

RECORDS SECTION  
NEW CASTLE CO. DE

Parcel Nos. 18-045.00-037  
and 18-045.00-039  
PREPARED BY AND RETURN TO:  
Robert L. Thomas, Esq.  
Young, Conaway, Stargatt & Taylor  
P.O. Box 391  
Wilmington, DE 19899-0391

ENABLING DECLARATION ESTABLISHING  
A PLAN FOR CONDOMINIUM OWNERSHIP FOR  
SOUTHRIDGE CONDOMINIUMS

DECLARATION made this 5<sup>th</sup> day of February, 1997 by  
SOUTHRIDGE, L.L.C., a Delaware limited liability company (herein  
called "Declarant") for itself, and its successors, grantees and  
assigns.

WHEREAS, Declarant proposes, pursuant to Chapter 22 of  
Title 25 of the Delaware Code of 1953, as amended (hereinafter  
referred to as the "Unit Property Act"), to declare on behalf of  
Declarant, and Declarant's grantees, successors and assigns,  
together with all persons having or seeking to acquire any interest  
of any nature whatsoever in the Property (as that term is  
hereinafter defined); and

WHEREAS, in order to accomplish the aforesaid declara-  
tion, the Unit Property Act requires that Declarant execute, publish  
and duly record this Declaration;

NOW, THEREFORE, Declarant on behalf of Declarant and  
Declarant's grantees, successors and assigns, together with all  
persons having or seeking to acquire any interest of any nature  
whatsoever in the Property, hereby declares, as follows:

1. Submission:

Declarant intends to and by this Declaration does hereby  
submit the Property to the Unit Property Act in order to create a  
plan of condominium ownership with respect to the Property. All  
capitalized terms shall have the meaning hereinafter ascribed to the  
same.

2. The Property:

The "Property" is more fully described in the Declaration  
Plan, as the same is defined in subsection 3(i) hereof, and  
comprises and consists of the Land, the Buildings and the other  
Improvements situated on the Land, and, with respect to the Land and  
the Buildings and Improvements (as those terms are hereinafter  
collectively defined), all easements, rights and entitlements  
appurtenant to the same.

(a) The Land: The "Land" consists of that certain 25.8 acre parcel of real property owned by Declarant, in fee simple absolute, situate and located in the City of Newark, New Castle County, State of Delaware, as depicted on the Declaration Plan and more particularly bounded and described by Schedule A attached hereto and made a part hereof.

(b) Description Of the Buildings And Improvements: As of the date hereof the Land is improved with the following: Two Buildings and the Clubhouse (each such term being hereinafter defined), and related facilities and utilities.

(1) The Buildings: The Buildings each are identified on the Declaration Plan and each Building is four (4) stories in height, contains twenty-seven (27) 2- or 3-bedroom Units, with related garages and storage areas, and has masonry walls and floors, with wooden roof trusses covered with plywood and asphalt shingles.

(2) The Clubhouse: The Clubhouse is a one (1) story masonry structure with wooden roof trusses sheathed with plywood and asphalt shingles.

(3) The Improvements: The Improvements, all situated on the Land in accordance with the Declaration Plan and more particularly identified by Schedule B, consist of: concrete walkways; steps; paved entrances; drives and parking areas; lighting fixtures; domestic fire service; water distribution system; storm and sanitary sewer system; transformers, electric and telephone systems; a television cable system; signage; and lawn and landscaping areas. The ownership of all or part of one or more of the aforesaid utility systems may be retained by the municipality or utility company supplying such service.

### 3. Definitions:

The following terms appearing throughout this Declaration, shall be defined as follows:

(a) Building or Buildings: The term "Building" or "Buildings" as used herein shall mean the multi-unit building(s) identified in subsection 2(b)(1) above.

(b) Code of Regulations or Code: The term "Code of Regulations" as used herein shall mean the instrument, as amended from time to time, by which the administration, regulation and management of the Property shall be governed and by which the maintenance and repair of the Common Elements shall be administered.

The Code of Regulations shall be established and adopted pursuant to the Act, shall contain among its provisions those specified by the Act, and shall be duly entered of record in the Office of the Recorder of Deeds in and for New Castle County, Delaware (hereinafter "the Recorder's Office") contemporaneously with recordation of this Declaration and the Declaration Plan. In the event of any one or more amendments to the Code of Regulations, all references to the Code thereafter (unless otherwise specifically designated) shall mean the Code of Regulations as amended to the date of such reference.

(c) Common Elements: The term "Common Elements" as used herein shall mean those General Common Elements and Limited Common Elements as described in Section 7 hereof.

(d) Common Expenses: The term "Common Expenses" as used herein shall mean and include:

(1) The expenses of administration, maintenance, repair and replacement of the Common Elements, including such maintenance, repair and replacement reserves as may be established from time to time;

(2) All expenses agreed upon as Common Expenses by the Unit Owners (as that term is hereinafter defined) in accordance with the terms of the Declaration and the Code of Regulations;

(3) All expenses declared to be Common Expenses by the provisions of the Act, this Declaration or the Code of Regulations; and

(4) All proper charges assessed or otherwise applicable to the Property as a whole.

(e) Common Surplus: The term "Common Surplus" shall mean the excess of all revenues received by the Council (as that term is hereinafter defined) from whatever source over all Common Expenses.

(f) Condominium Documents: The term "Condominium Documents" shall mean this Declaration (together with the Schedules attached hereto), the Declaration Plan, the Code of Regulations, and the Rules and Regulations, all as duly adopted or amended from time to time by the Council, as well as agreements of sale for Unit(s) (as that term is hereinafter defined), Unit deeds and any other document(s) required to be prepared and/or executed by or on behalf of the Declarant.

(g) Council: The term "Council" shall mean the board of individuals who shall manage the business, operation and affairs of the Property on behalf of the Unit Owners in accordance with this Declaration and the Code of Regulations.

(h) Declaration Plan or Plan: The term "Declaration Plan" or "Plan" shall mean the plans of the Property prepared by Morris & Ritchie Associates, Inc., Engineers and Minno & Wasko, Architects and Planners, dated 1/24/97 and 1/14/97, respectively, and recorded contemporaneously with this Declaration and the Code of Regulations in the Recorder's Office as the same may be duly amended from time to time. In the event of any one or more amendments to the Declaration Plan, all references thereafter to the Declaration Plan (unless otherwise specifically designated) shall mean the Declaration Plan as amended to the date of such reference.

(i) Eligible Mortgage Holder: The term "Eligible Mortgage Holder" shall mean a holder of a first mortgage on a Unit who has requested notice from the Council of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

(j) Land: The term "Land" means the real property specifically described in Schedule A attached hereto together with those Improvements referenced by subsections 2(b)(2) and (b)(4).

(k) Majority of Unit Owners: The term "Majority of Unit Owners" means the owners of more than 50% of the aggregate undivided interest in the Common Elements. Any reference in the Condominium Documents to a specified percentage of the Unit Owners means the owners of such percentage, in the aggregate, of an undivided Proportionate Interest (as that term is hereinafter defined) in the Common Elements.

(l) Property: The term "Property" means the Land, the Buildings and the Improvements owned in fee simple by Declarant and all easements, rights and appurtenances belonging to the Land which have been or are intended to be submitted to the provisions of the Unit Property Act, and all personal property owned by Declarant and dedicated exclusively and permanently to the operation of the Property.

(m) Proportionate Interest: The term "Proportionate Interest" means the proportionate undivided interest in the Common Elements, expressed as a percentage and assigned in this Declaration to each Unit, as set forth in Schedule C attached



hereto. Such Proportionate Interests shall be owned by the respective Unit Owners, as tenants in common, and shall not be subject to partition.

(n) Rules and Regulations: The term "Rules and Regulations" means those Rules and Regulations adopted from time to time by the Council as the Council reasonably deems necessary for the enjoyment of the Property by each Unit Owner. The Council may amend such rules from time to time, subject to the right of a Majority of Unit Owners (as that term is defined in Section 6 of Article II hereof) by a resolution duly adopted at any duly convened meeting of Unit Owners, to change such rules. Copies of any such amendments or changes shall in each such case be promptly furnished by the Council to each Unit Owner. The initial Rules and Regulations are attached hereto as Schedule D.

(o) Units: The term "Unit" or "Units", as more fully described in Section 5 hereof, shall mean any part of the Property located within a Building and intended for independent residential occupancy, with direct access to any Common Element(s) leading to a public street or way or to an easement leading to a public street or way. Each Unit shall also include the Proportionate Interest in the Common Elements which is assigned and appurtenant to such Unit pursuant to Section 8 hereof.

