

DECLARATION OF CONDOMINIUM

STONES THROW

THIS DECLARATION, made this 16th day of April, 1975, by F.A.A.M. INC., a Delaware Corporation (hereinafter called the "Declarant"), as the owner of the real estate hereinafter described,

W I T N E S S E T H :

1. Submission of Property to Unit Property Act; Definitions.

A. This Declaration is filed pursuant to Chapter 22 of Title 25, Delaware Code of 1953, as amended (hereinafter called the "Act"). Declarant, as the owner in fee simple of the real property described in Exhibit "A" attached hereto and made part hereof, hereby submits said real property, together with the buildings and improvements constructed thereon, to the provisions of the Act.

B. The following terms used herein and in the Code of Regulations and the Declaration Plan, both of which are intended to be Recorded contemporaneously with the Recording of this Declaration, shall have the following meanings:

(i) "Building" shall mean those 22 multi-unit structures situate on the real property described in Exhibit "A" hereto, containing 88 Units. Where the context so requires, the term shall also include the swimming pool, recreational structure, and related facilities more fully shown on the Declaration Plan.

(ii) "Code of Regulations" shall mean such governing regulations as are adopted pursuant to the Act for the regulation and management of the Property, which governing regulations are intended to be Recorded contemporaneously with the Recording of this Declaration and the Declaration Plan. The term "Code of Regulations" shall also mean such amendments to such governing regulations as, from time to time, may be adopted and Recorded.

(iii) "Common Elements" shall mean and include:

(a) The land described in Exhibit "A", the air space above the Building and such land, and those portions of the Building which are not made part of any Unit by Section 1B(xiv) hereof.

(b) The following parts of the

Building: foundations; structural parts; supports; beams; interior load-bearing walls and all walls constituting any portion of the perimeter of the Building or a Unit, roofs, basements, halls, corridors, lobbies, stairways, and entrances and exits of the Building; all fresh water, discharge water and sewer lines and associated equipment serving the Common Elements or more than one Unit, or both.

(c) Trees, Greenery, walkways, roadways, parking areas, fences, retaining walls, benches, and bicycle racks, if any.

(d) Installations of all central services and utilities and water, sewer, electricity, telephone and other utility lines, pumping stations, pipes, fixtures, and equipment which serve the Common Elements or serve more than one Unit or both, including all pipes, ducts, wires, cables, and conduits used in connection therewith (except, and to the extent that, the same are located within the title lines of, and serve only, a single unit).

(e) Outside light fixtures, if any, designed primarily to illuminate the common areas.

(f) All patios and outside storage areas immediately adjoining the Units, provided, however, that each Unit Owner whose Unit immediately adjoins such a patio and outside storage area shall have an easement for the exclusive use thereof.

(g) The swimming pool, recreational structure, and related facilities, as shown on the Declaration Plan.

(h) All other parts or elements of the Building or the Property necessary or convenient to any one or more of the Property's management, operations, maintenance and safety, or in common use and which are not herein or in the Declaration Plan made a part of a Unit.

(iv) "Common Expenses" shall mean:

(a) Expenses of administration, maintenance, repair and replacement of the Common Elements;

(b) Expenses agreed upon as common by all of the Unit Owners; and

(c) Expenses declared common by provisions of the Act, or by this Declaration or the Code of Regulations.

(v) "Council" shall mean a board of natural individuals of the number stated in the Code of Regulations, all of whom shall be either residents of Delaware or Unit Owners, but need not be both, and who shall manage the business, operation and affairs of the Property on behalf of the Unit Owners and in compliance with and subject to the provisions of the Act.

(vi) "Declaration" shall mean this instrument and such amendments hereof as, from time to time, may be adopted and Recorded.

(vii) "Declaration Plan" shall mean a plan of the Property prepared in accordance with Section 2220 of the Act and intended to be Recorded contemporaneously with the Recording of this Declaration and the Code of Regulations, including such amendments thereof as, from time to time, may be adopted and Recorded. The Declaration Plan is hereby incorporated herein as if fully set out herein.

(viii) "Majority" or "Majority of the Unit Owners" shall mean the owners of more than an aggregate fifty percent (50%) of the proportionate undivided interests in the Common Elements as specified in this Declaration.

(ix) "Person" shall mean a natural individual, corporation, partnership, association, trustee or other legal entity.

(x) "Property" shall mean and include the land, the Building, all improvements thereon, all owned in fee simple, and all easements, rights and appurtenances belonging thereto, which have been or are intended to be submitted to the provisions of the Act.

(xi) "Record" shall mean to enter an instrument of record in the office of the Recorder of Deeds of New Castle County.

(xii) "Recorder" shall mean the Recorder of Deeds of New Castle County.

(xiii) "Revocation" shall mean an instrument, signed by all of the Unit Owners and by all holders of liens against the Units, by which the Property is removed from the provisions of the Act.

(xiv) "Unit" shall mean a part of the Property designed or intended for independent use which has a direct exit to a public street or way, or to a Common Element or Common Elements leading to a public street or way, or to an easement or right-of-way leading to a public street or way. Where the context so requires, the term shall include the proportionate undivided interest in the Common Elements which is assigned to that particular Unit in Section 5 of this Declaration.

Each Unit, including its proportionate undivided interest in the Common Elements, is for all purposes to be deemed real property. Units may be sold, conveyed, mortgaged, leased or otherwise dealt with in the same manner as like dealings are conducted with respect to real property and interests therein. Every written instrument dealing with a Unit shall specifically set forth the name by which the Property is identified and the Unit Designation identifying the Unit involved. The title lines of each Unit are situated as shown on the Declaration Plan and are described as follows:

(a) The vertical planes formed by the unfinished interior surfaces of such walls as form part of the perimeter of such Unit shown on the Declaration Plan;

(b) The horizontal plane formed by the unfinished interior surface of the uppermost ceiling of such Unit;

(c) The horizontal plane formed by the upper surfaces of the concrete slabs contained within the perimetrical limits hereinbefore described.

Except as noted below, each Unit consists of all portions of a Building within the aforesaid title lines including (by way of illustration and not limitation):

- (A) The airspace enclosed thereby;
- (B) All non-load-bearing walls, partitions dividers which are wholly contained within said title lines;
- (C) The finished floor and ceiling separating any floors or levels within the Units, of such Unit, as well as the airspace between such floors and ceiling and any sub-floor, joists, bridging, wiring, piping, ductwork and conduits located therein;
- (D) All doors, door frames, door ways, door hinges and door sills appurtenant to such Unit, whether or not set in the exterior walls of the Building of which the Unit is a part.
- (E) All windows, window frames, window tracts and window sills which are set in the exterior walls of the Building of which such Unit is a part, and any outside light fixture attached to the Common Elements, but serving a particular Unit;
- (F) All plaster, drywall, paint, wallpaper, tiles, panels, and like materials affixed to the surfaces defining the perimeter of the Unit.
- (G) All electrical receptacles, outlets and fixtures located in the ceilings of or in the perimeter or interior walls of such Unit and serving only such Unit;
- (H) All plumbing fixtures located within such title lines;
- (I) All piping, ducts and wiring serving only such Unit and located within such title lines;
- (J) All baseboards located within such title lines;
- (K) The air-conditioning, heating and ventilating ducts serving only such Unit, whether or not located within such Unit;
- (L) The fresh water pipes, discharge pipes, plumbing vents and all other plumbing, pipes, and conduits serving only such Unit and located within such title lines;
- (M) The hot water heaters serving only such Unit and located within such title lines;

(N) All fixtures, appliances, machinery and equipment which are located wholly within such title lines and serve only such Unit.

Each Unit also consists of all other parts of the Building (including fixtures, machinery and equipment) even though located outside of the title lines of such Unit, provided such other part of a Building serves only such Unit, including (by way of illustration and not limitation) piping, wiring, conduits and ductwork serving only one Unit, electric meters and wiring serving only one Unit and exterior electric lights, fixtures and associated wiring which are wired through such electric meters. Excluded from each Unit shall be all pipes, ducts, wires, cables, conduits, or other installations or systems serving more than one Unit or the Common Elements, and all other apparatus and installations existing for common use which may be wholly or partially within the title lines of a Unit but which in whole or in part serve one or more other Units or the Common Elements.

(xv) "Unit Designation" shall mean the number designating a specific Unit on the Declaration Plan.

(xvi) "Unit Owner" shall mean the person or persons owning a Unit in fee simple, whether as tenants in common, tenants by the entirety, joint tenants with right of survivorship, or otherwise as permitted by law. In the event that one or more persons shall so own a Unit, the term "Unit Owner" shall mean all such persons collectively and the obligation of a Unit Owner hereunder and under the Code of Regulations shall be the joint and several obligation of all such persons.

C. Terms used in one or more of this Declaration, the Declaration Plan and the Code of Regulations which are not expressly defined herein or therein, but which are expressly defined in the Act shall have the meaning given to them in the Act.

2. The Property.

A. The Land

The land included in the Property constitutes those two certain tracts, pieces, or parcels of land situate in Pencader Hundred, New Castle County, State of Delaware, more particularly bounded and described as appears in Exhibit A hereto.

B. The Building

There are twenty-two (22) two-story buildings, each of which contains four (4) units, on the land. These eighty-eight (88) units may be further classified as follows: fifty (50) type "A" (3 bedroom) units; twenty-two (22) type "B" (2 bedroom) units; and sixteen (16) type "C" (2 bedroom) units.

Each Unit has a separate entrance, and a utility room with electric furnace and hot water heater. In "B" and "C" Units, the utility room also contains a washer-dryer. The washer and dryer are situated in a separate compartment on the second floor of the "A" Units.

The buildings are constructed of masonry block party walls and aluminum stud framing for the exterior load-bearing walls. Exterior walls are faced with four-inch brick, with one-half inch insulation on four-inch aluminum studs. Interior walls are three-inch and four-inch aluminum studs faced with one-half inch gypsum drywall. On ground level, the floor is four-inch concrete with six-inch by six-inch wire mesh, covered with carpet or resilient tile. Floors and ceilings above ground level are eight-inch aluminum (I-beam) joist faced with one-half inch gypsum drywall ceiling and faced with three-quarter inch plywood flooring covered with carpet. The roof is made up of prefab trusses covered with one-half inch exterior plywood, fifteen pound felt 240 pound asphalt shingles manufactured by John-Manville, Window frames are of aluminum. Exterior doors are Thermo-thru insulated. Mechanical equipment in each building includes, but is not limited to, hot and cool air blowers, air-conditioning elements, and cable television antenna system. Water and electricity is supplied through individual meters in each Unit. Hot water is supplied by an electric hot water heater.

Each Unit contains a kitchen, with a stainless steel sink, garbage disposal, dishwasher, Hilo range, range hood, refrigerator-freezer, trash compactor, washer-dryer, carpet, vinyl and ceramic tile. Such appliances shall by virtue of being mentioned herein, constitute an integral part of each Unit and shall be considered fixtures.

C. Improvements

The land is further improved by concrete walkways and ramps, paved drive and parking areas, storm and sanitary sewer systems, transformers, electrical and telephone lines (ownership of which remains in the utility companies) and landscaping, all of which is located on land external to the buildings. In addition, the land is improved by a swimming pool, sixty feet in length by thirty feet in width, surrounded by a concrete apron and a four-foot high wood fence. In the pool area are: a wading pool (twenty feet in diameter), an equipment house, and a bath house (including pool and life guard storage room, snack bar, and dressing rooms). A community center building has also been constructed on the land. It is of concrete masonry block, brick and stone, approximately eighty-two (82) feet by forty-one (41) feet, four (4) inches. The center includes two meeting rooms, lounge, kitchen, rest rooms, storage room, portico and sun deck. In the community center area is a man-made pond, covering approximately one-third acre, with an average depth of six (6) feet. Water is supplied by a Fresh water well.

The property shall be known as Stones Throw.

4. Declaration Plan.

A. The Property shall consist of Units and Common Elements as shown in the Declaration Plan, which shows fully and accurately the Property, the name of the Property, the location of the Building thereon, and the floor plan of the Building, including the Units and Common Elements, and the Unit Designation for each Unit therein. Any discrepancy or inconsistency between this Declaration and the Declaration Plan in the description of any one or more of the Units and Common Elements shall be resolved in favor of the description contained in the Declaration Plan.

B. Notwithstanding any other provisions in this Declaration or the Code of Regulations dealing with amendments of the Declaration Plan, Declarant shall have the right, acting alone, at any time and from time to time, to amend the Declaration Plan to reflect the "as built" condition of the Property, including without limitation, the Building, Units and Common Elements; provided, however, that if any such amendment shall alter the description of any Unit which has been theretofore conveyed by Declarant, such amendment shall require the joinder of the Unit Owners thereof.

5. Common Elements.

A. The Common Elements are described in Section 1(B)(iii) hereof. Until the occurrence of events hereinafter specified, each Unit shall have assigned to it the proportionate undivided interest in the Common Elements set forth opposite the number of such Unit below:

<u>UNIT DESIGNATION</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>	<u>UNIT DESIGNATION</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>
301-C	1.04%	509-B	1.13%
302-C	1.04%	510-A	1.17%
303-B	1.13%	511-A	1.17%
304-A	1.17%	512-A	1.17%
305-A	1.17%	513-A	1.17%
306-A	1.17%	514-A	1.17%
331-A	1.17%	515-A	1.17%
332-A	1.17%	516-A	1.17%
333-A	1.17%	517-A	1.17%
334-B	1.13%	518-A	1.17%
335-C	1.04%	519-A	1.17%
336-C	1.04%	520-A	1.17%
501-A	1.17%	601-A	1.17%
502-A	1.17%	602-B	1.13%
503-A	1.17%	603-B	1.13%
504-B	1.13%	604-A	1.17%
505-B	1.13%	605-A	1.17%
506-A	1.17%	606-A	1.17%
507-A	1.17%	607-A	1.17%
508-B	1.13%	608-A	1.17%

609-A	1.17%	721-A	1.17%
610-B	1.13%	722-A	1.17%
611-B	1.13%	723-A	1.17%
612-A	1.17%	724-A	1.17%
701-A	1.17%	901-C	1.04%
702-B	1.13%	902-C	1.04%
703-B	1.13%	903-C	1.04%
704-A	1.17%	904-C	1.04%
705-A	1.17%	905-A	1.17%
706-B	1.13%	906-B	1.13%
707-B	1.13%	907-B	1.13%
708-A	1.17%	908-A	1.17%
709-A	1.17%	909-C	1.04%
710-B	1.13%	910-C	1.04%
711-B	1.13%	911-C	1.04%
712-A	1.17%	912-C	1.04%
713-A	1.17%	913-C	1.04%
714-B	1.13%	914-C	1.04%
715-B	1.13%	915-C	1.04%
716-A	1.17%	916-C	1.04%
717-A	1.17%	917-A	1.17%
718-A	1.17%	918-B	1.13%
719-A	1.17%	919-B	1.13%
720-A	1.17%	920-A	1.17%
		TOTAL	100%

B. In the event that Stones Throw is expanded by the Declarant, by amendment of this Declaration, as set forth in Section 10B hereof, submitting the parcel of land described in Exhibit "B" hereto to the provisions of the Act as Section 2 of Stones Throw (all as more fully described in Exhibit "D" attached hereto and made a part hereof), then from and after the date thereof, except as set forth in Section 10B hereof, each Unit shall have assigned to it the proportionate undivided interest in the Common Elements set forth opposite the number of such Unit below:

