF DELAWARE :  
: SS.  
NEW CASTLE COUNTY :


BE IT REMEMBERED on this 20 day of September, A.D., 2005, personally appeared before me, the subscriber, a notary public for the State of Delaware, Anthony J. Cerce, Jr., President of the Cliff House Condominium Council, known to me personally to be such, and acknowledged this Amendment to be his act and deed and the act deed of said Condominium Council and Association of Owners, that the signature of the President thereto is in his own proper handwriting and the seal affixed is the common seal of Condominium Council, and that his act of sealing, executing, acknowledging and delivery said Amendment was duly authorized by a unanimous resolution of the Council of the Cliff House Condominium.

GIVEN under my hand and seal of office the day and year aforesaid.

Kristina Gutts (SEAL)  
Notary Public

Kristina Gutts  
Notary Public, State of Delaware  
My Commission Expires April 14, 2007

**TIME STAMP & RETURN**

  
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Michael E. Kozikowski  
New Castle Recorder MISC

Tax Parcel No: 06-023.00-119C001A  
through C-14G  
Prepared by: Daniel R. Losco, Esquire  
Return to: Losco & Marconi, P.A. (#4596)  
P.O. Box 1677  
Wilmington, DE 19899

**SECOND AMENDMENT TO CODE OF REGULATIONS FOR  
CLIFF HOUSE CONDOMINIUM**

**THIS SECOND AMENDMENT TO CODE OF REGULATIONS FOR CLIFF HOUSE CONDOMINIUM** (this "Amendment") is made this 12<sup>th</sup> day of November, A.D., 2008, by the Cliff House Condominium Council, for itself and on behalf of the Cliff House Association of Owners, organized and existing under Title 25, Chapter 22 of the Delaware Code.

**WHEREAS**, the Cliff House Condominium was created pursuant to the provisions of Title 25, Chapter 22 of the Delaware Code by the recordation of *inter alia*, the Cliff House Condominium Code of Regulations dated January 31, 1983 and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware in Deed Record F, Volume 124, Page 32, et al. (hereinafter called the "Code"); and

**WHEREAS**, by virtue of Section Article IX, Section 9.2 of the Code, the Cliff House Condominium Council may from time to time amend the Code subject, however, to the requirements set forth in the Cliff House Condominium Declaration dated and recorded October 13, 1983, in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Record F, Volume 124, Page 1, etc. (hereinafter called the "Declaration"); and

**WHEREAS**, the Amendment memorialized herein requires, pursuant to Section 9.9(e) A(ii) and (iv) of the Declaration, the consent of the owners of units to which at least 67% of the votes in the Association are allocated, and the approval of "eligible mortgage holders", as said term is defined in Section 9.9(e) of the Declaration, if any, holding mortgages on units which have at least 51% of the votes of units subject to such mortgages; and

**WHEREAS**, Council has secured and does maintain in its records written consent to the Amendment of the Code described herein from at least sixty-seven percent (67%) of the votes in the Association of Owners; and

**WHEREAS**, Council has no record of any eligible mortgage holders holding mortgages on units who have requested that the Council or the Association of Owners notify them of any proposed action that requires eligible mortgage holder's consent; and

**WHEREAS**, pursuant to the Delaware Unit Property Act, 25 Del. C. §2202(4)(c), the term "common expenses" in connection with a condominium means and includes expenses declared common by provisions of the condominium's enabling declaration or its code of regulations; and

WHEREAS, the purpose of this Amendment is: (i) to declare, establish and confirm that the repair, maintenance and replacement of all balconies and terraces at the Cliff House Condominium, including any and all structural and non-structural components relating thereto, is and shall be the exclusive province and responsibility of Council; and (ii) to declare, establish and confirm that all costs and expenses associated with the repair, maintenance and replacement of balconies and terraces at the Cliff House Condominium, including all structural and non-structural components relating thereto, shall be treated and assessed by Council, and paid for by the Unit Owners, as a common expense; and

WHEREAS, Council has provided notice and a copy of this Amendment to each Cliff House unit owner for a period of at least 15 days following written notification of general purpose of the Amendment and no unit owners have taken action to cause a special meeting to be held for the purpose of rescinding the proposed amendment contained herein;

NOW, THEREFORE, WITNESSETH; the Code is hereby amended as follows:

1. The Code is hereby amended to add a new Section 7.6 to Article VII which shall state, in its entirety, as follows:

**7.6 Balconies and Terraces.** Notwithstanding anything contained herein or in the Declaration, the repair, maintenance and replacement of all balconies and terraces at the Cliff House Condominium, including any and all structural and non-structural components relating thereto, is and shall be the exclusive province and responsibility of Council. All costs and expenses associated with the repair, maintenance and replacement of balconies and terraces at the Cliff House Condominium, including all structural and non-structural components relating thereto: (i) shall hereby be declared, treated and assessed by Council, and paid for by the Unit Owners, as a common expense, such assessments representing a lien on the Unit owned by the Unit Owner so assessed; and (ii) shall be paid for by such Unit Owners in such amounts, at such time and in such manner, as Council may reasonably determine. Council shall have a perpetual easement to enter into Units, including balconies and terraces, upon reasonable notice to the Unit Owner for purposes of effecting the repairs, maintenance and replacements of all balconies and terraces at the Cliff House Condominium, including any and all structural and non-structural components relating thereto. In furtherance thereof, Council or its agents and designees shall have the right to remove and store personal property on the balconies and terraces at the Cliff House Condominium to effect such repairs, maintenance and replacements."

2. *Effective Date:* This Amendment shall become effective upon the recording of this document in the Office of the Recorder of Deeds in and for New Castle County, Delaware.

[Signature Page Follows]

IN WITNESS WHEREOF, the Council of the Cliff House Condominium has caused this Second Amendment to the Cliff House Code of Regulations to be executed the day and year first above written.

SEALED AND DELIVERED  
IN THE PRESENCE OF:

CLIFF HOUSE CONDOMINIUM COUNCIL  
and the CLIFF HOUSE ASSOCIATION OF  
OWNERS

Jean Harrington  
Witness

By: Anthony J. Cerce (SEAL)  
Anthony J. Cerce, President

Lois D. Fisher  
Witness

Attest: D. C. [Signature] (SEAL)  
Secretary

STATE OF DELAWARE :  
: SS.  
NEW CASTLE COUNTY :

BE IT REMEMBERED on this 12<sup>th</sup> day of November, A.D., 2008, personally appeared before me, the subscriber, a notary public for the State of Delaware, Anthony J. Cerce, President of the Cliff House Condominium Council, known to me personally to be such, and acknowledged this Amendment to be his act and deed and the act deed of said Condominium Council and Association of Owners, that the signature of the President thereto is in his own proper handwriting and the seal affixed is the common seal of Condominium Council, and that his act of sealing, executing, acknowledging and delivery said Amendment was duly authorized by a unanimous resolution of the Council of the Cliff House Condominium.

GIVEN under my hand and seal of office the day and year aforesaid.

[Signature] (SEAL)  
Notary Public

THOMAS C. MARCONI  
Attorney at Law - State of Delaware  
Notarial Officer Pursuant to  
29 Del.C. § 4323(a)(3)  
My Commission Has No Expiration

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Michael E. Kozikowski  
New Castle Recorder MISC

Tax Parcel No: 06-023.00-119C001A  
through C-14G

Prepared by: Daniel R. Losco, Esquire  
Return to: Losco & Marconi, P.A. (#4596)  
P.O. Box 1677  
Wilmington, DE 19899

**THIRD AMENDMENT TO CODE OF REGULATIONS FOR  
CLIFF HOUSE CONDOMINIUM**

**THIS THIRD AMENDMENT TO CODE OF REGULATIONS FOR CLIFF HOUSE CONDOMINIUM** (this "Amendment") is made this 16 day of June, A.D., 2009, by the Cliff House Condominium Council, for itself and on behalf of the Cliff House Association of Owners, organized and existing under Title 25, Chapter 22 of the Delaware Code.

**WHEREAS**, the Cliff House Condominium was created pursuant to the provisions of Title 25, Chapter 22 of the Delaware Code by the recordation of *inter alia*, the Cliff House Condominium Code of Regulations dated January 31, 1983 and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware in Deed Record F, Volume 124, Page 32, et al. (hereinafter called the "Code"); and

**WHEREAS**, by virtue of Section Article IX, Section 9.2 of the Code, and Section 2207 of the Unit Property Act (25 Del. C. §2207), the Cliff House Condominium Council may from time to time amend the Code subject, however, to the requirements set forth in the Cliff House Condominium Declaration dated and recorded October 13, 1983, in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Record F, Volume 124, Page 1, etc. (hereinafter called the "Declaration"); and