(p) Unit Owner: The term "Unit Owner" means the person or persons owning a Unit, whether an individual, corporation, partnership, association, trustee or other legal entity. If the Council holds title to a Unit pursuant to this Declaration or the Code of Regulations, the Council shall be deemed to be a Unit Owner (with such ownership subject to all other provisions of this Declaration or the Code relating to the ownership of Units by the Council). Declarant is the Unit Owner of each Unit until the initial conveyance thereof by Declarant.

(q) Unit Property Act: The term "Unit Property Act" or "Act" means Chapter 22 of Title 25 of the Delaware Code of 1953, as amended.

4. Name:

The name by which the Property is known and is to be identified is "Southridge Condominiums."

5. Unit Description.

(a) This Declaration contemplates the existence of Units, as designated on the Declaration Plan, solely for single family residential use. Each Unit, together with such Unit's undivided Proportionate Interest, shall for all purposes be and is hereby declared to be and constitute a separate parcel of real property and the ownership of each Unit, together with such Unit's Proportionate Interest, is for all purposes the ownership of real property. The designation of each Unit, the location of the Unit within a particular Building, the Unit's dimensions, the Common Elements to which the Unit has immediate access and other data concerning the proper identification of the Unit are set forth by the Declaration Plan.

(b) Each Unit consists of:

(1) The volume of space within such Unit's title line as shown on the Declaration Plan. Such space is bounded by the interior surfaces of the Unit's perimeter walls, ceilings and floors as shown on the Declaration Plan, subject to such Common Element encroachment(s) as may be contained therein, whether such encroachment(s) currently exist or are subsequently caused or created by reason of construction, settlement or movement of the pertinent Building or by reason of permissible repairs, construction or alterations to such Building.

(2) All interior partition walls, floors and other partitions located within the Unit (including the space occupied by such walls, floors and partitions and the frames of any windows, doors, or other openings in such walls or partitions), excepting such part of such interior walls, floors and partitions, if any, as may be load bearing and located within the Unit (the same thereby comprising part of the Common Elements);

(3) The finished or decorated inner surfaces of all perimeter walls, ceilings and floors (including paint, plaster, plasterboard, wallpaper, carpeting, floor tiles and other floor coverings, moldings and baseboards, railings, and all other finishing materials of a similar nature) affixed or installed as part of the physical structure of the Unit;

(4) All sinks, cabinets, water closets, bathtubs and showers, shelves, dishwashers, garbage disposal units, hoods, ranges and ovens, refrigerators, light fixtures, and other such appliances, if any, located within the Unit;

(5) All pipes, wires, ducts, cables, conduits and other electrical, plumbing, lighting, telephone, television, sewer, water, and other systems and equipment or installations serving only the Unit, commencing at the entry point of such system(s) into the Unit; and

(6) The Proportionate Interest which is assigned to the Unit. Such Proportionate Interest shall be expressed as a percentage (rounded upwardly to the nearest one-thousandth), and the sum of such percentages with respect to all Units shall equal at least 100% (and not more than 101% after accounting for rounding).

(d) Excluded from each Unit shall be:

(1) The patio or balcony, if any, immediately adjacent to and accessed from such Unit.

(2) All pipes, ducts, wires, cables, conduits or other electrical, plumbing, lighting, telephone, television, sewer, water, and other systems and equipment and installations serving more than one Unit (regardless of where such systems, equipment and installations may be located);

(3) All other apparatus and installations which may be wholly or partially within a Unit but which, in whole or in part, serve one or more other Units or the Common Elements; and

(4) Structural parts and supports contained within any Unit.

(e) Nothing contained in this Section shall cause any Unit to extend beyond the title lines of such Unit as shown on the Declaration Plan.

6. Unit Designations:

The Units are designated on the Declaration Plan.

7. Description of Common Elements:

A. The Common Elements are shown on the Declaration Plan and consist of the General Common Elements and the Limited Common Elements (both terms being hereinafter defined).

(1) The General Common Elements consist of the entire Property exclusive of the Units and the Limited Common

Elements (as hereinafter defined). As such, the General Common Elements include, without limitation:

- (a) The Land;
- (b) All air space above the surface of the Land, excluding air space enclosed within the title lines of any Unit;
- (c) All Building foundations, structural walls, supports and other components, floors and ceilings (including the respective parts thereof expressly included within the Units); and all Building roofs and roof assemblies as and to the extent any of the foregoing are not specifically, by this Declaration, included within a Unit;
- (d) All landscaped and natural areas, driveways, walkways and stair not constituting Limited Common Elements (as hereinafter defined) and such other improvements as may be described in Schedule B;
- (e) Portions of the Land and any Building(s) used exclusively for the management, operation or maintenance of the Common Elements;
- (f) All personal property and chattels of any kind belonging to the Council, including but not limited to all furniture, equipment, office equipment and fixtures and all replacements thereto, located on or situated within the General Common Elements, excluding those items of personal property and chattels of the Council which are subject to a service contract or lease arrangement;
- (g) All installations of and systems for central services and utilities serving more than one Unit, located in or about the Property or either Building, including, but not limited to, systems for electricity, plumbing, light, water, gas, sewer, drainage, communications and security and telephone service as well as all other apparatus and installations existing for common use, including all pipes, ducts, wires, cables and conduits used in connection therewith, except as and to the extent the same are located within and serve only a single Unit and as and to the extent that all or parts of any utility systems are owned by the municipality or utility supplying the particular services involved;
- (h) All other elements of the Property or either Building, other than the Units and the Limited Common Elements, necessary or convenient to the Property's existence, management, operation, maintenance and safety or normally in common use;

(i) Motors, pumps, tanks, boilers, mailboxes, security systems and any other equipment used to provide any service available for use by more than one Unit Owner;

(j) Easements for access, maintenance, repair, reconstruction or replacement of structural members, equipment, installations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the Property;

(k) Any Unit or interest therein standing in the Council's name for and during the period of time during which such Unit or interest is held by the Council;

(l) All Property management facilities; and

(m) The Clubhouse.

B. The Limited Common Elements consist of any and all of those Common Elements identified by the Plan as Limited Common Elements or otherwise reasonably intended for use by the Owner or occupant of a specific Unit or Units (i.e., one or more but less than all of the Units). Limited Common Elements shall include, by way of example and not limitation, the patio or balcony, if any, accessible directly from a Unit and any Unit door serving a doorway between a Unit and a Common Element, the spaces enclosed by a Building's roof assembly, Building hallways, and interior corridors, stairways and stair towers providing access between the particular Building and any General Common Element, the garage and storage areas, respectively, assigned for use by the Owner or occupant of a specific Unit or Units, and any other Common Element intended for use by the Owner or occupant of a specific Unit or Units as aforesaid but accessible solely through a particular Unit or Units and not directly from a General Common Element or otherwise dedicated to the use of one or more but less than all of the Unit Owners.

C. The Proportionate Interest in the Common Elements assigned to each Unit, expressed in terms of a percentage per Unit, is set forth by Schedule C attached hereto.

D. The Proportionate Interest of a Unit in the Common Elements and the easements and rights appurtenant to a Unit shall be inseparable from each Unit. Any conveyance, lease, devise or other disposition or mortgage or other encumbrance of any Unit shall extend to and include the Unit's Proportionate Interest in the

Common Elements, whether or not expressly referred to in the instrument effecting the same. The Proportionate Interests of the Unit in the Common Elements and the fee simple title to the Unit conveyed therewith, shall not be separately conveyed, transferred, alienated or encumbered and each such Proportionate Interest shall be deemed to be conveyed, transferred, alienated or encumbered with its respective Unit notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee simple title to the Unit and such Proportionate Interest is not referred to therein.

E. The maintenance, repair, replacement, operation and use of the Common Elements and the making of any additions or improvements thereto shall be carried out only as provided in this Declaration and the Code of Regulations.

8. Reallocation of Proportionate Interests:

The Proportionate Interest assigned to each Unit as set forth by Schedule C attached hereto may be reduced, altered or changed by the recording of an amendment to this Declaration duly executed by all Unit Owners whose Proportionate Interest shall change or by their respective agents or attorneys-in-fact. Any alteration or change in the proportionate voting rights of any Unit Owner shall be made only in accordance with the provisions of the Code of Regulations.

9. Use of Units and of the Common Elements:

(a) (i) Each Unit, except as provided in subsection (b) hereof, is intended and shall be used solely for single family residential occupancy in accordance with applicable law and at least one permanent resident of each occupied Unit shall be fifty-five (55) years of age or older. (ii) A Unit may be leased by the Unit Owner from time to time, subject, however, to such limitations with respect thereto as may be contained herein or in the Code of Regulations or in the Rules and Regulations in effect from time to time. Declarant also may use any Unit(s) owned by Declarant as a sample unit during the period while Declarant is actively marketing the Property.