<u>UNIT DESIGNATION</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>	<u>UNIT DESIGNATION</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>
301-C	.363%	504-B	.406%
302-C	.363%	505-B	.406%
303-B	.406%	506-A	.419%
304-A	.419%	507-A	.419%
304-A	.419%	508-B	.406%
306-A	.419%	509-B	.406%
331-A	.419%	510-A	.419%
332-A	.419%	511-A	.419%
333-A	.419%	512-A	.419%
334-B	.406%	513-A	.419%
335-C	.363%	514-A	.419%
336-C	.363%	515-A	.419%
501-A	.419%	516-A	.419%
502-A	.419%	517-A	.419%
503-A	.419%	518-A	.419%

<u>UNIT DESIGNATION</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>	<u>UNIT DESIGNATION</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>
519-A	.419%	716-A	.419%
520-A	.419%	717-A	.419%
601-A	.419%	718-A	.419%
602-B	.406%	719-A	.419%
603-B	.406%	720-A	.419%
604-A	.419%	721-A	.419%
605-A	.419%	722-A	.419%
606-A	.419%	723-A	.419%
607-A	.419%	724-A	.419%
608-A	.419%	901-C	.363%
609-A	.419%	902-C	.363%
610-B	.406%	903-C	.363%
611-B	.406%	904-C	.363%
612-A	.419%	905-A	.419%
701-A	.419%	906-B	.406%
702-B	.406%	907-B	.406%
703-B	.406%	908-A	.419%
704-A	.419%	909-C	.363%
705-A	.419%	910-C	.363%
706-B	.406%	911-C	.363%
707-B	.406%	912-C	.363%
708-A	.419%	913-C	.363%
709-A	.419%	914-C	.363%
710-B	.406%	915-C	.363%
711-B	.406%	916-C	.363%
712-A	.419%	917-A	.419%
713-A	.419%	918-B	.406%
714-B	.406%	919-B	.406%
715-B	.406%	920-A	.419%
		SUBTOTAL	39.690%

In addition to the foregoing, Section 2 shall contain the following Units, whose precise Unit Designations shall be set forth on the amendment to the Declaration Plan referred to in Section 10B hereof:

<u>NUMBER OF UNITS</u>	<u>TYPE OF UNIT</u>	<u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u>	
82	"A"	.419%	= 34.358%
18	"A"	.420%	= 7.560%
48	"B"	.406%	= 19.488%
8	"C"	.363%	= 2.904%
	TOTAL		100%

C. The Common Elements shall remain undivided and no Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise and no action for partition or division of any part of the Common Elements shall be permitted, except as provided in Section 2239 of the Act, Section 12 of this Declaration or Section 6E of the Code of Regulations.

D. Except as otherwise provided in the Code of Regulations, at any meeting of the Association of Unit Owners (described in the Code of Regulations), each Unit Owner shall be entitled to a vote of the same weight relative to the votes of the other Unit Owners as the percentage of ownership in the Common Elements assigned to his Unit by this Declaration bears to one hundred percent (100%).

E. Unless the Unit Owners shall decide to the contrary by amendment hereof, no Unit shall have any greater proportionate undivided interest in the Common Elements or vote in the Association than is stated in this Section, by virtue of such Unit Owner's election to increase the value of his Unit by improvements made thereto at any time or from time to time.

F. Except as set forth in this Section 5, and in Section 10B(iii) hereof, the proportionate undivided interest in the Common Elements which appertains to any Unit may be altered only by the recording of an amendment to this Declaration, duly executed by all Unit Owners affected and by the holders of Permitted Mortgages (defined in Section 9 of the Code) on all such Units.

6. Easements.

A. The Units and the Common Elements shall be, and are hereby made subject to an easement in favor of the appropriate utility companies for such utility services as are desirable or necessary to serve adequately the Property and all appurtenances thereto; including, (by way of illustration and not limitation) the right to install, lay, maintain, repair, relocate and replace water mains and pipes, sewer and drain lines, telephone wires and equipment and electrical wires and conduits (and associated equipment) over, under, through, along and on the Property.

B. The Common Elements shall be and are hereby made subject to an easement in favor of the Unit Owners and their invitees, tenants and servants, the Council and the agents of the Council (i) for pedestrian traffic on, over through and across sidewalks and paths as the same may from time to time exist, and the unimproved portion of the land included within the Property, and (ii) for pedestrian and vehicular traffic on, over, through and across the driveways and the parking area portion of the Common Elements.

C. The Common Elements shall be and are hereby made subject to the following easements in favor of the Unit(s) benefited:

(i) For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are a part of a Unit and which pass across or through a portion of the Common Elements.

(ii) For the installation, repair, maintenance, use, removal and/or replacement of overhead lighting fixtures, electrical receptacles and the like which are located in a portion of the ceiling or wall adjacent to a Unit which is part of the Common Elements, provided that, the installation, repair, maintenance, use, removal or replacement of such fixtures, receptacles, and the like does not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken any Building.

(iii) For driving and removing nails, screws and bolts into the Unit-side surface of walls which are part of the Common Elements; provided that such action will not unreasonably interfere with the common use of any part of the Common Elements or impair or structurally weaken the Building; and

D. To the extent necessary, each Unit shall have an easement for structural support over the Common Elements and each Unit shall be subject to an easement for structural support in favor of the Common Elements.

E. The Units shall be and are hereby made subject to the following easements:

(i) In favor of the Council and its agents and employees, for inspection of the Units for the purpose of verifying the performance by Unit Owners of all items of maintenance and repair for which they are responsible, for inspection, maintenance, repair, and replacement of the Common Elements situated in or accessible from such Units, for correction of emergency conditions in each Unit or casualties to such Common Elements and/or Unit, and for any of the purposes set forth in the Code of Regulations, it being understood and agreed that the Council and its agents and employees shall take reasonable steps to minimize any interference with a Unit Owner's use of his Unit resulting from the Council's exercise of the rights it may have pursuant to Section 6E thereof; and

(ii) In favor of the Council and its agents and employees, for the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, electrical wiring and all other utility lines and conduits which are part of the Common Elements and which pass across or through a portion of one or more Units.

F. Each Unit and the Common Elements shall be and are hereby made subject to an easement in favor of

all other Units and the Common Elements benefited thereby, for the maintenance of the encroachments referred to in Section 7B(ix) of this Declaration for so long as said encroachments shall continue; provided, however, that no easement for encroachments shall be created in favor of any Unit Owner if the encroachment resulted from the willful conduct or negligence of such Unit Owner.

G. The Common Elements shall be and are made subject to an easement in favor of the Declarant, its successors, assigns, grantees and/or tenants of the premises described in Exhibit "B" hereto for

(i) ingress, egress and regress, to and from all parts of the Property over and across all roads, driveway areas and parking areas established therein, including, during the construction of buildings on the premises described in Exhibit "B" hereto, any use of the same necessary or desirable in connection with such construction;

(ii) connecting or tying into all gas, electric, phone, water, sewer, communication system and other utilities, and all easements associated therewith, upon the Property; and

(iii) use of the swimming pool, recreational structure, and other recreational facilities which may now or hereafter be erected upon the Property; provided, however, that the Declarant, or its successors in title to the premises described in Exhibit "B" hereto, shall bear a pro-rata share of the cost of maintenance, repair, upkeep and operation of the facilities included within the terms hereof. So long as the said premises shall be occupied by tenants of Declarant, or of its successors in title, such pro-rata share shall be a fraction whose numerator shall be the number of units erected on the said premises for which Certificates of Occupancy shall have been issued, and whose denominator shall be such number of units plus eighty-eight (88). The costs to which such fraction shall be applied shall be based on the costs actually incurred in connection with the operation of the described facilities in the preceding fiscal year, as reflected on the books of the Association, and shall be net of any contributions received in connection therewith, pursuant to Section 6H hereof. In the event of any dispute regarding such costs, the same shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrators may be entered in any Court having jurisdiction thereof. In the event that one (1) or more portions of the premises described in Exhibit "B" hereto, aggregating 2 or more acres, shall be conveyed by declarant, or its successors in title, to individual grantees (other than New Castle County or any municipality or other public body), the pro-rata share referred to above shall be borne by the Owners and/or tenants of such premises, in the form of an admission or membership charge more fully described in Section 6H hereof. The foregoing provisions regarding sharing of costs shall be inapplicable in the event that Stones Throw is expanded by Declarant, by amendment to this Declaration as set forth in Section 10B hereof, submitting the premises described in Exhibit "B" hereto to the provisions of the Act as Section 2 of Stones Throw.

H. The Common Elements shall be subject to a license in favor of the owners and/or tenants of the property described in Exhibit "C" hereto (consisting of 72 single-family lots zoned R-1-C) for the use of the swimming pool and other recreational facilities now or hereafter erected upon the Property, and for pedestrian access thereto; provided, however, that a reasonable membership or admission charge may be levied by the Council in connection with any such use. Such charge shall, in the judgment of the Council, fairly reflect the proportion of the cost of operating and maintaining the swimming pool and recreational facilities allocable to such use (including capital expenditures incurred subsequent to completion thereof), any may be based on anticipated expenditures not yet incurred.

I. The Council shall have the power to grant additional easements with respect to the Common Elements for utilities or for public purposes, and, with the approval of a majority of Unit owners, to execute, acknowledge, and deliver deeds of dedication with respect to any portion of the Common Elements, in favor of any governmental or other public body.

J. Declarant, for itself, its employees, agents, successors and assigns, reserves the right: (i) to maintain general and/or sales offices in or about the Property; (ii) to maintain on the Property, such model Condominium Units as Declarant shall desire; (iii) to enter upon the Property with business invitees to show model units and the Property; and (iv) to maintain on the Property sales information signs and such other signs as Declarant may desire.

K. All easements and rights described and mentioned in this Declaration are easements appurtenant, running with the land and the Property, including (by way of illustration and not limitation) the Units and the Common Elements, and shall be in full force and effect for the life of this Declaration, as the same may be amended.

7. Purposes and Uses of Units.

A. Units may be used for residential purposes only. Except for the operation of the Property, no commercial, industrial, recreational or professional business shall be carried on in any Unit at any time; provided that Unit Owners, Declarant and the Council shall have the right to lease or sublease Units, subject to the restrictions hereafter set forth. No Unit shall be leased for transient or hotel purposes (i.e. Rented for any period of less than thirty (30) days or to occupants who are furnished customary hotel services in connection with such rental). All Leases shall be made subject to the covenants and restrictions of the Declaration and the Code of Regulations.

Notwithstanding anything herein or in the Code of Regulations to the contrary, in connection with the marketing and initial sale of Units, the Declarant shall be entitled to make reasonable commercial or professional use of unsold Units until such time as Declarant shall have sold all of such Units.

passenger automobiles used for non-commercial purposes, unless the Council designates otherwise. This prohibition shall extend to, but shall not be limited to, mobile homes, mobile campers, boats, boat trailers, taxicabs, trucks, and other recreational, commercial or special purpose vehicles.

(ix) None of the rights and obligations created herein, or in the Code of Regulations or by any deed to a Unit, shall be altered in any way by (a) encroachments now existing, or which may hereafter occur due to settlement or shifting of any part of the Property or by repair or reconstruction of the Units and/or the Common Elements resulting from any fire or other casualty damage, eminent domain proceedings, or any other cause outside the control of such Unit Owners as receive the benefit of such encroachments, or (b) encroachments due to any deviation from the plat or plans in the construction of any portion of the Property. Easements for the maintenance of encroachments permitted by the immediately preceding sentence shall be deemed to exist in accordance with Section 6F hereof.

(x) Reasonable Community Rules and Regulations, not in conflict with the provisions of this Declaration or the Code of Regulations, concerning the use and operation of the Property and the use of the Common Elements may be promulgated from time to time by the Council subject to the right of a Majority of Unit Owners to change such rules and regulations. Copies of the then current Community Rules and Regulations and any amendments thereto shall be furnished to all Unit Owners.

8. Initial Council Members.

The initial members of the Council shall be as follows:

David Brown
Eugene Weiner

9. Code of Regulations.

Further details in connection with the Property, its ownership and management and the making of any additions or improvements thereto, shall be set out in the Code of Regulations required by Section 2206 of the Act, a copy of which Code of Regulations shall be Recorded contemporaneously with the Recording of this Declaration and the Declaration Plan. Prior to signing any Agreement of Sale for a Unit, a prospective transferee of a Unit shall be entitled to receive from the transferor thereof copies of this Declaration and the Code of Regulations, both as amended to date.

10. Amendment of Declaration and Declaration Plan.

A. Except as otherwise provided in any one or more of this Declaration, the Code of Regulations or the Act, this Declaration and the Declaration Plan may be amended by the vote of the Unit Owners holding seventy-five percent

(75%) of the proportionate undivided interests in the Common Elements, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Code of Regulations; provided, however, that if such amendment shall make any change which would have a material effect upon any of the rights, privileges, powers and options of Declarant (including by way of illustration and not limitation, the ability of Declarant to market any Units then owned by Declarant at a commercially reasonable price), such amendment shall require the joinder of Declarant; and further provided, that if such amendment would, in the opinion of the Council's Attorney, have an adverse effect upon the holder of any Permitted Mortgages, such amendment shall not be made without the written approval of the holders of all Permitted Mortgages so affected, which approval shall not be unreasonably withheld or delayed. Additionally, if any amendment is necessary in the judgment of the Council to cure any ambiguity or to correct or supplement any provision of the Declaration or of the Code of Regulations which is defective or inconsistent with any other provision hereof or thereof or with the Act, or to change, correct or supplement anything appearing or failing to appear in the Declaration Plan which is incorrect, defective or similarly inconsistent, the Council may, at any time and from time to time effect an appropriate corrective amendment without the approval of the Unit Owners or the holders of any liens on all or any part of the Property, upon receipt by the Council of an opinion from independent counsel to the effect that the proposed amendment is permitted by the terms of this sentence, together with a like opinion from an independent registered architect or licensed professional engineer in the case of any such amendment to the Declaration Plan. Each such amendment shall be effective upon the Recording of an appropriate instrument setting forth the amendment and its due adoption, execution and acknowledgement by one or more officers of the Council. This Section 10A shall not apply to amendments of the Declaration Plan made pursuant to Section 4B hereof.

B. Notwithstanding any other provision contained in this Declaration, Code of Regulations, or Declaration Plan, the Declarant shall have the absolute right, power and authority (but not the obligation) to amend this Declaration, the Code of Regulations, and the Declaration Plan, by filing with the Office of the Recorder of Deeds in and for New Castle County, Delaware, the amendments attached hereto as Exhibit "D", incorporated herein by reference, together with an appropriate amendment to the Declaration Plan. Such amendments are intended to expand Stones Throw through the submission to the Act of the additional land described in Exhibit "B" hereto, together with the buildings and improvements erected thereon, as Section 2 hereof. Subject to the provisions of Section 10B(iii) hereof, below. Section 2 of Stones Throw is intended to contain an additional one hundred fifty-six (156) Units, in thirty-nine buildings, generally as shown on Mann-Talley, Inc. drawing No. 3427-F, sheets 2 and 3, recorded on April 3, 1973, in the Office of the Recorder of Deeds in and for New Castle County, in Microfilm No. 2270. Notwithstanding any change or alteration effected by the Declarant pursuant to Section 10B(iii)

hereof, the Units to be constructed on Section 2 shall be architecturally compatible, in the opinion of Declarant's architect, with the Units constructed on Section 1, shall be used solely for residential purposes, and shall be otherwise subject to the restrictions and limitations contained in this Declaration.