**WHEREAS**, pursuant to Section 9.9 of the Declaration; Article IX, Section 9.2 of the Code; and Section 2207 of the Unit Property Act (25 Del. C. §2207); the Amendment memorialized herein requires the adoption thereof by The Cliff House Condominium Council, subject to the right of the majority of Unit Owners of The Cliff House Condominium to rescind such amendment; and

**WHEREAS**, The Cliff House Condominium Council has secured and does maintain in its records written minutes of its Council Meeting at which Council voted affirmatively to adopt this Amendment; and

**WHEREAS**, The Cliff House Condominium Council has no record of any eligible mortgage holders holding mortgages on units who have requested that the Council or the Association of Owners notify them of any proposed action that requires eligible mortgage holder's consent; and

WHEREAS, The current Code of Regulations provisions mandate that the formulation process for next year's budget is to commence in the Spring of each year. However, as the Cliff House Condominium's fiscal year coincides with the calendar year, the Cliff House Condominium Council has determined that if the commencement of the budgetary process could occur in the Autumn months, then more data would be available for consideration, and as a result, a much more informed decision could be made when considering the budget for the upcoming calendar year; and

WHEREAS, the purpose of this Amendment is to allow the Cliff House Condominium Council to make a more informed decision on the budget for the upcoming calendar year by declaring, establishing and confirming that the detailed estimate of the common expenses for the coming year shall be prepared by the Treasurer or a designee thereof in October of each year. This Amendment also allows officers of the Cliff House Condominium to employ designees in the performance of certain functions in the budget formation process; and

WHEREAS, Council has provided notice and a copy of this Amendment to each Cliff House unit owner for a period of at least 15 days following written notification of general purpose of the Amendment and no unit owners have taken action to cause a special meeting to be held, pursuant to the provisions of Article II, Section 2.1.2 of the Code, for the purpose of rescinding the proposed amendment contained herein;

NOW, THEREFORE, WITNESSETH; the Code is hereby amended as follows:

1. The Code is hereby amended to delete Article 6, Section 6.2.6, and in its place adopt a new Article 6, Section 6.2.6 which shall state, as follows:

**"6.2.6 Budget.** During October of each year, the Treasurer, or a designee thereof, shall prepare a detailed estimate of the common expenses for the coming year. A copy of the estimate as approved by Council shall be promptly mailed or delivered to every unit owner by the Secretary or a designee thereof. The unit owners shall then have ten (10) days thereafter in which to demand that a special meeting be called for the purpose of discussing and approving the estimate. If no such meeting is demanded, the estimate shall be deemed acceptable and the Treasurer, or a designee thereof, shall form a budget and calculate the monthly assessment needed from each unit owner. Each and every cost, expense, and reserve shown on the budget thus accepted or approved shall be deemed a valid common expense or the condominium project."

2. **Effective Date:** This Amendment shall become effective upon the recording of this document in the Office of the Recorder of Deeds in and for New Castle County, Delaware.

IN WITNESS WHEREOF, the Council of the Cliff House Condominium has caused this Third Amendment to the Cliff House Code of Regulations to be executed the day and year first above written.

SEALED AND DELIVERED  
IN THE PRESENCE OF:

CLIFF HOUSE CONDOMINIUM COUNCIL  
and the CLIFF HOUSE ASSOCIATION OF  
OWNERS

Lois D. Fisher  
Witness

By: Anthony J. Cerce (SEAL)  
Anthony J. Cerce, President

Lois D. Fisher  
Witness

Attest: Denise C. [Signature] (SEAL)  
Secretary

STATE OF DELAWARE :  
: SS.  
NEW CASTLE COUNTY :

BE IT REMEMBERED on this 16<sup>th</sup> day of June, A.D., 2009, personally appeared before me, the subscriber, a notary public for the State of Delaware, Anthony J. Cerce, President of the Cliff House Condominium Council, known to me personally to be such, and acknowledged this Amendment to be his act and deed and the act deed of said Condominium Council and Association of Owners, that the signature of the President thereto is in his own proper handwriting and the seal affixed is the common seal of Condominium Council, and that his act of sealing, executing, acknowledging and delivery said Amendment was duly authorized by a unanimous resolution of the Council of the Cliff House Condominium.

GIVEN under my hand and seal of office the day and year aforesaid.

Paul E. Bilodeau (SEAL)  
Notary Public

PAUL E. BILODEAU  
Attorney at Law  
Notarial Officer State of Delaware  
My Commission Has No Expiration Date  
29 Del.C. § 4323(a)(3)