(b) (i) Anything herein to the contrary notwithstanding, at any time and from time to time, Declarant or the Council may designate one or more Units or any portion of the Common Elements for office purposes or to house a resident manager or sales/rental representative. In such event, such Unit(s) may be

used by such manager or sales/rental representative as an office and may be used by a resident manager as living quarters. Such office may be used to conduct any activities related to the Condominium as long as all necessary governmental approvals have been secured for the conduct of such activity at such location, and such activity causes no nuisance on the Property.

(ii) Anything herein to the contrary notwithstanding, at any time and from time to time, Declarant or the Council may designate one or more Units or any portion of the Common Elements for office use or other purpose(s) as long as all necessary governmental approvals have been secured for the conduct of such activity at such location, and such activity causes no nuisance on the Property.

(c) No Unit Owner may at any time bring or maintain any action, at law or equity, to partition or otherwise subdivide any Unit pursuant to any applicable subdivision and land development laws; however, Declarant may subdivide any Unit or Units upon complying with all such applicable laws.

(d) Each Unit Owner or permitted lessee or sub-lessee of any Unit may, subject to the provisions of this Declaration, the Code of Regulations and the Rules and Regulations, use the Common Elements in accordance with the purposes for which such Common Elements are intended as long as such use does not hinder or encroach upon the lawful rights of other Unit Owners.

(e) No Limited Common Element which is directly accessible only by or through a given Unit, or which has been made expressly appurtenant to a specific Unit or Units shall, unless otherwise provided by the Condominium Documents, be used or entered other than with the consent of the Unit Owner of the appurtenant Unit.

(f) The Common Elements shall be for the sole benefit of the Unit Owners and other permitted occupiers of Units and may be used by each of them and by their respective families, guests, agents, employees and invitees only in accordance with such Rules and Regulations as may be established by the Council from time to time.

(g) A Unit Owner shall not use, permit or allow such Unit Owner's Unit or any part thereof to be used for an offensive or unlawful purpose, nor permit or allow any nuisance within the Unit, nor use, permit or allow the Unit to be used in a

manner which is a legitimate source of annoyance to, or which in any way interferes with, the peaceful possession, enjoyment and proper use of the Property by the other Unit Owners or those claiming under such other Unit Owners.

(h) Without the prior written authorization of the Council, no Common Element shall be obstructed, posted, decorated, or used other than for purposes for which such Common Element is designed or intended.

(i) No garage or other Common Element area intended for parking purposes shall be used for parking any form of transportation other than ordinary passenger automobiles or vans designated and used for non-commercial purposes, unless the Council designates otherwise. This prohibition is intended to restrict the parking of mobile homes, mobile campers, boats, boat trailers, trucks and other commercial or special purpose vehicles that would detract from the residential building appearance of the Property. Council may from time to time assign particular parking space(s) to each Unit or allocate available parking spaces among the Units.

(j) If two or more adjacent Units are owned by the same Unit Owner, such Unit Owner may with the prior written consent of Council, move or remove the common wall or walls or other divisions between such Units, provided, however, that all such action shall conform with all applicable building Codes and governmental Regulations and not endanger the soundness or safety of any portion of the Property, including the affected Units. Furthermore, no such action shall encroach upon any space belonging to another Unit not owned by the same Unit Owner or upon any Common Element, nor sever, move or otherwise interfere with pipes, ducts, cables, wires, conduits, public utility lines or other such Common Elements serving Units owned by other Unit Owners. Any Unit Owner acting in reliance of this provision shall be responsible for accomplishing and paying for the costs associated with preparing, obtaining approval of and, as necessary, recording any amendments to the Plan, this Declaration, the Code of Regulations and the Rules and Regulations, as may be required by such action.

(k) Each Unit Owner shall use the Common Elements according to the intended purpose thereof (as determined by the Council) and such use shall not hinder the exercise of or encroach upon the rights of other Unit Owners with respect to the Common



Elements unless the Council expressly permits otherwise as herein provided.

(l) The Common Elements shall remain undivided and no action for partition or division of any part thereof shall be permitted except as provided by the Act nor, except as otherwise herein permitted, shall the Common Elements be abandoned, encumbered, sold or transferred without the unanimous written approval with respect thereto by all Unit Owners and the holders of liens thereon (except such liens as may arise or be created against the Units and their respective Proportionate Interest under the Unit Property Act or this Declaration or the Code of Regulations). Every agreement for the performance of labor or the furnishing of materials to the Common Elements, whether oral or in writing, shall provide that such agreement is and, in all events, such agreement shall be subject to the provisions of this Declaration and the Unit Property Act.

(m) The Proportionate Interest appurtenant to each Unit in the Common Elements shall have a permanent character and shall be inseparable from each Unit, but may be altered, transferred or exchanged pursuant to an amendment to this Declaration duly executed by all of the Unit Owners affected thereby and recorded together with an appropriate amendment to the Declaration Plan.

(n) No Unit Owner may exempt himself, herself or itself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements, abandonment of such Owner's Unit or otherwise.

(o) The Council, and the Council's agents and employees, shall, on behalf of the Unit Owners, have the irrevocable right and easement to access each and any Unit from time to time, with notice and during reasonable hours (or without notice and at any time in the event of an emergency, whether or not the Unit Owner is present) as necessary for the inspection, maintenance (including, without limitation, pest extermination), repair or replacement of any Property component located therein or Common Elements accessible therefrom or the making of any addition or improvements to the same; or to make repairs to any Unit or the Common Elements if such repairs are reasonably necessary for public safety or to prevent damage to any other Unit or Units or the Common Elements; or to abate any violation of law, orders, rules or Regulations of any governmental authorities having jurisdiction thereof; or to address

any condition which violates any provision of any mortgage covering the overall Property or any other Unit or Units.

(p) The Council shall, if questions arise with respect to the use of any Common Element, make the final determination with respect thereto. Moreover, the Council shall have the right to promulgate Rules and Regulations limiting the use of the Common Elements to Unit Owners and their respective families, guests, invitees, employees and lessees, as well as establish procedures whereby the use of certain Common Elements (such as the Clubhouse) may be set aside for the exclusive use of one or more Unit Owners and their guests for special occasions. Such exclusive use may be conditioned on the payment by the particular Unit Owner or Owners of whatever fee the Council may from time to time deem appropriate to defray the costs associated with the particular Common Elements and the proposed use thereof.

(q) The maintenance, repair, replacement, management, operation and use of the Common Elements and the making of any additions or improvements thereto shall be the exclusive responsibility of the Council and shall be carried out only as provided in the Code of Regulations. Nothing herein contained, however, shall be construed to preclude the Council from delegating these duties to a manager or agent or to other persons, firms or other associations.

(r) Except as otherwise provided by this Section, the Common Expenses incurred or to be incurred for the maintenance, repair, replacement, cleaning, sanitation, management, operation and use of the Common Elements and the making of any additions or improvements thereto shall be assessed to all of the Unit Owners by the Council as Common Expenses. Expenses, if any, incurred by the Council involving the maintenance, repair, replacement, cleaning, sanitation, operation or use of any Limited Common Elements may, as circumstances warrant, be assessed by the Council to the Unit Owner(s) with respect to whose Unit(s) such Limited Common Element is appurtenant.

(s) No Unit Owner shall do any work, engage in any activity or intentionally fail to act if such would materially and adversely affect or otherwise alter any other Unit or any of the Common Elements, or jeopardize the soundness or safety of the Property, or impair any easement or hereditament therein without the

express written consent of the Council and the other Unit Owners thereby directly affected.

(t) Each Unit Owner and the Council shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such Owner's Unit, regardless of the location of such Common Elements. Each Unit shall be subject to an easement in favor of all other Unit Owners thereby affected to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. Each Unit shall likewise be subject to an easement, to the extent necessary, for structural support in favor of every other Unit. The foregoing easements shall run with the Property and inure to the benefit of and be binding upon the Council and each Unit Owner, mortgagee, lessee, occupant, or other person having any interest in any Unit or the Common Elements as of the time of reference.

(u) All repairs and replacements to the Common Elements shall be of first class quality and, subject to the requirements from time to time of applicable law with respect to the same, shall be substantially similar to the original construction and installation.

(v) If, in the judgment of the Council, the Common Elements require additions, alterations or improvements costing, during any period of twelve (12) consecutive months, more than Three Thousand and 00/100 Dollars (\$3,000.00), in the aggregate, in excess of the amount then currently budgeted for additions, alterations or improvements, the making of such additions, alterations or improvements shall require the approval of a majority of the Unit Owners. If a majority of the Unit Owners approves such additions, alterations or improvements, the Council shall proceed with the same. With respect to any additions, alterations or improvements costing, in the aggregate, Three Thousand and 00/100 Dollars (\$3,000.00), or less, during any such period of twelve (12) consecutive months, Council may, without approval of the Unit Owners, proceed with such additions, alterations or improvements.