(i) For the foregoing purpose, Declarant shall have and does hereby retain a possibility of reverter in and to the proportionate undivided interest in the Common Elements allocated by Section 5A of this Declaration to each and every Unit, identified therein, in accordance with the following. Upon the filing of any amendment pursuant to this Section 10B expanding Stones Throw, a portion of each such Unit's interest in the Common Elements as set forth in Section 5A of this Declaration, shall revert to and vest in fee simple absolute in the Declarant. Such portion shall, for each such Unit, be equal to the difference between its proportionate undivided interest in the Common Elements as set forth in Section 5A of this Declaration, and such interest as set forth in Section 5B of this Declaration, as the same may be increased pursuant to Section 10B(iii), below.

(ii) Declarant shall, upon the filing of the amendments referred to in this Section 10B, be deemed to have conveyed to the then holders of record title to the Units identified in Section 5A of this Declaration, an undivided interest in the Common Elements situate upon or constituting the land described in Exhibit "B" hereto. Such interest, expressed as a percentage, shall be the same for each such Unit as its proportionate undivided interest in the Common Elements set forth in Section 5B of this Declaration, as the same may be increased pursuant to Section 10B(iii), below.

(iii) Notwithstanding any contrary provisions of the Declaration, the Declarant or any successor in title to Declarant shall have the right, prior to the recording of the amendments contemplated by this Section 10B, to change the number, size, layout, location, and proportionate undivided interest in the Common Elements of the Units to be constructed on Section 2 of Stones Throw, provided that:

(a) The number of Units to be so constructed shall not exceed one hundred fifty-six (156) nor be less than one hundred thirty-six (136).

(b) No reduction in the number of Units or other change respecting Section 2, which may be effected by Declarant pursuant to this Section 10B(iii), shall affect or alter the proportionate undivided interests in the Common Elements of the eighty-eight (88) Units comprising Section 1 of Stones Throw, as set forth in Sections 5A and 5B of this Declaration, except as follows. If fewer than one hundred fifty-six (156) Units shall be constructed on Section 2, the proportionate undivided interests in the Common Elements of each of the eighty-eight (88) Units

constructed on Section 1, as set forth in Section 5B of this Declaration, shall be deemed increased by the product of its percentage interest in the Common Elements, as therein stated, times a fraction whose numerator shall be the difference between one hundred fifty-six (156) and the number of Units actually constructed on Section 2, and whose denominator shall be the number of Units actually constructed on Sections 1 and 2, in the aggregate. Such product shall be rounded, in each case, to the nearest one-thousandth percent (.001%). In no event, however, shall the foregoing provisions increase the aggregate percentage interests of the eighty-eight (88) Units comprising Section 1, as set forth in Section 5B of this Declaration to more than 40%, nor shall such provisions permit the alteration of the ratio of the proportionate undivided interests in the Common Elements between any two Units in Section 1 (except, as to both prohibitions, as a consequence of rounding such interest to the nearest one-thousandth percent (.001%), as aforesaid).

(c) Any alterations in the proportionate undivided interests in the Common Elements of the Units to be constructed on Section 2, or the Units presently constructed on Section 1, shall be set forth in the Amendment attached hereto as Exhibit "D", and shall thereafter supersede any contrary provisions of Section 5B of this Declaration.

(iv) Each Unit Owner by accepting the deed to his or its Unit shall grant and shall be deemed to have granted to Declarant, an irrevocable power of attorney, coupled with an interest, to approve, execute, record and otherwise effect each of the amendments contemplated by this Section 10B, and no separate or other signature, vote or other approval whatsoever of any Unit Owner or of any other person or entity shall be requisite to the adoption, recording or effectiveness of any such amendment.

(v) The right, power and authority of the Declarant to effect such amendments and expansion shall expire and terminate if not exercised within seven (7) years from the date hereof, unless extended by affirmative majority vote of the then Unit owners and all then Permitted Mortgagees. So long as the Declarant has the right, power, and authority to thus expand Stones Throw, no consent or other act of any Unit owner shall be required for the said amendments to take effect, and neither the Unit owners nor the Council shall have any right to amend this Declaration, the Declaration Plan, or the Code of Regulations, without the written consent of the Declarant obtained, filed and recorded with such amendment.

(vi) In the event that Stones Throw shall not have been expanded by Declarant, by the submission to the Act of the additional land described in Exhibit "B" hereto, within the period of time set forth above, neither Declarant nor the Owners of the Units comprising Section 1 shall have any obligation to complete improvements contemplated or begun upon such additional land.

11. Units Subject to Declaration, Code of Regulations and Rules.

Each present and future owner, lessee, occupant and mortgagee of a Unit shall be subject to, and shall comply with the provisions of the Act, this Declaration, the Declaration Plan, the Code of Regulations and the Rules and Regulations, and with the covenants, conditions and restrictions set forth in this Declaration, the Declaration Plan, the Code of Regulations, the Rules and Regulations and the deed to such Unit. The acceptance of a deed or mortgage to any Unit, or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Act, this Declaration, the Declaration Plan, the Code of Regulations, the Rules and Regulations and the covenants, conditions and restrictions set forth in the deed to such Unit are accepted and ratified by such grantee, mortgagee, lessee or occupant. All of such provisions shall be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, mortgage or lease thereof. Each and every deed to a Unit shall contain, inter alia, the following provision:

"The Grantee, for and on behalf of the Grantee and the Grantee's Heirs, Personal Representatives, Successors and Assigns, by the acceptance of this Deed, covenants and agrees to pay such charges for the maintenance of, repairs to, replacement of any expenses in connection with the Common Elements as may be assessed from time to time by the Council in accordance with the Unit Property Act of Delaware (Chapter 22 of Title 25 of the Delaware Code), and further covenants and agrees that the Unit conveyed by this Deed shall be subject to a charge for all amounts so assessed and that, except insofar as Sections 2236 and 2237 of Title 25 of the Delaware Code may relieve a subsequent Unit Owner of liability for prior unpaid assessments; this covenant shall run with and bind the land or Unit hereby conveyed and all subsequent owners thereof."

12. Removal of Property from Act.

The Property may be removed from the provisions of the Act at any time by a Revocation expressing the intention to do so. Except as otherwise provided in Section 6E of the Code of Regulations, no such Revocation shall be effective unless and until it is executed by all of the Unit Owners and by the holders of all mortgages, judgments or other liens affecting the Units, and is Recorded. When the Property has been removed from coverage of the Act, the former Unit Owners shall, at the time such removal becomes effective, become tenants in common of the Property. The undivided interest in the Property owned in common which shall appertain to each Unit owner following removal shall be the percentage of undivided interest previously owned by such Unit owner in the Common Elements, as set forth in Section 5 of this Declaration.

13. Insurance

A. The Council shall maintain at all times insurance of the type, and in at least the amount as is herein set forth.

(i) Fire insurance in an amount equal to the full insurable replacement value of the Property without deduction for depreciation, with an endorsement for extended coverage, or such other fire and casualty insurance as the Council may decide provides equal or greater protection for the Unit Owners and their mortgagees, if any, payable to the Council on behalf of the Association and all Unit Owners, provided, however, the Council may arrange to have the proceeds payable to an insurance trustee hereinafter referred to as the "Insurance Trustee", in the event that the net proceeds exceed Fifty Thousand Dollars. If obtainable, said insurance shall include a separate loss payable endorsement in favor of the holders of Permitted Mortgages (defined in Section 9B of the Code), if any, modified to make the loss payable provisions in favor of such holders of Permitted Mortgages subject and subordinate to the loss payable provisions in favor of the Council or (where appropriate) the Insurance Trustee, under an appropriate agreement (hereinafter referred to as the "Insurance Trust Agreement") which shall provide that the Council or Insurance Trustee shall hold and disburse all payments received on account of loss or damage covered by such policy for repairs and restoration as provided in Section 2239 of the Act and Section 6E of the Code. The Council shall periodically order an appraisal of the Property to be made for the purpose of determining the current full insurable replacement value of the Property (without considering depreciation), and the scope of coverage of all fire insurance policies may be increased in its discretion in order to maintain coverage against the types of risks referred to in Section 8 of the Code, and the amount of such coverage shall be increased to the amount of the current full insurable replacement value of the Property as hereinabove required.

(ii) Comprehensive liability insurance policies, as more fully set forth in Section 8 of the Code, insuring the Unit Owners, in their capacity as Unit Owners, the Council members and the Manager against any liability to the public or to the Unit Owners, their tenants or invitees, relating in any way to the ownership and/or use of the Property and any part thereof. Limits of liability shall be at least Three Hundred Thousand Dollars (\$300,000.00) for any one person injured or killed in any single occurrence, at least One Million Dollars (\$1,000,000.00) for any injury or death sustained by any two or more persons in any single occurrence, and at least One Hundred Thousand Dollars (\$100,000.00) for property damage resulting from each occurrence. The scope and amount of coverage of all liability insurance policies shall be reviewed at least once each year by the Council and may be increased in its discretion.

(iii) Such workmen's compensation insurance as applicable laws may require.

14. Division and Combination of Units.

So long as Declarant owns one or more Units not theretofore sold by it to another, it may divide any such Unit into two or more Units and may combine all or part of two or more of such Units into one or more Units. In such case, the proportionate undivided interests of any Units divided or combined shall be fully allocated among the Unit or Units resulting therefrom, so that the proportionate undivided interests in the Common Elements of all other Units shall not be affected thereby. The division or combination shall be effective upon the recording of appropriate amendments to the Declaration and Declaration Plan, reflecting the Unit or Units resulting therefrom and the proportionate undivided interests so allocated thereto. The approval of Unit Owners other than Declarant shall not be required and Declarant shall execute and acknowledge the amendments.

15. First Conveyance of Units.

At the time of the first conveyance of each Unit following the recording of this Declaration in its original form, every mortgage and other lien of record affecting the Building or the entire Property or a greater portion thereof than the Unit being conveyed shall be paid and satisfied of record or the Unit being conveyed shall be released therefrom by partial release duly Recorded.

16. Payment of Common Expenses by Declarant

A. The Declarant shall be responsible for all Common Expenses allocable to any Units unsold to first purchasers; provided, however, that when a first purchaser shall take title to such Unit (subject to Subsections 16B and 16C hereof), the annual assessment shall be prorated between Declarant and the new Unit Owner as of the date of settlement for such Unit.

B. In addition to the foregoing, the Declarant represents and warrants to each person or entity other than the Declarant who shall be a Unit Owner during the period from the date of the initial recording of this Declaration until December 31, 1975, that the Declarant shall pay to the Council, on behalf of each such Unit Owner and in accordance with the provisions of the Code of Regulations regarding the payment of assessments for Common Expenses, all assessments for Common Expenses otherwise payable by such Unit Owner allocable to the period ending December 31, 1975.

C. The Declarant further represents and warrants to each person or entity other than the Declarant who shall be a Unit Owner during the period from the date of the initial recording of this Declaration until December 31, 1976, that from and after January 1, 1976 the Declarant shall pay to the Council, on behalf of each such Unit Owner and in accordance with the provisions of the Code of Regulations regarding the payment of assessments for Common Expenses, the amount by which any monthly assessment

for Common Expenses otherwise payable by such Unit Owner, and allocable to the period January 1, 1976 through December 31, 1976, shall exceed the sum of Thirty-five Dollars (\$35.00).

If assessments are made on an other than monthly basis, Declarant shall pay the amount by which the aggregate of all assessments otherwise payable by such Unit Owner, and allocable to the period January 1, 1976 through December 31, 1976, shall exceed the sum of Four Hundred Twenty Dollars (\$420.). Notwithstanding the foregoing, the Declarant shall have no obligation under this Section 16C with respect to any assessments allocable to any period of time during which the Declarant shall not have the right to designate a majority of the members of the Council pursuant to Section 3 of the Code of Regulations.

17. Interpretation.

The provisions of this Declaration shall be liberally construed in order to effectuate Declarant's desire to create a uniform plan for development and operation of a condominium project. The headings preceding the various paragraphs of this Declaration are intended solely for the convenience of readers hereof and shall not be deemed relevant in the construction of this Declaration.

18. Severability.

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof.

19. Effective Date.

This Declaration shall become effective when it, the Declaration Plan and the Code of Regulations have been Recorded.

IN WITNESS WHEREOF, Declarant, intending to be legally bound hereby, has duly executed this Declaration, the day and year first above written.

F.A.A.M. INC.

By: Matthew S. Stewart

Attest: John L. Benson Jr.

STATE OF
COUNTY OF

:
SS:
:

BE IT REMEMBERED that on this 16th day of April, 1975, personally came before me, Matthew S Stewart

President of F.A.A.M., INC., a corporation of the State of Delaware, party to this Indenture, known to me personally to be such, and acknowledged this Indenture to be his act and deed and the act and deed of said corporation and that the signature affixed is that of the President thereto in his own proper handwriting and the seal affixed is the common and corporate seal of the said corporation, and that his act of sealing, executing, acknowledging and delivering said Indenture was duly authorized by a resolution of the Board of Directors of said corporation.

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

Carl G. Jones
NOTARY PUBLIC

EXHIBIT "C"

That certain tract of land located on Rte. 896 near Glasgow, Delaware, consisting of seventy-two (72) single-family lots zoned R - 1 - C, which is the subject of a certain "Exchange Agreement" between The Robino - Ladd Company and Francis J. Albani, dated May 15, 1973.

EXHIBIT "D"

AMENDMENT TO DECLARATION
OF CONDOMINIUM OF STONES THROW

THIS AMENDMENT, made this 16th day of April, 197 , by F.A.A.M. INC., a Delaware corporation (the "Declarant"), for itself, its successors, grantees, and assigns.

W I T N E S S E T H :

WHEREAS, by Declaration dated , and recorded , in the Office of the Recorder of Deeds in and for New Castle County, in Deed Record V., Page (the "Declaration"), Declarant caused to be submitted to condominium ownership, pursuant to Chapter 22 of Title 25, Delaware Code of 1953, as amended (the "Act"), certain premises situate in Pencader Hundred, New Castle County, more particularly described in Exhibit "A" to the Declaration (the "Premises"); and

WHEREAS, pursuant to Section 10B of the Declaration, Declarant desires to amend the Declaration by submitting an additional parcel or parcels of land to the provisions of the Act as Section 2 of Stones Throw (all as more fully set forth therein and herein).

NOW, THEREFORE, intending to be legally bound hereby, Declarant amends the Declaration, as follows:

1. Section 1B(i) of the Declaration is deleted and the following is substituted therefor:

"(i) "Building" shall mean those certain multi-unit structures situate on the real property described in Exhibits "A" and "B" hereto, containing units."

2. Section 1B(iii)(a) of the Declaration is modified by the deletion of the first line thereof, and the substitution of the following therefor: "(a) The land described in Exhibits "A" and "B"..."

3. Section 2A of the Declaration ("The Land") is modified by the deletion of the first six words of the text thereof, and the substitution of the following therefor: "(i) SECTION 1: The land included in Section 1 of the Property..."