(i) If, in the sole opinion of the Council, an addition, alteration or improvement is general in character, the costs therefor shall be assessed to all Unit Owners as a Common Expense.

(ii) If, in the sole opinion of Council, an addition, alteration or improvement is not general in character or is exclusively or substantially for the benefit of less than all of the Unit Owners, the cost of such addition, alteration or improvement shall be assessed specially against the benefitted Unit Owner or Unit Owners in such proportion as the Council shall determine is fair and equitable. Nothing contained herein shall prevent the Unit Owners benefitted by such addition, alteration or improvement from agreeing in writing, either before or after the assessment is made, to be assessed in accordance with a mutually determined allocation.

10. Unit Maintenance and Repair:

(a) No Unit Owner shall do or cause to be done, or fail to do or knowingly cause not to be done, any work affecting such Owner's Unit if such work or the failure of such work, would jeopardize the soundness or safety of the Unit, the Property, any Building or any other Unit, or reduce the value of the same or impair any easement or hereditament with respect thereto. Each Unit Owner shall immediately cause any work being performed on such Owner's Unit, which in the sole opinion of Council violates this Section, to be stopped and the work area(s) to be restored and shall refrain from recommencing or continuing the same without the written consent of the Council. No Unit Owner shall repair, alter, replace, or move any of the Common Elements which are located within such Owner's Unit without the prior consent in writing of the Council nor repair, alter, replace or perform work of any kind on the exterior of the Unit or either Building, the Clubhouse or other Improvements (including, without limitation, patios, balconies, and entrance doors) without in every such case first obtaining in writing the consent of the Council. No Unit Owner shall alter or replace any walls without the prior consent in writing of the Council. All repairs and maintenance of any patio or balcony appurtenant to a Unit shall be the responsibility of the Unit Owner and performed at the Unit Owner's expense; provided, however, that the Council may elect to undertake such repairs and maintenance from time to time, as the Council elects, in which event the cost of such repair and maintenance nonetheless will be at such Owner's expense.

(b) It shall be the responsibility of the Council to maintain, repair or replace:

(1) All portions of the Unit which contribute to the support of the Building in which the Unit is located, including main bearing walls, but excluding painting, wallpapering, decorating or other work on the interior surfaces of walls, ceilings and floors within a Unit.

(2) All portions of a Unit which constitute a part of the exterior of the particular Building in which the Unit is located, (including any patio or balcony to the extent the same is not maintained, repaired or replaced, as necessary to the integrity of the Property, by the particular Unit Owner).

(3) All Common Elements including those located within a Unit.

(4) All damage caused by work done by direction of the Council.

(5) In the performance of any labor or the furnishing of any material to a Unit under the direction of the Council, no lien shall be established nor shall basis thereby exist for filing a mechanic's lien against the Unit Owner unless such work constituted an emergency repair. Nothing herein contained shall prevent a mechanic's lien from being filed against a Unit if the Owner thereof expressly requested in writing that the work be done.

(c) It shall be the responsibility of each Unit Owner with reference to that Owner's Unit:

(1) Except for those portions of the Unit mentioned and described in Section 10(b) above, to maintain, repair or replace at such Owner's own expense all portions of the Unit which may cause injury or damage to the other Units or to the Common Elements.

(2) To maintain and repair all doors, door frames, windows, window frames and vents within the Unit or separating the Unit from elements outside the Unit, and to paint and maintain the walls, ceilings and floors defining the boundaries of the Unit. Each Unit Owner also shall keep clean any patio or balcony appurtenant to the Unit.

(3) To perform such Owner's duties, obligations and responsibilities in such a manner and at such reasonable hours as not to disturb unreasonably other Unit Owners.

(4) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the Common Elements without first

obtaining the written consent of the Council and to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the Unit or any exterior appendages thereof, whether exclusively used by the Unit Owner or otherwise, without first obtaining the written consent of the Council.

(5) To maintain, repair and replace all sinks, cabinets, water closets, bathtubs and showers, shelves, dishwashers, garbage disposal units, hoods, ranges and ovens, air conditioner units, refrigerators, light fixtures and other appliances installed for the sole and exclusive use of the Unit and all non-load bearing interior walls, floors and partitions and windows and doors in the Unit.

(6) To pay all expenses incurred by the Council in making repairs to or replacements of the Common Elements caused by any willful or negligent act or failure to act of the Owner or the Owner's family, guests, invitees, employees, against, lessees or licensees.

(7) To maintain in effect at all times with respect to the Owner and the Owner's Unit contents property and liability insurance coverage reasonably acceptable to the Council (and to furnish to the Council from time to time, as the Council may require, proof of the same) and to pay any increase in the Council's insurance rates occasioned by use, misuse, occupancy or abandonment of the Unit or the Unit's appurtenances. Nothing contained in this Declaration, however, shall be construed to modify any waiver by any insurance company of its rights of subrogation.

(8) To maintain a minimum temperature of 50 degrees in the Unit and to repair or replace at such Owner's own expense any damage resulting from the Owner's failure to maintain the aforesaid minimum temperature.

(9) To notify promptly the Council or the Council's managing agent of all work that the Unit Owner intends to perform and for which the Council has primary responsibility under this Declaration or otherwise as a matter of law. Any consent by the Council to the performance of such work by the Unit Owner shall not constitute an assumption by the Council to pay therefor. Also, the failure of the Council to take action on the notice shall not be deemed a waiver by the Council of Council's rights nor constitute a consent or assumption by the Council to pay for any work performed by the Unit Owner. Any consent given by the Council may set forth

the terms of such consent and the Unit Owner shall be required to abide such terms.

(d) Nothing contained in this Section shall be construed to impose personal liability upon any member of the Council for the maintenance, repair or replacement of any Unit or Common Element or give rise to a cause of action against any such member. Neither members of the Council nor the Council itself shall be liable for damages of any kind except for willful misconduct or bad faith.

(e) In the event of damage to or destruction of one or more of the improvements comprising part of the Property, the damage shall be repaired and such improvement or improvements restored as required or permitted by this Declaration and the Code of Regulations, except that in the case of the substantial destruction of or damage to any Building, the same need not be rebuilt and restored except as provided in this Declaration and the Code of Regulations.

(f) All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality.

11. Council First Members and Duties:

(a) The Council shall be a board of natural persons none of whom need be a Unit Owner. The Code of Regulations shall specify the number of members of the Council and their other qualifications. The first member of the Council shall be Anthony J. Mullen.

(b) The affairs of the Property shall be governed and controlled by the Council. The Council shall, except as otherwise limited herein, have charge of, be responsible for and is authorized to manage the affairs of the Property, the Common Elements and other assets held by the Council on behalf of the Unit Owners. The Council shall have all powers, rights, duties and obligations accorded to the Council by this Declaration, the Code of Regulations or the Rules and Regulations. The Council shall adopt any measure and execute any action necessary to promote the interests of the Property. The Council shall fix charges, assessments and fees, as well as the rent for any asset(s) owned by the Council and shall hold all of the foregoing funds or other assets of the Condominium and administer the same as trustees for the benefit of the Unit Owners. The Council shall keep accurate

records and audit and collect bills, contract for all loans, mortgages, leases and purchases or sales of Units acquired by the Council or the Council's designee on behalf of all of the Unit Owners where applicable and direct all expenditures, select, appoint, remove and establish the salaries of the Council employees and fix the amount of any bonds for the Council, or the Council's members, officers and employees. The Council shall have exclusive authority to license, lease or operate any concessions and install vending machines on the Property. The Council shall maintain the Common Elements and other portions of the Property as hereby specified, paying for services and supervising repairs and alterations, and shall pass upon the recommendations of all committees and adopt Rules and Regulations as the Council, in its judgment, deems necessary for the management, control and orderly use of the Common Elements and other portions of the Property and, in general, shall manage the Property as provided by this Declaration and the Code of Regulations. Nothing herein shall prevent the Council from employing and delegating such powers as the Council deems advisable to one or more professional managers or from designating and acting through such executive committee(s) comprised of one or more Council members, as the Council may from time to time determine.

(c) In order to limit the liability of the Unit Owners, and the members of the Council or the Council's designee(s), any contract or other commitment made by the Council, or a designee, shall contain the following statement: "The Council, its members, managing agent, manager or other designee(s), as the case may be, in executing this instrument, is acting only as agent for the Unit Owners, and the members of the Council, its managing agent, manager, or other designee(s) shall have no personal liability with respect to any contract or commitment (except as Unit Owners), and the respective liability of the several Unit Owners on any such contract or commitment shall be limited to the same proportionate share of the total liability as the Proportionate Interest of each such Unit Owner bears to the aggregate Proportionate Interest of all Unit Owners as established by the Condominium Documents."