4. The following subparagraph is added to Section 2A.

"(ii) SECTION 2: The land included in Section 2 of the Property constitutes that certain tract, piece, or parcel of land situate in Pencader Hundred, New Castle County, State of Delaware, more particularly bounded and described as appears in Exhibit "B" hereto."

5. The first two sentences of Section 2B of the Declaration ("The Building") are deleted and in their place is substituted:

"There are () two-story buildings, each of which contains () Units, on the Land. These () Units may be further classified as follows: type "A" (3 bedroom), type "B" (2 bedroom), and type "C" (2 bedroom) Units. (Such additional amendments as may be required pursuant to Section 10B(iii) of the Declaration).

6. Section 5A is deleted in its entirety. Lines 1-10 of Section 5B are deleted, and the following is substituted therefor:

"A. The Common Elements are described in Section 1(B)(iii) hereof. Each Unit shall have assigned to it the proportionate undivided interest in the Common Elements set forth opposite the number of such Unit below:"

7. [Any amendment to Section 5B of the Declaration, as above amended, which may be required by virtue of Section 10B(iii) of the Declaration and/or which may be required to identify the Units constructed on Section 2, stating their proportionate undivided interests in the Common Elements with specificity.)

8. Section 6G of the Declaration is deleted in its entirety.

9. [Any other provisions, not inconsistent with the Declaration, deemed necessary or desirable by Declarant to effectuate the intention of this Amendment.]

10. Except as herein expressly modified, all provisions of the Declaration shall continue in full force and effect.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed the day and year first above written.

F.A.A.M. INC.

BY: _____

ATTEST: _____

STATE OF :
COUNTY OF : SS:

BE IT REMEMBERED that on this day of ,
197 , personally came before me,

President of F.A.A.M., INC., a corporation of the State
of Delaware, party to this Indenture, known to me personally
to be such, and acknowledged this Indenture to be his act
and deed and the act and deed of said corporation and that
the signature affixed is that of the President thereto
in his own proper handwriting and the seal affixed is the
common and corporate seal of the said corporation, and that
his act of sealing, executing, acknowledging and delivering
said Indenture was duly authorized by a resolution of the
Board of Directors of said corporation.

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

NOTARY PUBLIC

EXHIBIT "A"

All those certain tracts or parcels of land, situate in Pencader Hundred, New Castle County, Delaware, more particularly bounded and described in accordance with a Plan prepared by Edward H. Richardson Associates, Inc., dated March 20, 1975, as follows:

FIRST PARCEL

BEGINNING AT A POINT ON THE SOUTHEASTERLY SIDE OF ROCK CREEK CURVE (60' WIDE) SAID POINT BEING LOCATED THE FOLLOWING TWO COURSES AND DISTANCES FROM THE EASTERLY END OF A 50' RADIUS JUNCTION CURVE JOINING THE EASTERLY SIDE OF ROUTE 806 (80' WIDE) WITH THE AFORESAID SOUTHEASTERLY SIDE OF ROCK CREEK CURVE (60' WIDE).

1. S $07^{\circ} 43' 20''$ E, 80.00' TO A POINT;
2. BY THE ARC OF A CIRCLE CURVING TO THE LEFT, 139.16' (R = 307.77')

TO THE POINT OF BEGINNING.

THENCE FROM THE POINT OF BEGINNING CONTINUING ALONG THE AFORESAID SIDE OF ROCK CREEK CURVE THE FOLLOWING TWO COURSES AND DISTANCES.

1. BY THE ARC OF A CIRCLE CURVING TO THE LEFT, 20.01' (R = 307.77') TO A POINT.
2. N $62^{\circ} 38' 50''$ E, 209.32' TO A POINT A CORNER FOR LANDS OF PROPOSED

SECTION TWO.

THENCE BY THE SAME THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. S $27^{\circ} 21' 10''$ E, 124.58' TO A POINT.
2. S $06^{\circ} 53' 58''$ E, 68.14' TO A POINT.
3. S $3^{\circ} 01' 03''$ W, 47.17' TO A POINT.
4. S $34^{\circ} 54' 07''$ W, 209.43' TO A POINT ON LINE OF 50' WIDE DRAINAGE

CASEMENT.

THENCE BY THE SAME, S 83° 58' 31" W, 103.24' TO A POINT A CORNER FOR
LANDS OF PROPOSED SECTION TWO.

THENCE BY THE SAME, N 27° 21' 10" W, 270.44' TO THE FIRST MENTIONED
POINT OR PLACE OF BEGINNING.

CONTAINING WITHIN SAID METES AND BOUNDS 1.58 ± ACRES.

NOTE: SUBJECT TO A 20' WIDE SANITARY SEWER EASEMENT.

SECOND PARCEL

BEGINNING AT A POINT A CORNER FOR LANDS OF SECOND PARCEL AND LANDS OF
PROPOSED SECTION TWO ON LINE OF LANDS NOW OR LATE OF WILLIAM AND
MAJORIE DEAL, SAID POINT BEING LOCATED THE FOLLOWING THREE (3) COURSES AND
DISTANCES FROM THE SOUTHERLY END OF A 50' RADIUS JUNCTION CURVE JOINING THE
SOUTHERLY SIDE OF ROCK CREEK CURVE (60' WIDE) WITHIN THE EASTERLY SIDE
OF ROUTE 006 (30' WIDE):

1. S 02° 16' 40" W, 243.15' TO A POINT.
2. N 83° 48' 54" E, 220.00' TO A POINT.
3. S 02° 16' 40" W, 190.45' TO THE POINT OF BEGINNING.

THENCE FROM THE POINT OF BEGINNING ALONG LINE OF LANDS OF PROPOSED
SECTION TWO THE FOLLOWING TEN (10) COURSES AND DISTANCES:

1. S 87° 43' 20" E, 215.00' TO A POINT;
2. S 65° 08' 20" E, 96.07' TO A POINT;
3. S 87° 43' 20" E, 148.00' TO A POINT;
4. N 72° 28' 41" E, 26.00' TO A POINT;
5. BY THE ARC OF A CIRCLE CURVING TO THE RIGHT 70.6' (R = 128.08') TO
A POINT;

6. N $17^{\circ} 26' 30''$ E, 62.13' TO A POINT;

7. BY THE ARC OF A CIRCLE CURVING TO THE LEFT 117.50' (R = 107.00') TO A POINT;

8. BY THE ARC OF A CIRCLE CURVING TO THE RIGHT 95.36' (R = 119.93') TO A POINT;

9. N $27^{\circ} 00' 00''$ E, 32.12' TO A POINT;

10. S $72^{\circ} 33' 30''$ E, 204.62' TO A POINT A CORNER FOR LANDS OF MAJOR

SUBDIVISION SECTION OF STONESTHROY.

THENCE BY THE SAME THE FOLLOWING THREE (3) COURSES AND DISTANCES;

1. S $17^{\circ} 26' 30''$ W, 275.00' TO A POINT;

2. N $07^{\circ} 43' 20''$ W, 90.00' TO A POINT;

3. S $02^{\circ} 16' 40''$ W, 389.74' TO A POINT ON LINE OF LANDS NOW OR LATE

OF NEWARK SPECIAL SCHOOL DISTRICT.

THENCE BY THE SAME, S $04^{\circ} 17' 15''$ W, 541.73' TO A CONCRETE MONUMENT, A CORNER FOR LANDS NOW OR LATE OF WILLIAM AND MAJORIE DEAL.

THENCE BY THE SAME, N $02^{\circ} 16' 40''$ E, 389.70' TO THE FIRST MENTIONED POINT OR PLACE OF BEGINNING.

CONTAINING WITHIN SAID METES AND BOUNDS 5.39 ± ACRES.

NOTE: SUBJECT TO A 20' WIDE SANITARY SEWER EASEMENT.

ALL THAT CERTAIN lot or piece of ground and the buildings and improvements erected thereon or to be erected thereon, situate in Pencader Hundred, New Castle County in State of Delaware being the total area known as Stones Throw, zoned R-4 as shown on Mann-Talley, Inc. drawing No. 3427-F, sheets 2 and 3 and recorded on April 3, 1973 in the office of the recorder of Deeds in and for New Castle County, Microfilm No. 2270. More particularly bounded and described as follows to-wit:

BEGINNING at a point in the easterly side of the Glasgow-Newark Road (Delaware Route #896) at 80.00' wide, said point being a common corner for lands herein being described and lands now or formerly of Miriam Armstrong Weihs (widow). Said point being further located along said easterly side of Route # 896 from its intersection thereof with the southerly side of Old Baltimore Pike in a southerly direction 493'±. Thence from said point of BEGINNING by line of lands of said Miriam Armstrong Weihs, N83°48'54"E, 1292.48' to a point; Thence by line of lands now or formerly of Wilson C. Swartout, S19°28'19"W, 246.60' to a point; Thence by the established zoning division line separating lands herein being described zoned R-4 and other lands of Stones Throw major subdivision plan zoned R-1-C the seven following described courses and distances: (1) N72°33'30"W, 99.08' to a point; (2) S64°35'07"W, 242.48' to a point; (3) S27°00'00"W, 319.43' to a point; (4) S72°33'30"E, 160.00' to a point; (5) S17°26'30"W, 275.00' to a point; (6) N87°43'20"W, 90.00' to a point; and (7) S02°16'40"W, 339.74' to a point in line of lands of Newark Special School District; Thence thereby, S84°17'15"W, 541.73' to a point; Thence by the rear lot line of property now or formerly of William and Marjorie Deal, in part and of Joseph and Martha Sockoloski in part, N2°15'40"E, 578.55' to a point; Thence by a common line separating lands herein being described and lands of said Joseph and Martha Sockoloski, S83°48'54"W, 220.00' to the said easterly side of Delaware Route # 896; Thence thereby, N2°16'40"E, 598.46' to the point and place of BEGINNING.

Containing within said described metes and bounds 21.4284 acres of land be the same more or less, excepting therefrom the following two parcels:

EXHIBIT

All those certain tracts or parcels of land, situate in Pencader Hundred, New Castle County, Delaware, more particularly bounded and described in accordance with a Plan prepared by Edward H. Richardson Associates, Inc., dated March 20, 1975, as follows:

FIRST PARCEL

BEGINNING AT A POINT ON THE SOUTHEASTERLY SIDE OF ROCK CREEK CURVE (60' WIDE) SAID POINT BEING LOCATED THE FOLLOWING TWO COURSES AND DISTANCES FROM THE EASTERLY END OF A 50' RADIUS JUNCTION CURVE JOINING THE EASTERLY SIDE OF ROUTE 606 (80' WIDE) WITH THE AFORESAID SOUTHEASTERLY SIDE OF ROCK CREEK CURVE (60' WIDE).

1. S 07° 43' 20" E, 80.00' TO A POINT;
2. BY THE ARC OF A CIRCLE CURVING TO THE LEFT, 130.16' (R = 307.77')

TO THE POINT OF BEGINNING.

THENCE FROM THE POINT OF BEGINNING CONTINUING ALONG THE AFORESAID SIDE OF ROCK CREEK CURVE THE FOLLOWING TWO COURSES AND DISTANCES.

1. BY THE ARC OF A CIRCLE CURVING TO THE LEFT, 20.01' (R = 307.77') TO A POINT.

2. N 62° 38' 50" E, 209.32' TO A POINT A CORNER FOR LANDS OF PROPOSED SECTION TWO.

THENCE BY THE SAME THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. S 27° 21' 10" E, 124.58' TO A POINT.
2. S 86° 58' 58" E, 86.14' TO A POINT.
3. S 3° 01' 03" W, 47.17' TO A POINT.
4. S 34° 54' 07" W, 209.43' TO A POINT ON LINE OF 50' WIDE DRAINAGE

EASEMENT.

THENCE BY THE SAME, S 83° 58' 31" W, 103.24' TO A POINT A CORNER FOR
LANDS OF PROPOSED SECTION TWO.

THENCE BY THE SAME, N 27° 21' 10" W, 270.44' TO THE FIRST MENTIONED
POINT OR PLACE OF BEGINNING.

CONTAINING WITHIN SAID METES AND BOUNDS 1.58 ± ACRES.

NOTE: SUBJECT TO A 20' WIDE SANITARY SEWER EASEMENT.

SECOND PARCEL

BEGINNING AT A POINT A CORNER FOR LANDS OF SECOND PARCEL AND LANDS OF
PROPOSED SECTION TWO ON LINE OF LANDS NOW OR LATE OF WILLIAM AND
MAJORIE DEAL, SAID POINT BEING LOCATED THE FOLLOWING THREE (3) COURSES AND
DISTANCES FROM THE SOUTHERLY END OF A 50' RADIUS JUNCTION CURVE JOINING THE
SOUTHERLY SIDE OF ROCK CREEK CURVE (60' WIDE) WITHIN THE EASTERLY SIDE
OF ROUTE 006 (30' WIDE):

1. S 02° 16' 40" W, 243.15' TO A POINT.
2. N 83° 48' 54" E, 220.00' TO A POINT.
3. S 02° 16' 40" W, 190.45' TO THE POINT OF BEGINNING.

THENCE FROM THE POINT OF BEGINNING ALONG LINE OF LANDS OF PROPOSED
SECTION TWO THE FOLLOWING TEN (10) COURSES AND DISTANCES:

1. S 87° 43' 20" E, 215.00' TO A POINT;
2. S 65° 08' 30" E, 96.87' TO A POINT;
3. S 87° 43' 20" E, 148.00' TO A POINT;
4. N 72° 28' 41" E, 26.00' TO A POINT;
5. BY THE ARC OF A CIRCLE CURVING TO THE RIGHT 78.16' (R = 128.08') TO
A POINT;

STATE OF DELAWARE)
NEW CASTLE COUNTY') SS.

BE IT REMEMBERED, That on this 16th day of
April, A.D. 1975, personally came before me,
the Subscriber, a Notary Public for the County and State
aforesaid, DAVID BROWN and EUGENE WEINER, parties to
this Indenture, known to me personally to be such, and
acknowledged this Indenture to be their deed.

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

Carroll G. Jones

Notary Public

6. N $17^{\circ} 26' 30''$ E, 62.13' TO A POINT;
7. BY THE ARC OF A CIRCLE CURVING TO THE LEFT 17.50' (R = 107.00') TO A POINT;
8. BY THE ARC OF A CIRCLE CURVING TO THE RIGHT 95.36' (R = 119.93') TO A POINT;
9. N $27^{\circ} 00' 00''$ E, 32.12' TO A POINT;
10. S $72^{\circ} 33' 30''$ E, 204.62' TO A POINT A CORNER FOR LANDS OF MAJOR SUBDIVISION SECTION OF STONESTHROW.

THENCE BY THE SAME THE FOLLOWING THREE (3) COURSES AND DISTANCES;

1. S $17^{\circ} 26' 30''$ W, 275.00' TO A POINT;
2. N $87^{\circ} 43' 20''$ W, 90.00' TO A POINT;
3. S $02^{\circ} 16' 40''$ W, 339.74' TO A POINT ON LINE OF LANDS NOW OR LATE OF NEWARK SPECIAL SCHOOL DISTRICT.

THENCE BY THE SAME, S $04^{\circ} 17' 15''$ W, 541.73' TO A CONCRETE MONUMENT, A CORNER FOR LANDS NOW OR LATE OF WILLIAM AND MAJORIE DEAL.