(d) The Council and its members shall have no liability to the Unit Owners for any error of judgment or conduct, except for willful misconduct or bad faith. It is discretionary



with the Council whether its members shall be bonded for this purpose.

(e) The Council shall insure the Property against loss or damage by fire and such hazards as are required by the Code of Regulations independent of such insurance as each Owner maintains from time to time with respect to such Owner's Unit, the contents thereof or liability arising out of the ownership thereof. The premiums for insurance placed on the Property through the Council shall be a Common Expense and the premiums for insurance effected by each Owner shall be the exclusive responsibility of such Owner.

12. Charges, Surplus, Assessments and Enforcement of the Same:

(a) No Unit Owner shall be exempt from liability with respect to the Common Expenses by waiver of the use or enjoyment of any of the Common Elements, abandonment of such Owner's Unit or otherwise.

(b) The Common Surplus of the Property may be distributed among, and the Common Expenses shall be charged to, the Unit Owners according to each Unit Owner's Proportionate Interest as set forth in this Declaration and any amendments hereto.

(c) All sums assessed against a Unit by resolution duly adopted by the Council for the share of Common Expenses chargeable to that Unit shall, until fully paid, together with interest thereon at the legal rate then in effect, constitute a personal liability of the Owner of the Unit; and, when such Owner consists of more than one individual, corporation, partnership, association, trustee or other legal entity (or combination of the same), such personal liability shall be joint and several among and between those comprising such Owner. All sums assessed as aforesaid, together with interest thereon at the legal rate then in effect, shall, until fully paid, likewise constitute a lien against the pertinent Unit and such lien shall be enforceable as provided in the Unit Property Act and other Delaware law applicable from time to time.

(d) Any assessment against a Unit may be enforced only by the Council acting on behalf of all the Unit Owners in an action at law; provided that each action, when filed, shall refer to the Unit Property Act and to the Unit against which the assessment is made and to the Unit Owner thereof. Any judgment

against a Unit and the Unit Owner shall be enforceable as provided by law.

(e) Any real estate taxes or other assessments which may be levied against the Property as a whole before separate assessments for each Unit are made shall be paid by the Council and shall be included in the budget and paid by the Unit Owners as a Common Expense.

(f) All liens against the Common Elements of any nature including taxes and special assessments levied by any governmental authority may be paid by the Council and, in the judgment of the Council, shall be assessed by the Council directly against the Units in accordance with their respective Proportionate Interests or assessed as part of the Common Expenses for the Property.

(g) All other assessments, for emergencies or otherwise, shall be made by the Council in accordance with the provisions of the Unit Property Act and the Condominium Documents and, if the time of payment is not set forth therein, shall be due as determined by the Council.

(h) To the extent that any utility (including, but not by way of limitation, water, sewer, oil, gas and electric) is furnished to the Common Elements or the Property in general and measured through one or more common meters, the cost of the same shall be a Common Expense. To the extent that any utility, as aforesaid, is furnished to a Unit and measured by one or more separate meters for such Unit, the cost of such utility shall be the direct and sole responsibility for the particular Unit Owner. To the extent that the cost of any utility, as aforesaid, is a Common Expense because such utility is furnished to the Common Elements or the Property in general and measured through one or more common meters, but such utility services a Limited Common Element (e.g., a garage), the Council shall have the right, in the event and to the extent that the Council determines that a Unit Owner ("the excess Unit Owner") is utilizing such utility to a degree measurably greater, on average, than the respective utilization of the same by other Unit Owners, to assess the excess Unit Owner a fee, as determined by the Council in the Council discretion, reasonably exercised, commensurate with the additional Common Expense attributable to such excess utilization.

13. Unpaid Assessments at Time of Voluntary Sale  
of a Unit:

Upon the voluntary and bonafide sale or conveyance of a Unit the grantee(s) with respect to such Unit shall not be personally liable for any unpaid assessment or assessments for Common Expenses which are a charge against the Unit as of the date of sale or conveyance. Nonetheless, until such unpaid assessment or assessments are paid, the same shall continue to be a charge against the Unit and may be enforced by the Council in the manner set forth in the Unit Property Act. Any person(s) who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain a written statement from the Council setting forth the amount of unpaid assessments charged against the Unit and the Unit Owner and, if such statement does not reveal the full amount of the unpaid assessments as of the date the statement is rendered, the Unit shall not be charged with any amount in excess of the unpaid assessments shown thereon. All such unpaid assessments which cannot be collected effectively from the former Unit Owner(s) personally responsible for payment of the same may be reassessed by the Council as a Common Expense to be collected from all of the Unit Owners including the grantee(s) and their respective heirs, personal representatives, successors and assigns.

14. Unpaid Assessments at Time of Execution Sale  
Against a Unit:

In the event that title to a Unit is transferred by way of execution upon any lien against the Unit, the Council may give notice in writing to the person responsible for such sale of any unpaid assessments for Common Expenses which are a charge against the Unit but have not been reduced to a lien pursuant to the Unit Property Act and such person shall pay such unpaid assessments out of any proceeds of the sale which remain in such person's hands for distribution after payment of all other claims which such person is required by law to pay prior to any distribution of the balance to the former Unit Owner against whom the execution issued; provided, however, that in the event of a foreclosure sale of a Unit upon the lien of a bonafide mortgage, neither the holder of the mortgage foreclosed upon nor the purchaser of the subject Unit at such foreclosure sale shall be responsible for the payment of any unpaid assessment for Common Expenses which became due prior to such foreclosure sale. 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 such purchaser, and the heirs, personal representatives, successors and assigns of the same. To protect the right of the Council to collect unpaid assessments which are a charge against a Unit, the Council may, on behalf of the Unit Owners, purchase the subject Unit at execution sale, provided such action is authorized by the affirmative vote of a majority of the members of the Council. If the Council does purchase the subject Unit, the Council shall thereafter have the power to hold, sell, convey, mortgage or lease such Unit to any person whomsoever. Notwithstanding any foreclosure, tax sale, judicial, or other forced sale of a Unit, all applicable provisions of the Condominium Documents shall be binding upon any purchaser(s) of such Unit to the same extent such provisions would bind a voluntary grantee; however, such purchaser(s), except as otherwise provided in this Section, shall not be liable for unpaid assessments chargeable to such Unit which became due prior to such sale.

15. Taxation:

(a) Each Unit and such Unit's Proportionate Interest in the Common Elements, as established by this Declaration and any amendments hereto, shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the Building with respect to which the Unit is a part or the Property overall. Neither the Buildings, the Property, nor any of the Common Elements shall be assessed or taxed separately after this Declaration and the Declaration Plan are recorded nor shall the same be subject to separate assessment or taxation independent of the Units and their respective Proportionate Interests. Each Unit Owner shall be solely responsible the payment of all taxes, municipal claims and charges assessed against such Owner's Unit and its Proportionate Interest.

(b) In the event that any taxing authority having jurisdiction over the Property shall impose a real estate tax on the Property as a whole, responsibility for payment thereof shall be allocated as follows:

(1) Payment of the total tax bill shall be the responsibility of the Unit Owners, each such Unit Owner to pay

that proportion of the total real estate tax equal to such Unit Owner's Proportionate Interest.

(2) The real estate tax, allocated in accordance with such determination, shall be chargeable and collectible as a Common Expense.

(3) Any expenses incurred by the Council pursuant to this Section shall be charged as a Common Expense of the Property.

16. Units Subject to Declaration, Code of Regulations and Rules:

(a) All present and future Unit Owners, lessees, sublessees, occupants and mortgagees of the Units shall be subject to and shall comply with the restrictions, covenants, conditions and provisions of the Unit Property Act, this Declaration, the Declaration Plan, the deeds to the Units, the Code of Regulations and the Rules as the same are in effect from time to time.

(b) All provisions of the Unit Property Act and the Condominium Documents shall be covenants running with the Property and the estate in such Unit, as though such provisions were recited and stipulated at length in each and every such deed, lease, other instrument of conveyance, right of occupancy or mortgage.

17. Encroachments:

(a) If any portion of any Unit or of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, as a result of: (1) settling or shifting of any Building (other than as a result of the purposeful or negligent act or omission of the Owner of the encroaching Unit or of the Council in the case of encroachments by the Common Elements); (2) deviations arising from the original construction; or (3) alterations, repairs or minor additions to any Unit or to any portion of the Common Elements; then, in such event, an easement shall exist with respect to such encroachment for the maintenance of the same so long as the encroachment persists, and no duty shall arise on the part of the Council or any Unit Owner to correct such encroachment.