THENCE BY THE SAME, N $02^{\circ} 16' 40''$ E, 388.10' TO THE FIRST MENTIONED POINT OR PLACE OF BEGINNING.

CONTAINING WITHIN SAID METES AND BOUNDS 5.39 ACRES.

NOTE: SUBJECT TO A 20' WIDE SANITARY SEWER EASEMENT.

of any assessment levied under this Code of Regulations, Council may, at its sole discretion and upon written notice to the unit owner, accelerate the obligation for all assessments for the remainder of the current fiscal year and declare them immediately due and payable in full, together with accrued interest and all expenses of Council incurred in the collection of the delinquent assessment, including reasonable attorney's fees. For purposes of this provision, should the period of default extend from one fiscal year into another and regardless of whether Council has already given notice of an acceleration during that previous period, Council may, at its sole discretion, accelerate the obligation for all assessments for the remainder of the subsequent fiscal year."

IN WITNESS WHEREOF, pursuant to Section 11H of the original Code of Regulations for Stones Throw, of record in the Office of the Recorder of Deeds, in and for New Castle County, Delaware, in Deed Record Book, I, Vol. 90, Page 509, et. seq. and as ratified and authorized by the majority vote of a Quorum of Unit Owners of the Stones Throw Owners' Association then present in person or by proxy and together entitled to cast in excess of fifty percent (50%) of the votes of all members of the Association at a meeting duly called and held upon notice on the 12th day of May, 2003, STONES THROW OWNERS' ASSOCIATION, by and through its Council, does hereby make and file these Second and Third Amendments to the Code of Regulations for Stones Throw, dated this 16th day May, 2003.

STONES THROW OWNERS' ASSOCIATION

BY: Jon L. Howell (SEAL)
Jon L. Howell, President

ATTEST: Barbara J. Howell (SEAL)
Barbara Howell, Vice President

State of Delaware)
) SS:
New Castle County)

Be it remembered, that on this 16th day of May, 2003, personally came before me, the Subscriber, a Notary Public for the State and County aforesaid, Jon L. Howell, President of the Council of the Stones Throw Owners' Association, an association existing under the laws of the State of Delaware, party to this Indenture, known to me personally to be such, and acknowledged this Indenture to be his act, and deed, and the act and deed, of said association, that the signature of the President thereto is in his own proper handwriting, and that his act of sealing, executing, acknowledging and delivering said Indenture was duly ratified and authorized by majority vote of a Quorum of Unit Owners present in person or by proxy and together entitled to cast in excess of fifty percent (50%) of the votes of all members of the Association at a meeting duly called and held upon notice on the 12th day of May, 2003.

Given under my hand and seal of office, this day and year aforesaid.

William P. Brady
Notary Public
My Commission Expires: _____

WILLIAM P. BRADY
Attorney at Law
Notary Public State of Delaware
My Commission Has No Expiration Date
29 Del.C §4323(a)(3)

CODE OF REGULATIONS

STONES THROW

This CODE OF REGULATIONS is made this 16th day of April, 1975, by the undersigned persons constituting all of the members of the first Council of the STONES THROW OWNER'S ASSOCIATION.

W I T N E S S E T H :

1. IDENTIFICATION OF THE PROPERTY: DEFINITIONS.

A. This Code of Regulations (hereinafter, the "Regulations") shall relate solely to the Property called Stones Throw, situate in Pencader Hundred, New Castle County, Delaware,

more fully described in the Declaration of Condominium and Declaration Plan recorded contemporaneously with the recording of these Regulations in the office of the Recorder of Deeds of New Castle County.

B. The terms used herein shall have the same definitions as the same terms have in the Declaration of Condominium referred to in Section 1 of these Regulations, unless otherwise defined herein.

2. OWNERS' ASSOCIATION.

A. Membership.

(1) The Owners' Association

The collectivity of all Owners of Units in the Property shall be and hereby is constituted as an unincorporated association named "The Stones Throw Owners' Association" (hereinafter called the "Association"). Subject to the provisions of Section 2A hereof, a person shall automatically become a member

of the Association at the time he acquires title to his Unit and he shall continue to be a member so long as he continues to hold title to his Unit. A unit Owner shall not be permitted to resign from membership in the Association prior to the time at which he transfers title to his Unit to another. There shall be only one membership in the Association for each Unit, with each membership having the same number of votes assigned to it in Section 2B(5)(a) hereof. If there are co-owners of a Unit, the membership shall be divided between or among such co-owners in direct proportion to their percentage of ownership of the Unit and such division shall be governed by the rules of law applicable to the type of tenancy by which the Unit is owned; provided, however, that the voting rights of such co-owners shall be governed by the provisions of Section 2B(5)(c) hereof.

2. Transfer of Membership.

A. No membership may be transferred in any way except as an appurtenance to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon transfer of title, but the Association may treat the prior Unit Owner as the member for all purposes until satisfactory evidence

of the recording of the instrument transferring title shall have been presented to the Secretary of the Council. The records of the Recorder of Deeds of New Castle County, shall be determinative of all disputes concerning the state of the title to any Unit or Units.

B. Meetings of the Association.

(1) Time and Location.

(a) Annual Meetings. The first annual meeting of the Association shall be held on the earlier of the first Wednesday of May, 1976 or within thirty (30) days after the date on which title to Units then having a proportionate undivided interest in the Common Elements in excess of eighty-five percent (85%) shall have been conveyed by Declarant to the first Unit Owners other than Declarant. All annual meetings of the Association after the first such meeting shall be held on the first Wednesday of May of each year at 8:00 P.M., or at such other date and time as the Council may determine but not more than one hundred fifty (150) nor less than ninety (90) days after the end of the Association's fiscal year as specified in Section 2D hereof. Annual meetings of the Association may be held at whatever location the Council may deem convenient. The President of the Council shall preside at all annual meetings.

(b) Special Meetings. Special meetings may be called at any reasonable time and from time to time if requested by a majority of the Council or (after the first annual meeting of the Association) if Unit Owners entitled

to cast at least forty percent (40%) of the votes of all members of the Association shall send a written request to the Council to call such a meeting. The Council shall designate the date, time and location of all special meetings of the Association. The President of the Council shall preside at all special meetings.

(2) Purpose and Business.

(a) Annual Meetings. The annual meeting shall be called to elect the members of the Council unless such action is being taken pursuant to the provisions of Section 2B(6) hereof, and to conduct whatever other business may be required or permitted by law, the Declaration or these Regulations, to be done by a vote of the Unit Owners. The Council Treasurer shall present at each annual meeting an audit prepared (and, if a majority of the members shall so require, certified) by an independent certified public accountant of the Common Expenses, for the immediately preceding fiscal year, itemizing receipts and expenditures, the allocation thereof to each Unit Owner, and any changes expected for the present fiscal year. Such audit shall be delivered to all Unit Owners not less than ten (10) days prior to the annual meeting.

(b) Special Meetings. Special meetings shall be called for the purpose of considering matters which shall be required or permitted by law, the Declaration, or these Regulations to be done by a vote of the Unit Owners. No business shall be transacted at a special meeting other than as specified in the notice thereof.

(3) Notice.

(a) Delivery. The Secretary of the Coun-

cil shall deliver or cause to be delivered to the members of the Association and all members of the Council any notice permitted or required by the Declaration or these Regulations either by hand delivery or by United States first class mail. Notices to members of the Association and to Council members who are also Unit Owners shall be addressed to the Unit of each Unit Owner, or to such other address as a Unit Owner may from time to time specify in writing to the Secretary. Notices to members of the Council who are not also Unit Owners shall be addressed in accordance with instructions given to the Secretary by such Council member. The aforesaid delivery requirement shall be deemed to have been met when the notice is placed in the Unit Owner's mailbox by hand or when the notice has been duly deposited in the United States mail, postage prepaid. Notice may be waived in a writing given either before or after the meeting. If there are co-owners of record of a Unit, notice shall be addressed to all of them, but need be sent only to their Unit or to one other address designated by them in writing to the Secretary.

(b) Contents. Notice for the annual and special meetings of the Association shall specify the date, time and location of the meeting, as well as the matters which will be the subject of discussion or vote at such meetings.

(c) Time. All notices for the annual and special meetings shall be delivered to the Unit Owners at least ten (10) days, but not more than twenty (20) days, prior to such meeting. Notices for postponed meetings shall be delivered at five (5) days, but not more than twenty (20)

days, prior to the date of the rescheduled meeting.

(4) Quorum.

No official business may be transacted nor may any binding vote be taken at any meeting of the Association, either annual or special, unless a quorum of Unit Owners is present. Except as otherwise expressly provided in these Regulations, a quorum for all meetings shall exist if there is present, in person or by proxy, Unit Owners together entitled to cast in excess of fifty percent (50%) of the votes of all members of the Association. If a quorum is not present at any meeting, the Unit Owners present may reschedule the meeting for a later date and shall give all Unit Owners notice thereof in accordance with the provisions of Section 2B(3) hereof. If no quorum is present at such second meeting, the notice procedure shall be repeated if the Unit Owners present decide to call a third meeting. A quorum at such third meeting shall consist of whatever number of Unit Owners is present, whether or not their combined votes are in excess of fifty percent (50%) of the votes of all members of the Association.

(5) Voting.

(a) Allocation of Votes. At any meeting of the Association, each Unit Owner (including the Declarant, so long as the Declarant continues to own at least one Unit), shall have one vote for each .01% of his proportionate undivided interest in the Common Elements as set out in Section 5A of the Declaration, or one vote for each .001% of his proportionate undivided interest in the Common Elements as set out in Section 5B of the Declaration, if applicable, with an aggregate of 10,000 votes (or 100,000 votes, as the case may be) for all Unit Owners. Except as otherwise provided by law, the

Declaration or these Regulations, acts of the Association shall require the approval of the Unit Owners together entitled to cast in excess of fifty percent (50%) of the votes of all Unit Owners present in person or by proxy at a meeting of the Association at which a quorum of Unit Owners is present in person or by proxy.

(b) Proxies. Any Unit Owner may attend all meetings of the Association, either in person or by proxy. Such proxy shall be in writing and shall be delivered to the Council at least one (1) business day prior to the meeting for which the proxy has been given. The proxy may be revoked at any time by written notice to the Council. No proxy shall endure for more than one meeting and any postponements thereof unless the proxy shall state some longer period of duration, which in any event shall not exceed eleven (11) months. Such proxy shall also become void when the Council has received written notice of the death or judicially declared incompetence of the grantor of such proxy or of the recording of the transfer of title to the Unit from the grantor of such proxy.

(c) Co-ownership. If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entireties, or otherwise), all of such co-owners may attend the meetings of the Association but their votes shall be exercised unanimously by having such co-owners designate in writing one person who alone shall be entitled to exercise the entire voting rights appurtenant to such Unit, which designation shall be recorded on the voting list and

shall be controlling until cancelled or superseded by a written notice to the Secretary of the Council, signed by all such co-owners and received at least one (1) day prior to the meeting or meetings to which such notice relates. If, at any time, the co-owners of a Unit shall have failed to designate a person to exercise their voting rights, they shall nevertheless be required to cast their votes unanimously. If the co-owners of a Unit cannot unanimously agree as to how to cast their votes at a meeting, then and in that event the votes appurtenant to their Unit shall not be permitted to be cast at that meeting, but their presence may be considered for the purpose of determining the existence of a quorum.

If the co-owners of a Unit shall not be permitted to cast the votes appurtenant to their Unit for the reason specified in the immediately preceding sentence, they shall be deemed to have consented to any action taken at such a meeting which requires the unanimous consent of all Unit Owners. Notwithstanding the foregoing, if co-owners of a Unit shall have failed to designate a person to cast their votes and if only one of such co-owners is present or represented by proxy, he or the holder of such proxy, as the case

and attorney-in-fact for the other co-owners not present and shall be permitted to cast all of the votes appurtenant to such Unit. If a Unit is held in a fiduciary capacity, the fiduciary and not the beneficiary shall be entitled to exercise the voting rights appurtenant to such Unit.

(d) Cumulative Voting. Each Unit Owner may cumulate his votes for the election of the Council by giving to one candidate the number of votes equal to the product of the number of members of the Council to be elected multiplied by such Unit Owner's voting power as set out in Section 2B(5)(a) hereof, or he may distribute his votes on a similar basis to as many candidates as he thinks fit, in no case casting more votes than the product of his voting power multiplied by the number of Council Members to be elected.

(e) Voting List. The voting list shall be kept at the Office of the Association and may be inspected during normal business hours by a Unit Owner or a person who has signed an agreement of sale to purchase a Unit, and the voting list shall be produced and be open for inspection during all meetings of the Association.

(6) Actions of Association Without a Meeting.

Any action required or permitted to be taken by a vote of the Association may be taken without a meeting by the written consent, stating the action so taken, of at least that number of Unit Owners whose votes would otherwise have been sufficient to take the action if a meeting had been held at which all Unit Owners were present.

C. Address of the Association and Council.

All notices and other communications to either

the Association or the Council shall be addressed to such body at the office of the Association, or to such address as the Council may have designated by written notice to all of the Unit Owners.

D. Fiscal Year.

The fiscal year of the Association shall be January 1 through December 31, unless changed by resolution of the Council.

3. THE COUNCIL.

A. Election, Qualifications, Number and Term.

Until the first annual meeting of the Association, the Council shall consist of two (2) persons, who shall be the persons designated in Section 8 of the Declaration (or their successors named by Declarant, pursuant to Section 3D hereof). Such designees shall continue to serve as members of the Council, at Declarant's pleasure, except as is hereinafter set forth.

At the first annual meeting of the Association (if Stones Throw shall not then have been expanded by Declarant by amendment to the Declaration as set forth in Section 10B thereof), the Council membership shall be increased to three (3). One (1) member shall be duly elected by the Association, for a term of two (2) years.

At the second annual meeting of the Association (if Stones Throw shall not then have been expanded by Declarant by amendment to the Declaration as set forth in Section 10B thereof), the Council membership shall be increased to five (5). Two (2) members shall be duly elected by the Association, for terms of two years.

(4) Voting.

Each Council member shall be entitled to cast one (1) vote and a majority vote of the Council, a quorum being present, shall bind the Council for all purposes unless otherwise provided in the Declaration or these Regulations.

(5) Organization.

(a) Council meetings may be held under such reasonable rules consistent with these Regulations as the Council may determine. The Council is hereby empowered to promulgate such rules.

(b) Unit Owners shall not have the right to attend Council meetings, except as set forth in Section 3B (5) (C) hereof

(c) All Unit Owners shall have the right to attend (and, at the pleasure of the Council, to be heard), but not the right to vote, at the Council meeting at which the fiscal year budget of the Association shall be presented to the Council for adoption. Unit Owners shall receive notice of said meeting, together with a copy of the proposed budget, in the manner provided

in Section 2B(3)(a) hereof by the Council Secretary at least ten (10) days prior to said meeting.