(b) In the event that either Building or the Clubhouse shall be destroyed as a result of fire or other casualty or as a result of a taking by the power of or a power in the nature of eminent domain or by an action or deed in lieu of condemnation and, thereafter, the same is rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or

upon any portion of the Common Elements, where such encroachments are necessary to complete such rebuilding or are not a result of the purposeful or negligent act or omission of the Owner of the encroaching Unit or of the Council, shall be permitted and easements appurtenant to the encroaching Unit or Common Element for each such encroachment and the maintenance thereof shall exist so long as such rebuilt Building or Clubhouse shall stand.

(c) The foregoing easements shall run with the Property and inure to the benefit of and be binding upon the Council, each Unit Owner, and each mortgagee, lessee, occupant or other person having any interest in any Unit or in the Common Elements at the time of reference. (d) The easements provided in this Section shall survive the effective termination of this Declaration pursuant to the terms hereof.

18. Repair and Reconstruction After Fire or Other Casualty:

(a) In the event of damage to or destruction of any portion of the Property as a result of fire, or other casualty or the exercise of the power of eminent domain (unless there is substantial damage to or destruction of the Property and seventy-five percent (75%) of all of the Unit Owners duly resolve, at a meeting called within ninety (90) days after the occurrence of the damage or destruction, not to proceed with repair or restoration), the Council shall arrange for and supervise the prompt repair and restoration of the Property.

(1) Immediately after a fire or other casualty causing damage to the Property, the Council shall obtain reliable and detailed estimates of the cost of repairing and restoring the Property to a condition as good as that existing before such casualty. Such costs may include professional fees and premiums for such bonds as the Council determines necessary.

(2) If the proceeds of the Council's insurance are not sufficient to defray the estimated costs of reconstruction and repair as determined by the Council, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Unit Owners directly affected by the damage or destruction, in proportion to their respective Proportionate Interests, in sufficient amounts to provide payment of such costs.

(3) Any such reconstruction or repair shall be substantially in accordance with the Declaration Plan and be generally consistent with the original construction of the Property.

(4) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose Unit such encroachment exists, provided that such reconstruction is substantially in accordance with the Declaration Plan under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as such reconstruction shall stand.

(b) If there is substantial damage to or destruction of the Property and seventy-five percent (75%) of the Unit Owners duly resolve, at a meeting called within ninety (90) days after the occurrence of such damage or destruction, not to proceed with repair or reconstruction, then, and in that event, the salvage value of the substantially damaged or destroyed portions of the Property shall be subject to an action for partition initiated by any Unit Owner and, if such action is successful, the net proceeds of the sale, together with the proceeds of insurance policies maintained by the Council shall be considered as one fund and shall be divided among the Unit Owners directly affected in proportion to their respective Proportionate Interests after discharging out of the respective share of each such directly affected Unit Owner (to the extent sufficient for such purposes), in order of their priority, all liens against the respective Units of such Unit Owners.

(c) Each Unit Owner specifically acknowledges and agrees upon becoming a Unit Owner that:

(1) Each Building and each Unit in the Condominium is an integral part thereof;

(2) In order for any Unit Owner to receive and enjoy the full benefit of ownership, it is necessary to repair and maintain each Unit, each Building and each Improvement in a condition of good and proper order; and

(3) In the event that a Building or any one or more Units located within a particular Building are essentially totally destroyed, those Unit Owners of Units located within such Building shall be deemed directly affected thereby for purposes of this Section 18.

19. Consequences of Eminent Domain:

In the event that all or any portion of the Property is threatened by exercise of the power of eminent domain or becomes the subject of condemnation proceedings, the Council shall, in writing, notify each mortgagee and insurer of the Common Elements or Unit(s) thereby affected and each Unit Owner whose Unit, exclusive of such Owner's Proportionate Interest in the Common Elements, is directly threatened shall, together with each mortgagee affected as aforesaid as their respective interests appear, have the right to demand and receive from the taking authority compensation with respect to the Unit (and Proportionate Interest) as to which such Owner or mortgagee has an interest. No Unit Owner whose interest only in the Common Elements is threatened shall have a similar right, but the Council alone with respect to such Common Elements shall demand and receive compensation, which sums may be retained by the Council as a reserve or may be used in the maintenance and operation of the Property.

20. Unit Leases:

(a) A Unit may, with the prior written consent of the Council (which consent shall not be unreasonably withheld), be rented from time to time by the Unit Owner thereof to any person or entity; provided, however, that each such lease shall: (a) be in writing; (b) be expressly subject to all of the terms and conditions established by the Condominium Documents, as the same are in effect from time to time; and have an initial term of not less than six (6) months. The preceding sentence notwithstanding, any Unit Owner (including, without limitation, the Declarant) may rent a Unit for a period of less than six (6) months to any bona fide contract purchaser awaiting the purchase of such Unit under an existing Contract of Purchase and Sale. All lessees and sublessees of any Unit, with respect to their respective lease terms, shall be jointly and severally liable with the Unit Owner of such Unit for all liabilities and for the performance of all obligations of the particular Unit Owner under the Unit Property Act, this Declaration, the Code of Regulations, the Rules and Regulations, the deed to such Unit or any other pertinent instrument. The Council may, by incorporating the same into the Rules and Regulations, determine from time to time the procedures, including notice periods, by which the Council can enforce the Council's rights in the event any lessee of a Unit fails to comply with the terms of such lessee's lease or



with this Declaration, the Code of Regulations or the Rules and Regulations. Absent a pertinent provision in the Rules and Regulations, applicable law shall govern. The Council also may determine the acceptable form of lease agreement and, in any event, shall be entitled to review each proposed lease prior to the same being effective and shall receive a copy of each executed lease within one (1) business day after such lease is executed.

(b) In the event a tenant of a Unit fails to comply with the provisions of this Declaration or any of the other Condominium Documents, the Condominium Association shall, in addition to all other remedies which the Condominium Association may have, at law or in equity, notify the Unit Owner of such violation(s) and demand that the same be remedied through the Unit Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the Unit Owner shall immediately thereafter, at such Unit Owner's own cost and expense, institute and diligently prosecute an eviction against such Unit Owner's tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Condominium Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Such cost and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Unit Owner thereby automatically and irrevocably name, constitute, appoint and confirm the Board as such Unit Owner's attorney-in-fact for the purposes described in this subsection.

21. Priority of Liens:

The lien against each Unit for assessment of Common Expenses shall have priority over all other liens except first mortgages held by institutional lenders, regardless of priority in time.

22. Code of Regulations and Rules:

The first member of the Council has, coincident with execution and recordation of this Declaration, adopted the Code of Regulations for the administrative regulation and management of the Property and such Code has been recorded in the Recorder's Office contemporaneously with the recording of this Declaration and the Declaration Plan. Each Unit Owner shall, as the same are adopted by Council and in effect from time to time, comply with the Code of Regulations and with the Rules and Regulations together with the covenants, conditions and restrictions set forth in this Declaration or in the deed to such Owner's Unit or in the Declaration Plan. Noncompliance 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 Council or by one or more Unit Owners or by any holder of a mortgage lien upon a Unit and who or which is aggrieved by such noncompliance.

23. Voting by Unit Owners:

(a) At any meeting of Unit Owners, each Unit Owner shall be entitled to the same number of votes as the Proportionate Interest in the Common Elements assigned by this Declaration to the Unit(s) owned by such Owner.

(b) The right to cast the votes applicable to a particular Unit shall be determined by the record title of such Unit as of the effective date of the particular vote.

(c) Except as hereinafter provided as to a Unit owned by a husband and wife, if a Unit is owned by more than one individual, the individual entitled to cast the votes for the Unit shall be designated by a certificate signed by all co-Owners of record of the Unit and such certificate shall be filed with the Secretary of the Council.

(d) If a Unit is owned by a corporation, partnership, or other entity, the individual entitled to cast the votes for the Unit shall be designated by a certificate of appointment filed with the Council and duly executed by an appropriate principal or officer of such entity. Furthermore, such

certificate shall be approved by the Owner, the entity's governing body or otherwise conform with the entity's enabling documentation.

(e) Unit Owners shall be entitled to vote in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary of the Council before the appointed time of the meeting. A Unit Owner may appoint an agent to vote on such Owner's behalf and such authority shall continue in effect until revoked by such Owner by written notice filed with the Secretary of the Council.

(f) If a Unit is owned by a husband and wife, then they may, but shall not be required to, execute a certificate designating an individual to cast the votes for their Unit. If such a certificate shall not be executed and if both spouses are unable to agree as to the manner in which the votes applicable to their Unit shall be cast, then the votes applicable to such Unit shall not be counted; provided, however, that if only one spouse shall be present at a meeting of the Unit Owners, the spouse present may cast the votes applicable to the Unit unless prior thereto the other spouse, by written notice filed with the Secretary of the Council, shall deny authorization of the spouse present to cast such votes.