C. Resignations and Removals.

Any member of the Council may resign from the Council at any time by written notice to the Council. Except as hereinafter provided, any member (other than members designated by Declarant under Section 3A hereof, who shall not be subject to removal by the Unit Owners, but who may be removed and replaced by Declarant at any time and from time to time) may be removed from the Council with or without cause by a vote for such removal by Unit Owners entitled to cast at least sixty percent (60%) of the votes of all members of the Association, such votes having been cast at any special meeting of the Association the notice for which shall contain the name of the member or members of the Council whose removal is sought; provided, that if the entire Council is to be removed the votes for such removal of a Majority of the Unit Owners shall be sufficient for such removal. Notwithstanding the immediately foregoing sentence, if a member of the Council who is also a Unit Owner shall cease being a Unit Owner, such member may be removed from the Council by the unanimous vote of the other Council members, which vote shall be held, if at all, at the first meeting of the Council following the Council's receipt of notice of such cessation of Unit ownership.

D. Filling Vacancies.

Any vacancy or vacancies on the Council, whether caused by resignation, removal, or an increase in the size of the Council, may be filled by the vote of a Majority of the Unit Owners at any special meeting called for the purpose of filling such vacancy or vacancies; provided, however, that Declarant shall have the exclusive right to fill any vacancy created by the resignation or removal of a Council member previously designated by it (except as otherwise provided in Section 3A hereof).

If the vacancy results from removal by the Association, the election of a new member or new members may be held at the same meeting where such removal takes place and notice of an election for removal shall be considered notice of an election to fill the vacancy or vacancies so caused. The vote of a Majority of the Unit Owners shall cause the postponement of the election to a later date, but if such vacancy is not filled within ninety (90) days after it occurs, the Council shall promptly thereafter elect a replacement.

E. Compensation.

No member of the Council shall receive compensation for performing his duties as a member of the Council.

4. COUNCIL OFFICERS.

A. Election.

At the first meeting of the Council, and at every annual meeting of the Council thereafter the Council members shall, if a quorum is present, elect Council officers for the following year, such officers to serve for a one (1) year term and until their respective successors are elected. The officers to be elected are: President, Secretary, Treasurer, and such other officers as the Council may from time to time find necessary. All officers shall be members of the Council and each officer may serve an unlimited number of terms so long as he is re-elected to the Council. Any member may hold two (2) offices simultaneously.

B. Duties.

(1) President. The President shall be the chief executive officer of both the Association and the Council. Subject to the control of those two bodies, he shall direct, supervise, coordinate and have general control over the affairs of the Association and Council. He shall preside at all meetings of either body unless he is absent, in which case the senior officer of the Council present at such meeting shall preside, and in the absence of any officer, the body holding the meeting shall elect another person to preside. If the Council so provides, he shall also have any or all of the powers and duties ordinarily attributable to the chief executive officer of a corporation domiciled in Delaware.

(2) Secretary. The Secretary shall keep or cause to be kept all records (or copies thereof if such documents must be recorded) of the Association and the Council

and shall have the authority to affix the seal of the Association to any documents requiring such seal. He shall give or cause to be given all notices as required by law, the Declaration or these Regulations, shall take and keep minutes of all meetings, of the Association and Council, shall keep at the Association's office a record of the names and addresses of all Unit Owners and the voting lists referred to in Section 2B(5) hereof as well as copies of the Declaration, the Declaration Plan, these Regulations, the Community Rules and Regulations and the plans and specifications pursuant to which the Buildings and other improvements on the Property were built, all of which shall be available at the office of the Association for inspection by Unit Owners or prospective Unit Owners during normal business hours. The Secretary shall keep or cause to be kept the register of holders of Permitted Mortgages (hereinafter defined) referred to in Section 9B hereof. The Secretary shall also perform all duties and have such other powers as are ordinarily attributable to the Secretary of a corporation domiciled in Delaware.

(3) Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit or cause to be deposited all such funds in such depositories as the Council may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association and the Council and shall submit or cause to be submitted to the Council and the Association such reports thereof as the law, the Declaration, the Council, or these Regulations

by the Council and signed by two (2) officers of the Council or by one (1) officer and one (1) assistant officer, except as such power may be otherwise delegated to the Manager as provided in Section 5A(2) hereof. The liability of the Association, the individual Unit Owner or any officer of the Council under any instrument binding or purporting to bind the Association or the Council shall be governed by the provisions of Section 7 hereof.

5. POWERS AND AUTHORITY OF THE COUNCIL.

A. Powers.

(1) Management of Property.

Subject to any limitations set forth in the Act, the Declaration, or these Regulations, the Council shall, on behalf of the Association, operate the Property and manage the business and affairs of the Association, and for such purposes the Council shall have the power to (a) engage and dismiss employees, (b) appoint and dismiss accountants agents and attorneys, (c) define the duties and fix the compensation of such employees, accountants, agents and attorneys, (d) designate and enter into a trust agreement with two (2) or more Council members to act as trustees on behalf of the Association for the purpose of holding title to any Units purchased by the Association in trust for the Association and/or executing and delivering mortgages as trustees of the Association to secure any borrowing of the Association and (e) enter into agreements, contracts, deeds, leases, mortgages and other written instruments or documents either in the name of the Council or in the name of its designees or trustees appointed by it pursuant to this Section 5A(1), on

behalf of the Association, and authorize the execution, delivery and, if appropriate, the recording thereof. The Council shall have such incidental powers, as may be appropriate to the performance of its duties set out below.

(2) Retain Manager.

As part of its power set out in Section 5A(1) hereof, the Council may hire one or more persons or business entities (hereinafter collectively called the "Manager") to manage the Property. The Manager shall be subject to the control of the Council and the Association at all times. The Council shall have the power to fix the Manager's compensation (such compensation to be assessed as a Common Expense) and to set forth the details of the Manager's powers and duties including (by way of illustration and not limitation) the power of the Manager to engage employees and agents, who may or may not be independent contractors and to define or limit the liability of the Manager, if any. Such delegation may (but need not) be sufficiently broad as to encompass the full range of powers and duties of the Council including, by way of illustration and not limitation, the power to open and maintain bank accounts and write checks on behalf of the Association as directed by the Council. The Council shall not be liable for the Manager's wrongful exercise of any power or duty. Any such Management contract shall be terminable by the Council for cause on not more than ninety (90) days written notice. No such Management contract shall be for a term in excess of three (3) years. No such Management contract between the first Council and one or more of its members, or a corporation or partnership in which one or more of its members are directors or officers, or have a financial interest,

shall be void in whole or in part because the member is present at or participates in the meeting of the Council which authorizes the contract, or solely because his or their votes are counted for such purpose.

B. Duties.

The duties of the Council shall include the following: (1) maintenance, repair and replacement of the Common Elements, and the making of improvements or additions thereto (all of which shall be carried on only as provided in these Regulations), as more fully set forth in Sections 6A and 6E hereof; (2) assessment and collection of funds from Unit Owners for Common Expenses and the payment of such Common Expenses, as more fully set forth in Section 6B hereof; (3) promulgation, distribution and enforcement of the Community Rules and Regulations governing the details of the use and operation of the Property and the use of the Common Elements; (4) any other duties which may be set forth from time to time in the Declaration or these Regulations, or by law. In its discretion, the Council may assign parking spaces on the Property to individual Unit Owners, for their exclusive use

6. RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS

A. Common Expenses.

(1) The Council, for the benefit of and on behalf of the Unit Owners, is hereby authorized to contract for the following goods and services, to pay the following expenses and to satisfy the following liabilities, all out of the Common Expense fund consisting of the monies received by the Association in payment of each Unit Owner's assessment for his share of the Common Expenses:

(a) Trash collection, refuse and garbage removal from the Units and Common Elements, snow removal from the Common Elements as the Council shall deem necessary, lawn maintenance, and vermin extermination. Also, custodial services, management services, water service, sewer service, electrical service and other utility services, if any, provided to any part of the Common Elements or, to the extent not separately metered and/or charged, to the individual Dwellings. Also, maintenance and operation of the swimming pool, recreational structure, and related facilities

(b) Fire and other insurance, in conformity with the provisions of Section 13 of the Declaration.

(c) Comprehensive liability insurance policies, as more fully set forth in Section 8 hereof, in conformity with the provisions of Section 13 of the Declaration.

(d) Such workmen's compensation insurance as applicable laws may require.

(e) Management fees and salaries or fees for such other employees as the Manager or Council may deem necessary or desirable for the operation and maintenance of the Common Elements, whether such employees are directly employed by the Council or by the Manager.

(f) The fees and expenses of the Insurance Trustee, if any, which the Insurance Trust Agreement states are the obligation of the Association.

(g) Legal and accounting fees necessary and proper for any one or more of: operation of the Common

Elements, conduct of the affairs of the Council or the Association or (on behalf of the Association) enforcement of the Declaration, these Regulations, the Community Rules and Regulations, or any one or more of them.

(h) A fidelity bond or bonds naming as principals the Manager and such others as the Council may determine, and naming the Association as obligee. The amount of the bond for the first calendar year of operation shall be at least 25% of the estimated Common Expenses for the first year of operation, and for all following years, the amount thereof shall be at least 25% of the actual Common Expenses incurred during the prior year. The Council and the principals may, in their discretion and by unanimous agreement, from time to time raise the amount of such bond to such level as they deem necessary and proper.

(i) Painting, maintenance, repair, relocation, replacement, and landscaping for, and improvements and additions to, the Common Elements, as the Council may deem necessary and proper, as well as any materials, supplies, labor, services, structural alterations, insurance and tax assessments which the Council is required to secure or pay by law, the Declaration or these Regulations or which the Council deems necessary and proper in its discretion. It shall, however, be each Unit Owner's responsibility, at his expense, to keep clean and well maintained, and in good repair, the patio and outside storage area adjacent to his Unit.

(j) Mechanics' and Materialmen's liens arising as a result of repairs to or improvements to the Common Elements, if no authorization to make such repairs or improvements is required by the Association or the Council, or if such authorization is required and such repairs or improvements are authorized in writing pursuant to a duly adopted resolution of the Council; provided, however, that until such

liens are paid by the Council they shall be liens against each Unit in a percentage equal to the proportionate share of the Common Elements appertaining to such Unit.

(k) Any unpaid assessments which cannot be promptly collected from a prior Unit Owner whose Unit has been sold pursuant to the provisions of either Section 6D(2) or Section 6D(3) hereof.

(l) The indemnification obligation of the Association and all Unit Owners set out in Section 7B hereof, and the cost of premiums for any insurance which may be carried by the Council to protect the Unit Owners against claims for such indemnification.

(m) The amount (if any) by which the cost of repairing or restoring any casualty loss insured under an insurance policy or policies carried by the Council on behalf of the Association exceeds the proceeds of such insurance, but only if by reason of a non-insured loss or failure of the Council to carry fire insurance in the full insurable replacement value of the Property as required by Section 13 of the Declaration.

(2) The Council will not be responsible for real estate or other taxes as a Common Expense, except for such taxes as shall be imposed because of transactions involving one or more Units owned by the Council pursuant to Section 6A(4) hereof.

Each Unit, including its appurtenant undivided interest in the Common Elements as stated in the Declaration, shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the Building or the Property of which the Unit is a part. After the Declaration and the Declaration Plan are recorded, neither the Building, the Property

nor any and all of the Common Elements shall be assessed or taxed except as part of the assessment and taxation of the Units including their respective appurtenant undivided interests in the Common Elements.

(3) Except as expressly provided by the Declaration, these Regulations, or by vote of a Majority of the Unit Owners, the Council may not make capital expenditures from the Common Expense fund in amounts greater than Ten Thousand Dollars (\$10,000.00), for any one capital expenditure item. The foregoing prohibition shall not apply to an expenditure made from reserves previously set aside for such purpose.

(4) To protect its right to collect unpaid assessments which are a charge against a Unit as provided in Section 6D(1) hereof, the Council may, on behalf of the Association, in its own name or in the name of its designee or trustees appointed by it pursuant to Section 5A(1) hereof, purchase such Unit at a sheriff's sale provided such action is authorized by a majority vote of the Council. The Council may borrow all or a part of the funds necessary to effect any such purchase and may create a mortgage against the Unit to secure the borrowing. If the Council does so purchase the Unit, the Council shall thereafter have the power to sell, convey, mortgage or lease such Unit to any person whatsoever. Payment of such purchase price shall be from the Common Expense fund, and income from any such resale, conveyance, mortgage or lease shall either be distributed as provided in Section 6A(5) hereof or be placed in the Common Expense fund for the benefit of the Unit Owners so that their assessments may be reduced by any profit arising out of such transaction.

the defaulting Unit Owner shall be responsible for the costs (including reasonable attorney's fees) of such sheriff's sale and such costs shall not be charged to the Common Expense Fund.

(5) In the event that there are any common profits of the Property and the Council elects not to retain such profits in the Common Expense fund, such profits shall be distributed to the Unit Owners according to the percentage of undivided interest of each in the Common Elements.

B. Assessment for Common Expenses.

(1) Determination of Assessment.

Not later than thirty (30) days prior to the expiration of each fiscal year of the Association, the Council shall estimate the net charges for Common Expenses to be expended during the following fiscal year. These shall include such sums as may be necessary for the maintenance of an adequate reserve fund for replacement of the Common Elements, and for the maintenance of any other necessary reserves, in accordance with generally accepted accounting principals. Such reserve fund for replacement of the Common Elements shall be separately maintained and shall be funded through assessments regularly levied and collected pursuant to this Section 6B(1).

Each Unit Owner shall be assessed his proportionate share of the estimated cash required for Common Expenses for the next fiscal year, such share to be determined by multiplying such estimated cost requirements by the individual proportionate undivided interest in the Common Elements which is appurtenant to his Unit as specified in Section 5 of the Declaration. So long as Declarant has the right to designate at least one (1) member of Council, assessments made pursuant to this Section, or Section 6B(2) hereof, shall be subject to Declarant's approval.

Declarant shall be responsible for the expenses allocable to any Units unsold to first purchasers; provided, however, that when a first purchaser shall take title to such Unit, the annual assessment shall be prorated between Declarant and the new Unit Owner as of the date of settlement for such Unit. The assessment on any Unit, the title to which shall have been transferred, shall be prorated in all cases between the old and new Unit Owners as of the date of settlement for such Unit.

(2) Additional Assessment.

If the cash requirement estimated at the beginning of any fiscal year shall prove to be insufficient to cover the actual Common Expenses for such fiscal year for any reason (including, by way of illustration and not limitation, any Unit Owner's non-payment of his assessment), the Council shall, at any time it deems necessary and proper, levy an additional assessment against each Unit Owner in the same percentage as the original assessment, except that in the event such additional assessment is required because of the failure of one or more Unit Owners promptly to pay an assessment, the percentage of the additional assessment against the other Units shall be increased to compensate for the anticipated failure of such defaulting Unit Owner or Owners to pay its or their share of such additional assessment, unless otherwise agreed by the unanimous consent of the members of the Council.

In the event that an additional assessment is made because of the failure of one or more Unit Owners to pay the original assessment, and the Association shall subsequently receive all or part of the unpaid assessment from the defaulting Unit Owner, the amount of such receipt shall be deducted (in proportion to the amount of their respective additional assessments) from future assessments of the Unit Owners who have paid such additional assessment.

(3) Payment of Assessment.

Each Owner shall pay the assessments levied under this Section 6B either (a) in equal monthly installments, such installment payments to be made to the Association on or before the first day of each month unless another payment date is designated by the Council, or (b) by such other method of payment as the Council may determine from time to time.

(4) Purposes of Assessment.

All moneys collected hereunder shall be used for the purposes designated herein.