(g) Any co-owner, entity or spousal certificate shall be valid until revoked or until superseded by a subsequent certificate or until the Council is advised in writing that a change has occurred in the record ownership of the pertinent Unit. A certificate designating the individual entitled to cast the votes of a Unit may be revoked by any Unit Owner thereof.

#### 24. Interpretation:

(a) 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 the Condominium in accordance with the Unit Property Act. The headings preceding the various Sections of this Declaration are intended solely for convenience of reference and shall be without legal effect.

(b) This Declaration, the Code of Regulations and the Rules and Regulations shall, to the extent reasonable, be construed consistently with and supplementary to each other and the Unit Property Act. Any conflict among or between the Unit Property Act, this Declaration, the Code of Regulations and the Rules and Regulations shall be controlled by the provisions of the Act. Any

conflict inter se among this Declaration, the Code of Regulations and the Rules and Regulations shall, if not otherwise resolvable, be resolved in favor of this Declaration. Similarly, the Code of Regulations shall prevail in the event of an ambiguity or conflict thereof with the Rules and Regulations.

(c) The unconstitutionality, illegality, invalidity or non-conformity with the Unit Property Act of any provisions of this Declaration, the Code of Regulations or the Rules and Regulations shall not affect the remaining portions thereof which shall have continuing validity, force and effect.

(d) Any provisions of this Declaration, the Code of Regulations or the Rules and Regulations which may not be directly or indirectly provided for or permitted by the Unit Property Act, but which is not specifically prohibited by the Act, or by any other statute or rule of law, shall be deemed a contractual undertaking and obligation, voluntarily assumed, by each and every Unit Owner, as the entirety of Unit Owners may be constituted from time to time, and such contractual undertaking and obligation shall be in consideration of the same assumption by each and every other Unit Owner, and may be enforced by the Council in the Council's own name or on behalf of any one, more or all of the Unit Owners, or if the Council declines to act, by any one or more Unit Owners in the same manner as any other contractual undertaking and obligation.

(e) No provisions in this Declaration, the Code of Regulations or the Rules and Regulations shall be deemed invalid, waived, abrogated or unenforceable by reason of the passage of time or of any failure to enforce the same, irrespective of the length of time passed or the number of failures of enforcement of one or more of such provisions.

(f) If any provision of this Declaration, the Code of Regulations or the Rules and Regulations would otherwise violate the rule against perpetuities or any similar rule, statute or law, such provisions shall be deemed to remain in effect until a date eighteen (18) years after the death of Anthony J. Mullen, as the initial member of the Original Council, and his heirs at law extant as of the effective date hereof.

25. Termination:

(a) This Declaration, the Declaration Plan, the Code of Regulations and the Rules and Regulations shall terminate, and the Act shall cease to apply to the Property, if a revocation expressing the intention to remove the Property from the provisions of the Act is duly executed by all Unit Owners, as well as by the holders of all mortgages, judgments or other liens against the Units, and the same is recorded in the Recorder of Deeds Office.

(b) The removal of the Property from the provisions of the Unit Property Act shall not preclude the Property or any part thereof from thereafter being resubmitted to the provisions of the Act in the manner then thereby provided.

(c) Upon removal of the Property from the provisions of the Unit Property Act, the Unit Owners shall become and be, as to one another, tenants in common with respect to the Property. The undivided interest in the Property owned in common by each Unit Owner shall be the Proportionate Interest previously owned by such Person, as a Unit Owner, immediately prior to such termination.

26. Designation by the Council of Nominee:

At any time and from time to time, the Council may designate a nominee to hold title to any property of any nature acquired by the Council, to undertake on behalf of the Council and in the name of the Council any actions which the Council may undertake in the Council's own name and such nominee shall be authorized to carry out such functions of the Council as the Council may from time to time determine. The Council shall have power to engage employees as appropriate agents and to establish their respective duties and compensation.

27. Mechanics' Liens:

Any mechanics' lien(s) arising as a result of repairs to or improvements of a Unit shall lien only such Unit. Any mechanics' lien(s) arising as a result of repairs to or improvements of the Common Elements, if such repairs or improvements were authorized in writing pursuant to a duly adopted resolution of the Council, shall be paid by the Council as a Common Expense and until so paid shall be liens against each Unit in a percentage equal to each Unit's respective Proportionate Interests.

28. Provisions Applicable to Declarant:

Notwithstanding any other provisions herein or in the Code of Regulations or the Rules and Regulations, as long as Declarant or Declarant's successors or assign (hereinafter collectively referred to as "Declarant") continue to own any of the Units, the following provisions shall be deemed to be in full force and effect:

(a) Declarant shall have the right at any time to combine or change the interior design of any Units which Declarant continues to own after this Declaration, the Code of Regulations and the Declaration Plan have been recorded, without regard to any restrictions relating to the combination or alteration of Units otherwise contained in the Condominium Documents, and without the consent or approval of the Council or any other Unit Owner being required therefor.

(b) (1) Until the earlier of: (a) December 31, 1997; (b) such date as of when Declarant shall have conveyed 48 out of 54 Units; or two years from the date the final Unit certificate of occupancy issues, whichever occurs first (or sooner, if Declarant so elects), and thereafter until successor members shall have been elected by the Owners, the Council shall consist of one person who shall have been designated by the Declarant; provided, however, that this provision shall terminate upon the conveyance by Declarant of title to 48 Units.

(2) Thereafter, the Council shall be composed of three (3) persons selected from time to time by the vote of a Majority of the Unit Owners cast in accordance with the terms of the Condominium Documents. At all times after the Council expands to a membership of 3 persons and while both Buildings are extant, at least 1 Unit Owner from each Building shall be a member of the Council, with the Declarant also represented if required pursuant to the terms of the Code of Regulations.

(c) Declarant does not make, and specifically disclaims any intent to have made, any warranty or representation in connection with any Unit, the Common Elements, the Property or the Condominium Documents except as specifically set forth herein or in any agreement of sale for a Unit, and no person shall rely upon any warranty or representation not so specifically made therein.

(d) No action shall be taken by the Association or the Council detrimental to the Declarant's interest in such Unit(s) or the Declarant's rights under the Condominium Documents and any such action undertaken shall be ultra vires and without effect unless the Declarant expressly consents to the same in writing and in advance.

(e) All rights and powers reserved and otherwise vested in Declarant under this Declaration and the remaining Condominium Documents, unless expressly provided to the contrary, likewise shall be reserved and vested in Declarant's successors and assigns, as the case may be. In this context, Declarant hereby expressly reserves unto itself, as well as its successors and assigns as the case may be, the right to assign such rights and powers and, in the event of succession or an assignment, all references in this Declaration and the remaining Condominium Documents to Declarant's discretion shall be deemed to refer to discretion exercised by the particular successor or assignee.

29. Amendment of Condominium Documents:

(a) No amendment may be made to the Condominium Documents without the written consent of Declarant until the earlier of Declarant having conveyed 48 Units or two years from the date the final Unit certificate of occupancy issues.

(b) Notwithstanding the provisions of subsection (a) of this Section, so long as the Declarant owns one or more Units subject to this Declaration, no amendment to this Declaration shall be adopted that, in Declarant's sole opinion, could interfere with the lease, sale or other disposition of such Unit(s) by the Declarant.

(c) Subject to subsections (a) and (b) of this Section, this Declaration, the Code of Regulations or the Declaration Plan may be amended by the vote of a Majority of the Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Code of Regulations; provided, however, that any such amendment(s) of a material nature ("Material Amendment(s)") must be approved by Unit Owners holding no less than 67% of the Proportionate Interest and Eligible Mortgage Holders holding no less than 51% of the total mortgage interests on Units. For purposes of this subsection (c) the term "Material Amendment" shall be defined to mean any change or amendment to this

Declaration, the Code of Regulations or the Declaration Plan in the following respects:

- (1) Voting rights;
- (2) Assessments, assessment liens, or subordination of assessment liens;
- (3) Reserves for maintenance, repair, and replacement of Common Elements;
- (4) Responsibility for maintenance and repairs;
- (5) Reallocation of interests in the Common Elements, or the right to use the same;
- (6) Boundaries of any Unit;
- (7) Conversion of Units into Common Elements or of Common Elements into Units;
- (8) Expansion or contraction of the Condominium, or addition, annexation, or withdrawal of property to or from the Condominium;
- (9) The Council's insurance or fidelity bonds;
- (10) Leasing of Units;
- (11) Imposition of any restrictions on a Unit Owner's right to sell or transfer such Owner's Unit;
- (12) A decision by the Unit Owners to establish self-management when professional management had been required previously by an Eligible Mortgage Holder;
- (13) Restoration or repair of any Building (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration or the Code of Regulations;
- (14) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or
- (15) Any provisions that expressly benefit Eligible Mortgage Holders, insurers, or guarantors.