(5) Failure to Determine Assessment.

If the Council shall fail to fix new assessments for Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying in the fiscal year just ended as if such sums were the new assessments, and such failure to fix new assessments shall not constitute a waiver, modification or release of any Unit Owner's obligations. If the Council shall change the assessment at a later date, such new assessment shall be treated as if it were an additional assessment under Section 6B(2) hereof.

(6) No Waiver of Assessment.

No Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by the abandonment of his Unit or otherwise.

C. Assessment of Unit Owners.

(1) Dwelling Repair by Unit Owner.

In addition to the maintenance for which each Unit Owner is made solely responsible under Section 6A(1) (

Owner to keep his Unit in good condition, clean and sanitary, by adequate maintenance, painting, repair and replacement (hereinafter collectively called "maintenance"). The cost of all material and labor for such maintenance shall be borne solely by the Unit Owner. In addition, each Unit Owner shall be responsible for maintenance of all lighting, heating, air conditioning and plumbing equipment located within his Unit, and any dishwashers, refrigerators, clothes washers and dryers, hot water heaters, garbage disposals, stoves and other appliances and fixtures which may be in his Unit. No Unit Owner may do any work which would jeopardize the soundness or safety of the Property or impair any easement or hereditament without the unanimous consent of the Unit Owners. It shall be the responsibility of a Unit Owner, subject to obtaining whatever approvals of the Council are required pursuant to the Declaration these Regulations or the Community Rules and Regulations, to comply with any law, ordinance or order of any governmental or quasi-governmental authority for maintenance of, modification of, or additions to, his Unit. Any mechanics' or materialmen's lien arising as a result of maintenance of, improvements of or alterations to a Unit by a Unit Owner shall be a lien only against such Unit.

(2) Unit Repair by the Council.

(a) If the maintenance required in Sections 6A(1)(i) and 6C(1) hereof shall not have been done by the Unit Owner responsible for such maintenance, and if the Council shall, in its discretion, decide that such maintenance is reasonably necessary for public safety, for protection of other Dwellings or the Common Elements ~~or for the preservation of the appearance and value of the Property;~~ the Council

shall give such Unit Owner written notice thereof and if the Unit Owner shall not have completed such maintenance promptly after delivery of such notice, the Council may enter the affected Unit and perform such maintenance and pay for it from the Common Expense fund.

(b) The Council shall have an easement to enter any Unit to maintain, repair or replace the Common Elements as well as to do maintenance to Units if such maintenance is authorized by Section 6C(2) (a) hereof. Any such entry shall be made with as little inconvenience as possible to the Unit Owner and, except in emergencies, by prearrangement with such Unit Owner. Any damage caused by such entry shall be repaired by the Council immediately and the cost of such repairs shall be paid from the Common Expense fund.

(3) Common Elements Expenses of a Unit Owner

Any expenditure which the Council shall be required to make for the upkeep, maintenance, repair, painting or replacement of all or any part of the Common Elements because of any injury thereto or misuse thereof by one or more Unit Owners or the tenants, guests, invitees, or licensees of one or more Unit Owners or resulting from theft or in damage to a particular Unit shall be made from the Common Expense fund and shall be paid as a special assessment (as provided

in Section 6C(4) hereof) by the Unit Owner or Owners responsible for such injury or misuse or whose tenants, guests, invitees or licensees caused such injury or misuse or whose Units was the subject of such theft or damage.

(4) Special Assessments.

If the Council shall have made any expenditures on behalf of any Unit Owner or Owners pursuant to either Section 6C(2) hereof or Section 6C(3) hereof, except for damage referred to in Section 6C(2) hereof caused by the Council, the Council shall levy such expenditures as a special assessment upon the particular Unit Owner or Owners so benefited. Such expenditures made pursuant to Section 6(C)(3)(a) hereof shall be assessed equally among all Unit Owners so benefited, regardless of their percent undivided interest in the Common Elements. Such special assessment shall be levied within thirty (30) days after the work is completed and the debt arising from such special assessment shall be treated for all purposes in the same manner as a regular monthly assessment which shall be due and payable at the same time as the regular assessment next occurring after the date of such levy.

(5) No Abatement of Assessments for Common Expenses.

No diminution or abatement of Common Expense assessments shall be claimed or allowed for the interruption of the right of occupancy of a Unit or for inconveniences or discomfort arising from (i) the making of repairs or improvements to the Common Elements or (ii) requirements of any law, ordinance or order of any governmental authority.

D. Defaults in Payment of Assessments.

(1) Personal Debt Reducible to Judgment.

All sums assessed by the Council against any Unit Owner as a regular or special assessment, together with interest thereon at the rate set forth in the Act from the thirtieth (30th) day following adoption of the resolution fixing such assessment or at such other date or dates (in the case of assessments payable in installments) as may be provided in such resolution, shall constitute the personal liability of the Owner of the Unit so assessed and also shall, until fully paid, constitute a charge against such Unit which shall be enforceable by action at law against such defaulting Unit Owner by the Council acting on behalf of the Association. Each such suit when filed shall refer to the Act and to the Unit against which the assessment is made and the Owner thereof. Any judgment against a Unit or its Owner, or both, shall be enforceable in the same manner as otherwise provided by law. The delinquent Owner shall be obligated to pay (i) all expenses of the Council, including reasonable attorney's fees, incurred in the collection of the delinquent assessment by legal proceedings or otherwise, and (ii) any amounts paid by the Council for taxes or on account of superior liens or otherwise to protect its lien, which expenses and amounts, together with accrued interest, shall be deemed to constitute part of the delinquent assessment and shall be collectible as such.

(2) Unpaid Assessments upon Execution Sale
Against a Unit.

In the event that title to a Unit is transferred by sheriff's sale pursuant to execution upon any lien against such Unit, the Council, in addition to its rights under Section 6A(4) hereof, may give notice in writing to the sheriff of any unpaid assessments for Common Expenses which are a charge against the Unit but have not been reduced to liens pursuant to Section 2234 of the Act and the sheriff shall pay the assessments of which he has such notice out of any proceeds of the sale which remain in his hands for distribution after payment of all other claims which he is required by law to pay, but prior to any distribution of the balance to the former Unit Owner against whom the execution issued. The purchaser at such sheriff's sale (which term shall include a sale pursuant to foreclosure of any permitted mortgage) and the Unit involved shall not be liable for unpaid assessments for Common Expenses which became due prior to such transfer of title to the Unit. Any such unpaid assessments which cannot be promptly collected from the former Unit Owner may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser who acquired title at the sheriff's sale, his heirs and assigns.

(3) Unpaid Assessments upon Voluntary Sale
of a Unit.

Notwithstanding the provisions of Section 6B(1) hereof, upon the voluntary sale, conveyance or any other

to Section 6A(4) hereof, or transfer to a Permitted Mortgagee in lieu of foreclosure)

of a Unit or any interest therein, the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of the sale or conveyance, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may have paid, and until any such assessments are paid, they shall continue to be a charge against the Unit which may be enforced in the manner set forth in Section 2234 of the Act.

Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain from the Treasurer of the Association a written statement of the amount of unpaid assessments charged against the Unit and if such statement is not correct as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of more than the unpaid assessments shown thereon, but the seller of such Unit shall remain liable for such excess. Any such excess which cannot be promptly collected from the former Unit Owner may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners, including the purchaser, his successors and assigns.

E. Repair or Reconstruction; Eminent Domain.

(1) Damage or Destruction.

(a) Repair. Except as otherwise provided by law or herein, damage to or destruction of the Building shall be promptly repaired and restored by the Council, using the proceeds of insurance held by the Council or the Insurance

Trustee for that purpose, and the Unit Owners directly affected thereby shall be liable for assessment for any deficiency in such proceeds in proportion to their respective proportionate undivided interests in the Common Elements, except that if and to the extent that such deficiency exists solely by reason of an improvement or improvements to one or more Dwellings, beyond the condition of such Dwelling(s) as of the effective date of these Regulations, such deficiency shall be assessed against the Owners of such Dwelling(s) in proportion to the value of their respective improvements. The Council shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Expense fund and assessed as above provided. Unit Owners may apply the proceeds from their individual fire insurance policies, if any, to the share of such Common Expense as may be assessed to them. The Council shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage, and each Unit Owner shall personally assume the additional expense of any improvements to his Dwelling which he desires, to restore it beyond such condition. If any changes are made in the basic construction of any restored Dwelling or the Common Elements, or both, the Council shall record an amended Declaration Plan encompassing such changes.

(b) Termination. Notwithstanding anything contained in Section 6E(1)(a) hereof to the contrary and except as otherwise provided by law, if

(i) there is substantially total destruction of the Building, or of one or more of the several buildings comprising the Property, the existence of which condition shall be conclusively determined by a unanimous vote of the Council members rendered within thirty (30) days after the occurrence of such destruction; and

(ii) Seventy-five percent (75%) of the Unit Owners directly affected thereby duly resolve, within sixty (60) days after receipt of at least three (3) contractors' bids and final insurance adjustment, not to proceed with repair or restoration; then and in those events the Property, or the buildings as the case may be, shall be removed from the provisions of the Act and the condominium form of ownership with respect thereto shall be terminated upon the Recording of a statement of termination or partial termination not less than thirty (30) days after the date of the determination not to proceed with repair or restoration. Upon such (partial) termination, the salvage value of the Property, or of the substantially destroyed buildings (but not the land), shall be subject to partition at the suit of any Unit Owner directly affected thereby, in which event the net proceeds of sale, together with the net proceeds, if any, of insurance policies held by the Council or the Insurance Trustee, shall be considered as one fund and shall be divided among all the Unit Owners (or in the case of a partial termination, among the Unit Owners directly affected thereby) in proportion to their respective undivided ownership of the Common Elements, after discharging, out of the respective shares of such Unit Owners, to the extent sufficient for the purpose, all liens against the Units of such Unit Owners.

(2) Procedure Upon Partial Termination

Upon any partial termination, the Act and the Declaration shall cease to apply to the buildings affected thereby, and the aggregate proportionate undivided interests of all Unit Owners whose Units are not directly affected thereby (as set forth in Sections 5A or 5B of the Declaration, whichever is then applicable) shall be adjusted to the nearest one-hundredth, or one-thousandth, of one percent, as the case may be, so as to allocate among them proportionately to their respective interests the aggregate of the interests of all the Unit Owners directly affected thereby so as to produce adjusted proportionate interests aggregating 100.00% (and like adjustments shall be made in the proportionate interest shown in Section 5B of the Declaration, if they are not at that time yet operative).

(3) Eminent Domain.

A taking of, injury to, or destruction of part or all of the Property by the power or a power in the nature, of eminent domain or by an action or deed in lieu of condemnation shall be considered to be included in the term "damage or destruction" for purposes of this Section 6E and the proceeds of the eminent domain taking shall be treated in the same manner as insurance proceeds. Whenever all or part of the Common Elements shall be taken, injured or destroyed by eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein.

F. No Structural Changes by Owner.

A Unit Owner shall not make any structural change in or to his Dwelling or any part of the Common Elements or paint, decorate or alter any portion of the Common Elements without in each case obtaining the prior written permission of the Council.

G. Enforcement.

Each Unit Owner shall comply with the provisions of the Declaration, these Regulations, and the Community Rules and Regulations, as the same may be lawfully amended from time to time, with the covenants, conditions and restrictions set forth in any one or more of the Declaration, the Declaration Plan and the Deed to his Unit, and with such decisions as may be rendered pursuant to such documents. Failure so to comply shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by any member of the Council on behalf of the Asso-

action of the Unit Owners, or, in a proper case, by an aggrieved Unit Owner or by any person who holds a mortgage lien upon a Unit and is an aggrieved party as a result of such noncompliance.

7. NON-LIABILITY OF MANAGEMENT.

A. Limitation of Council's Liability.

The Council and its members in their capacity as Council members and/or officers (i) shall not be liable for the failure of any service to be obtained and paid for by the Council hereunder, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, water, rain, dust or sand which may leak or flow from the outside or from any parts of the Buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by willful misconduct or gross negligence of the Council; (ii) shall not be liable to the Unit Owners as a result of the performance of the Council members' duties for any mistake of judgment, negligence or otherwise, except for the Council members' own willful misconduct or gross negligence; (iii) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Council or Association in the performance of the Council members' duties; (iv) shall not be liable to a Unit Owner, or such Unit Owner's tenants or guests, for loss or damage caused by theft of or damage to personal property left by such Unit Owner or his tenants or guests in an Dwelling or in or on the Common Elements, except for the Council members'

no personal liability in tort to a Unit Owner or any other person or entity direct or imputed, by virtue of acts performed by or for them, except for the Council members' own willful misconduct or gross negligence in the performance of their duties; and (vi) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed against or imputed to the Council members as a result or by virtue of their performance of their duties, except for the Council members' own willful misconduct or gross negligence.

B. Indemnification of Council Members.

Each member of the Council in his capacity as a Council member and/or officer shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Council, or any settlement thereof, whether or not he is a Council member and/or officer at the time such expenses are incurred, except in such cases wherein such Council member and/or officer is adjudged guilty of willful misconduct or gross negligence in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only if and when the Council (with the affected member abstaining if he is then a Council member) approves such settlement and reimbursement as being in the best interests of the Association. The indemnification by the Unit Owners set forth in this Section 7B shall be paid by the Council on behalf of the Unit Owners and shall con-

stitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any other rights to which such Council member and/or officer may be entitled as a matter of law or agreement or vote of Unit Owners or of the Council or otherwise.

C. Liabilities of Individual Unit Owners.

The Unit Owners and any lessees or sublessees of a Unit shall be jointly and severally liable for liabilities arising out of their own conduct or arising out of the ownership, occupancy, use, misuse or condition of such Unit.

D. Language Concerning Liability in Agreements.

Every agreement, contract, deed, lease, mortgage, or other written instrument or document or other transaction entered into by the Council on behalf of the Association shall provide that the Council and the officers executing the same are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except to the extent, if any, that they may also be Unit Owners at the time any such liability is assessed), that any claim by the other party or parties thereto in respect thereto or to the subject matter thereof shall be asserted against the Council, which shall act on behalf of the Unit Owners in respect thereto, and that any liability thereunder or in respect of the subject matter thereof shall be borne by those who are Unit Owners at the time such liability is assessed by the Council as a Common Expense pursuant to Section 6B hereof, as the same may hereafter be amended, for which assessment each such Unit Owner shall be liable only severally to the extent of his

proportionate interest in the Property as herein provided.

E. Notice of Suit and Opportunity to Defend.

Complaints brought against the Association or the Council, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the Council, which shall promptly give written notice thereof to the Unit Owners and the holders of any Permitted Mortgages (as defined in Section 9B hereof), and shall be defended by the Council. The Unit Owners and the holders of Permitted Mortgages shall have no right to participate other than through the Council in such defense. Complaints of a nature specified in Section 7C hereof against one or more but less than all Unit Owners or Units shall be defended by such Unit Owners who are defendants themselves and such Unit Owners shall promptly give written notice of the institution of such suits to the Council and to the holders of any Permitted Mortgages affecting such Units.

8. INSURANCE.

The Council shall maintain at all times insurance of the type, containing the clauses, and in at least the amounts provided in Section 13 of the Declaration, and any forms of insurance which the Council shall deem necessary or desirable. All insurance shall be obtained in accordance with the following provisions:

(a) All policies shall be written with a company licensed to do business in the State of Delaware and holding a rating of "AAA" or better by Best's Insurance Reports, or by an equivalent rating bureau should Best's Insurance Reports cease to be issued.

(b) Exclusive authority to adjust policies hereafter in force on the Property in the Council or its authorized representative.

(c) In no event shall the insurance obtained and maintained by the Council be added into contribution with insurance purchased by Owners or their mortgagees.

(d) Each Unit Owner may obtain additional insurance at his own expense; provided, however, that (i) such policies shall contain waivers of subrogation and (ii) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Council, on behalf of the Association, may realize under any insurance policy which the Council may have in force on the Property at any particular time.

(e) Each Unit Owner shall be required to notify the Council of all improvements made by him to his Unit, the value of which is in excess of One Thousand Dollars (\$1,000.00) so that the Council can cause the insurance coverage of the Property to be adjusted accordingly.

(f) The Council shall have the power to require all Unit Owners to carry such types of insurance as the Council may reasonably require (including fire and/or homeowner's insurance with the company then insuring the Property against fire.)

(g) Any Unit Owner who obtains individual insurance policies covering any portion of the Property other than personal property belonging to such Owner shall be required to file a copy of such individual policy or policies with the Council within thirty (30) days after purchase of such insurance.

(h) Provided it is readily available, the Council shall secure insurance policies covering the Property that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Council, the Manager, the Unit Owners and their respective servants, agents, and guests;

(ii) That the insurance policies issued to the Council on behalf of the Association and covering the Property cannot be cancelled, invalidated or suspended on account of the conduct of any one or more Unit Owners and in no event can cancellation, invalidation or suspension for any reason be effected without at least ten (10) days' prior written notice to each Unit Owner and all holders of Permitted Mortgages (hereinafter defined) on Units whose names and addresses are on file with the Secretary of the Council as provided in Section 9B hereof;

(iii) That all policies covering the Property cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Council or Manager, without a prior demand in writing that the Council or Manager cure the defect and without providing a reasonable period of time thereafter in which to cure the same; and

(iv) That any "no other insurance" clause in the Association's insurance policies exclude individual Unit Owners' policies from consideration.

(i) The periodic and annual insurance reviews conducted by the Council, shall include an appraisal of the improvements in the Project by a real estate appraiser acceptable to the insurance carrier or carriers writing the

Associations' hazard insurance policy or policies.

9. MORTGAGES.

A. Restrictions. A Unit Owner may not voluntarily encumber or subject his Unit to any lien, other than the lien of (i) a first mortgage, and a second mortgage created at the time of the purchase of such Unit, to a bank, trust company, bank and trust company, savings bank, savings and loan association, insurance company, pension fund, real estate investment trust, mortgage service company, or like institutional investor, (ii) a purchase money mortgage to Declarant, or (iii) such other mortgage as may be approved by Council.

B. Permitted Mortgages. Not later than ten (10) days after delivery of any mortgage permitted by this Section 9, or any obligation secured thereby, a Unit Owner or prospective purchaser shall notify the Council of the name and address of the mortgagee and of the amount of the debt so secured. A conformed copy of such mortgage and obligation shall be submitted to the Council, upon request therefor. Upon receipt of such copy of a Permitted Mortgage, the Secretary of the Council shall instruct the insurer of the Property to add the name of the holder of such Permitted Mortgage to the mortgagee loss payable provision of the fire insurance policy covering the Property and to provide such mortgagee with a Certificate of Insurance showing that the mortgagee's name has been so added. The Secretary shall maintain a register of Permitted Mortgages, showing the name and address of the holder thereof and the amount secured thereby. Each holder of a Permitted Mortgage, including the holders of the Permitted Mortgages referred to in Section 9C of these Regulations, shall be entitled from and after the date of any written request therefor,

until such request is cancelled or withdrawn, to receive from the Council a written statement of any delinquent assessments and of any other defaults by the Owner of the Unit which is subject to such mortgage, and copies of any notices of default sent to such Unit Owner. Any holder of a Permitted Mortgage who shall come into possession of a Unit pursuant to the remedies provided in the mortgage, or by foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, shall take the property free of any claims for prior unpaid assessments, as if the property were acquired at execution sale by the Sheriff.

C. Prior Liens. The Property (or portions thereof) is subject to the liens of six mortgages currently of record in favor of Continental Bank, Colonial Mortgage Service Company, PNB Mortgage and Realty Investors, and Countywide Realty Corp., pursuant to which Declarant or AJM, Inc., its predecessor in title, are mortgagors. For all purposes hereunder, such mortgages and any modifications thereof that may be required from time to time by the holders thereof, shall be deemed Permitted Mortgages against any one or more Units not released from the lien of such mortgages. If the mortgagee under any such mortgage assumes possession of any portion of the Property upon which such mortgage is a lien or acquired title to unsold Units, by purchase of the unsold Units at foreclosure sale, or by deed in lieu of foreclosure, such Mortgagee and its successors and assigns shall have and enjoy all of the rights and privileges granted to Declarant by this Declaration and the Act.

D. Additional Rights of Permitted Mortgagees.

Any Permitted Mortgagee will, upon request, be entitled to:

(i) Inspect the books and records of the Property, the Council and/or the Association;

(ii) Receive a copy of the audit referred to in Section 2B(2)(a) hereof; and

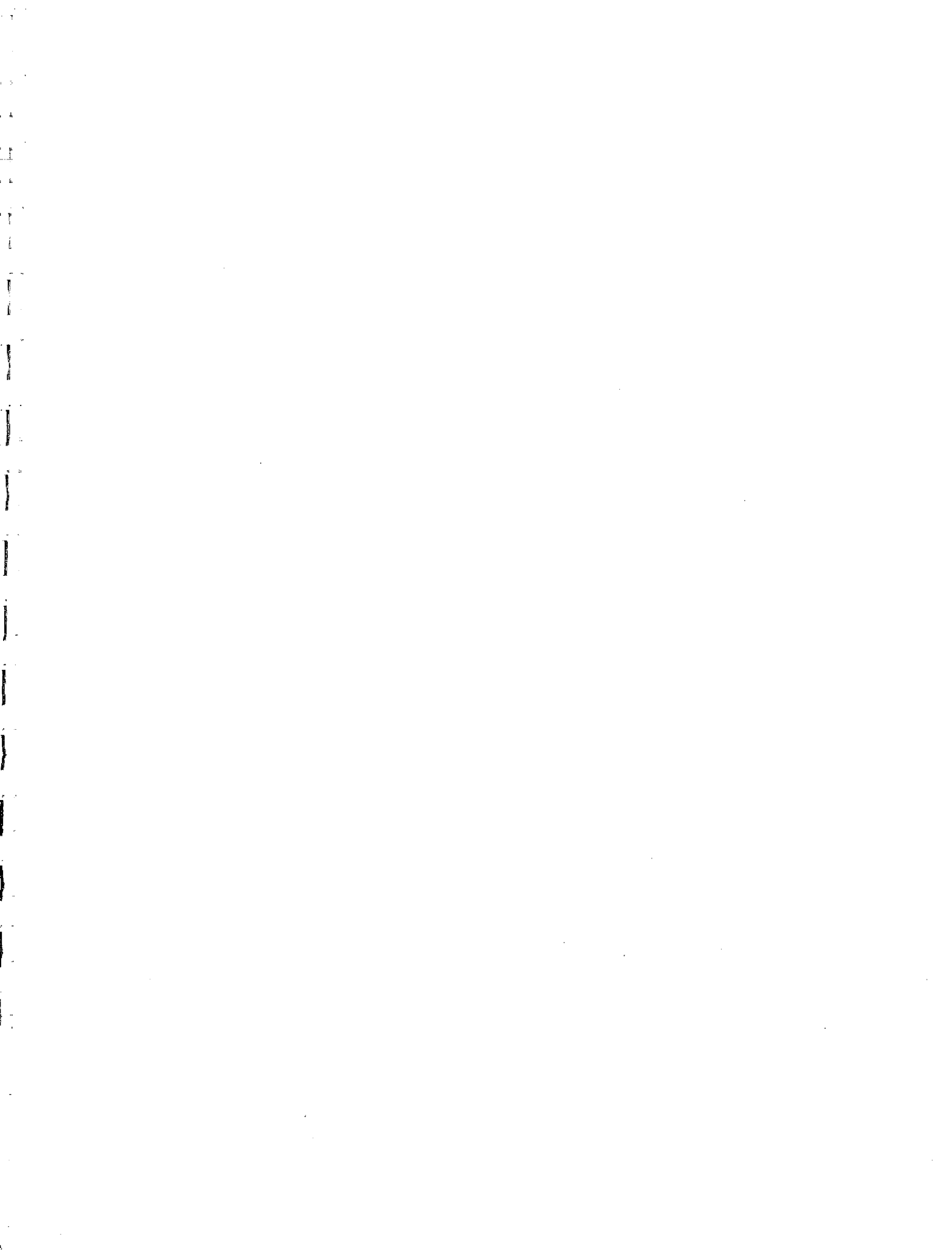
(iii) Receive notice of all meetings of the Association, and be permitted to designate a representative to attend and observe all such meetings.

Any holder of a Permitted Mortgage who shall come into possession of a Unit pursuant to the remedies provided in the mortgage, or by foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, shall take the property free of any claims for prior unpaid assessments, as if the property were acquired at execution sale by the Sheriff.

10. TEMPORARY ADJUSTMENTS IN THE PROPORTIONATE UNDIVIDED INTERESTS.

During any period when the Council holds title to one or more Units pursuant to Section 6A(4) hereof:

(i) the proportionate undivided interest in the Common Elements of such Unit(s) shall be deemed to be zero and the proportionate undivided interests in the Common Elements of all other Units shall be deemed to be automatically adjusted to the nearest one-hundredth of one percent (0.01%), so as to allocate the proportionate undivided interests in the Common Elements of such Unit(s) among all other Units proportionately, and to produce adjusted proportionate undivided interests in the Common Elements for all other Units totaling 100%; (ii) all assessments for Common Expenses and all taxes and municipal claims and charges assessed against such Unit(s) shall be paid by the Council, and the amounts so paid together with all other expenses of purchasing, holding, selling, conveying, mortgaging, leasing or otherwise dealing with the Unit shall constitute Common Expenses to



be assessed against all other Unit Owners in accordance with such adjusted proportionate undivided interests in the Common Elements; (iii) the voting rights appurtenant to such Unit(s) shall be suspended and may not be exercised or counted for quorum purposes; and (iv) no notice of any meetings of Unit Owners or notices of assessments, budgets or the like need be given in respect of such Unit(s). The Council shall give all other Unit Owners prompt written notice of (a) each such purchase, and the adjusted proportionate undivided interests in the Common Elements resulting therefrom, and (b) any disposition of the Unit(s) so purchased and the resulting eliminations of such adjustment.

11. MISCELLANEOUS.

A. Audits.

Any Unit Owner may at any time, at his own expense, cause an audit or inspection to be made of the books and records of the Property, the Council and/or the Association. The Council, as part of the Common Expenses, shall obtain the audit referred to in Section 2B(2)(a) hereof.

B. No Waiver.

The failure of the Council or Manager to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of the Declaration, these Regulations or the Community Rules and Regulations, or to exercise any right or option herein or therein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, restriction, option or right, but such term, covenant, restric-

tion, option or right shall remain in full force and effect. The receipt by the Council or Manager of any payment of assessments from any Unit Owner, with knowledge of the breach of any covenant hereof or thereof, shall not be deemed a waiver of such breach, and no waiver by the Council or Manager of any provision hereof or thereof shall be deemed to have been made unless expressed in writing and signed by the Council or Manager, as the case may be.

C. Interpretation.

The provisions of these Regulations shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a condominium project. The table of contents, if any, and the headings preceding the various Sections of these Regulations are intended solely for the convenience of the readers thereof and shall not be deemed relevant in the construction of this instrument.

D. Personal Property.

(1) The Council or Manager may acquire, hold and lease in the name of the Council, the Council's designee or the trustees appointed by the Council pursuant to Section 5A(1) hereof, on behalf of the Association, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in such personal property shall be in the Association and shall be deemed part of the Common Elements and shall not be transferable except as part of the transfer of a Unit. The transfer of a Unit shall transfer to its transferee ownership of the transferor's share of the beneficial interest in such personal property.

E. Rules and Regulations.

The Council may from time to time promulgate rules governing the use and operation of the project facilities and Common Elements. Copies of all such rules and regulations shall be given to all Unit Owners.

F. No Partition.

There shall be no judicial partition of the Property or any part thereof, until the happening of the conditions set forth in Section 6E hereof concerning damage to or destruction of the Property or unless the Property has been removed from the provisions of the Act as provided in Section 2239 thereof or Section 12 of the Declaration; provided, however, that if any Unit shall be owned by two or more co-tenants, nothing herein contained shall prevent a judicial partition as between such co-tenants, but such partition shall not affect any other Unit.

G. Consent.

(1) Whenever the Declaration, these Regulations or the Community Rules and Regulations shall require written permission of the Council, such permission shall consist of a written statement setting forth the action or activity for which such permission is granted, signed by at least one Council member who shall have been authorized to sign such permission by the vote of the Council either at a meeting or without the formality of a meeting as set forth in Section 3B hereof.

(2) Written permission of the Association shall

consist of a similar written statement signed by the Secretary of the Council who shall have been authorized to give such permission by such vote of the Association as may be required to allow the requested action or activity either at a meeting or without the formality of a meeting pursuant to Section 2B(6) hereof. Whether resulting from a meeting or not, the giving of such permission by the Council or Association and the action or activity for which permission is granted shall be noted by the Secretary in the records of the Council or Association, as the case may be, according to which body granted such permission.

H. Amendment.

Except as otherwise provided herein or in the Declaration and/or the Act, the provisions of these Regulations may be amended by the Council, at any regular or special meeting, provided that the notice of such meeting given pursuant to Section 3B (2) (a) hereof shall set forth the text of any proposed amendment to be voted upon at such meeting. Any such amendment shall be subject to the right of a majority of the Unit Owners to change such action. Notwithstanding the foregoing, if such amendment shall make any changes which would have a material effect upon any of the rights, privileges, powers and options of the Declarant (including, by way of illustration and not limitation, the ability of Declarant to market any Units then owned by Declarant at a commercially reasonable price), such amendment shall require the joinder of Declarant, and if such amendment would affect in any way the holders of any Permitted Mortgages, such amendment shall also require the written approval of the holders of the Permitted Mortgages so affected.

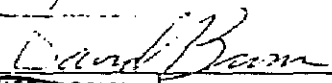
I. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such deletion shall destroy the uniform plan for development and operation of the condominium project which the Declaration, the Declaration Plan and these Regulations are intended to create.

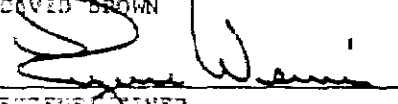
J. Effective Date.

These Regulations shall become effective when they, the Declaration and the Declaration Plan have been duly Recorded.

IN WITNESS WHEREOF, the undersigned, constituting all the members of the first Council, have executed and sealed this instrument in such capacity the day and year first above written.



DAVID BROWN (SEAL)



EUGENE W. MILLER (SEAL)