No such amendment shall be effective until duly recorded; provided, however, that the Proportionate Interests shall not be changed except by unanimous consent of all the Unit Owners affected thereby and the mortgagees with respect to those affected Units, and any



such change shall be evidenced by an appropriate amendment to this Declaration to such effect.

(d) If any amendment is necessary in the judgment of the Council to cure any ambiguity or to correct or supplement any provision of this Declaration or the Code of Regulations which is incorrect, 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 effect an appropriate corrective amendment without the approval of the Unit Owners upon the Council's receipt of favorable opinion of counsel or, in the case of any such amendment to the Declaration Plan, upon receipt of a favorable opinion from an independent registered architect or licensed professional engineer. In each case such opinion shall and must recommend and approve the proposed amendment; provided, however, that the Eligible Mortgage Holders shall be notified of such amendment and consent shall be obtained from the holders of no less than 51% of all mortgagees holding mortgages with respect to the Units. The failure of an Eligible Mortgage Holder to respond to notice of a proposed amendment to cure an ambiguity or to correct or supplement any provision as aforesaid within 30 days after such notice issues shall be deemed to be a consent by such Eligible Mortgage Holder. Each such amendment shall be effective upon recording in the Recorder of Deeds Office of an appropriate instrument setting forth the amendment.

(e) In the event there are one or more amendments to this Declaration, the Declaration Plan or the Code of Regulations, then thereafter all references to the Declaration, Declaration Plan and the Code of Regulations (unless otherwise specifically designated) shall mean the Declaration, the Declaration Plan or the Code of Regulations as amended to the date of such reference. Any amendment to this Declaration, the Declaration Plan and the Code of Regulations shall be deemed in proper form for filing and recording when such amendment is executed by the President or Vice-President of the Council and by the Secretary or Assistant Secretary thereof, and accompanied by the certificate in recordable form of any one of the other members of the Council that

such amendment has been duly enacted in accordance with the provision of this Declaration or the Code of Regulations, as the case may be.

30. Number and Gender:

Whenever used, the singular number shall include the plural, and the plural number shall include the singular. The use of any gender shall include all genders.

31. Joinder:

CoreStates Bank, N.A. (hereinafter, "Lender"), joins in executing this Declaration solely for purposes of acknowledging that the CoreStates Bank, N.A. mortgage lien with respect to the Property as of the effective date hereof is subordinate and subject to the terms of this Declaration or the Code of Regulations and the condominium regime hereby established. Such joinder is not intended nor shall be deemed to obligate Lender whatsoever with respect to the performance of any obligations arising or amounts payable hereunder.

32. Effective Date:

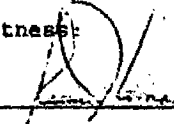
The date when this Declaration, the Declaration Plan and the Code of Regulations is recorded in the Recorder of Deeds Office shall be the effective date of the Condominium. From and after the date of such recording, the Property herein described shall be and continue to be subject to each and every term hereof until this Declaration and this Condominium are terminated or abandoned according to the provisions of the Unit Property Act and this Declaration.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the day and year aforesaid.

DECLARANT:

SOUTHRIDGE, L.L.C.

Witness:

  
\_\_\_\_\_

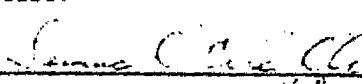
BY:

 (SEAL)  
Managing Member

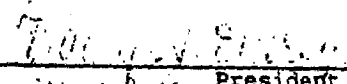
Joined by:

CORESTATES BANK, N.A.

Attest:

  
V.P.

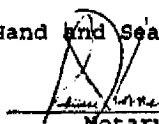
BY:

 (SEAL)  
President

STATE OF DELAWARE:  
: SS.  
NEW CASTLE COUNTY:

BE IT REMEMBERED, that on this 3rd day of February, A.D., 1997, personally came before me, the Subscriber, a Notary Public for the State of Delaware, Anthony J. Mullen, Managing Member of Southridge, L.L.C., a Delaware limited liability company, 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 limited partnership, that his signature as a General Partner of the aforesaid limited partnership is duly authorized by the limited partnership and in his own proper handwriting.

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

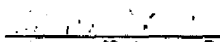
  
Notary Public

Name (Please Print) ROBERT L. THOMAS  
Title Notary Public  
My Commission Expires: 12-22-98

COMMONWEALTH OF PENNSYLVANIA :  
: SS.  
COUNTY OF :

BE IT REMEMBERED, That on this \_\_\_ day of \_\_\_, 19\_\_\_, personally came before me, the, Subscriber, a Notary Public for the State of Delaware, \_\_\_ President of CORESTATES BANK, N.A., a Delaware corporation, party to this Instrument of Writing, known to me personally to be such, and acknowledged this Instrument of Writing to be his act and deed and the act and deed of said Corporation; that the signature of the \_\_\_ President thereto is in his own proper handwriting, and the seal affixed is the common and corporate seal of said Corporation, and that his act of sealing, executing, acknowledging and delivering said Instrument of Writing was duly authorized by a Resolution of the Board of Directors of the corporation.

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

  
Notary Public

Name (Please Print) \_\_\_\_\_  
Title Notary Public  
My Commission Expires: 3-31-98

**SOUTHRIDGE CONDOMINIUMS  
ENABLING DECLARATION  
LIST OF SCHEDULES**

Schedule A	Land
Schedule B	The Buildings & Other Improvements
Schedule C	Proportionate Interest
Schedule D	Rules and Regulations

SOUTHRIDGE CONDOMINIUMS  
ENABLING DECLARATION  
SCHEDULE A  
LAND DESCRIPTION

ALL those certain pieces, parcels or tracts of land situate in the City of Newark, New Castle County, State of Delaware, as per The Boundary Survey Plan for Lands of F. C. Properties, Inc., prepared by Ramesh C. Batta Associates, P.A., Consulting Engineers and Land Surveyors, plan no. 86115-D-9881, dated August 10, 1994, and more particularly described as follows, to wit:

**PARCEL ONE** Beginning at a point on the northerly side of Interstate Route 95, also known as John F. Kennedy Turnpike (width varies), said point being a common corner for lands now or formerly of Reston Corporation and lands herein being described and located south 74 degrees, 23 minutes, 04 seconds west, 401.46 feet from the point formed by the intersection of the northwesterly side of Welsh Tract Road (width varies) with the northerly side of Interstate Route 95, also known as John F. Kennedy Turnpike (width varies); thence from the said point of beginning the following five courses and distances: (1) with the northerly side of Interstate Route 95, south 74 degrees, 23 minutes, 04 seconds west, 504.15 feet to a corner for Parcel Two, thence, with same; (2) north 06 degrees, 11 minutes, 03 seconds west, 682.40 feet to a corner for lands now or formerly of Head Injury Recovery Facility (microfilm number 9746), thence, with same (3) north 05 degrees, 35 minutes, 19 seconds west, 5.00 feet to a corner for lands now or formerly of Joseph F. and Veronica Cascino, thence, with the same and in part with lands now or formerly of Everett L. Landis, etux; (4) north 84 degrees, 18 minutes, 32 seconds east, 494.01 feet to a corner for lands now or formerly of Reston Corporation, thence, with same; (5) south 06 degrees, 24 minutes, 58 seconds east, 600.19 feet to the point of beginning. Containing within said metes and bounds 7.3247 acres of land, be the same more or less.

SUBJECT to a 100 foot wide buffer to remain undeveloped except for utilities along course (4) above and any and all easement and restrictions as mentioned on the aforementioned Boundary Survey Plan for lands of F. C. Properties, Inc.

**PARCEL TWO** BEGINNING at a point on the northerly side of Interstate Route 95, also known as John F. Kennedy Turnpike (width varies), said point being a common corner for Parcel One and lands herein being described and located south 74 degrees, 23 minutes, 04 seconds west, 905.61 feet from the point formed by the intersection of the northwesterly side of Welsh Tract Road (width varies) with the northerly side of Interstate Route 95, also known as John F. Kennedy Turnpike (width varies); thence from said point of beginning, the following eight courses and distances: (1) with the northerly side of Interstate Route 95 this and the next course and distance, south 74 degrees, 23 minutes, 04 seconds west, 201.49 feet to a point, thence; (2) south 68 degrees, 24 minutes, 52 seconds west, 701.89 feet to a corner for Summit View (microfilm number 6827), thence, with same the next three courses and distances (3) north 44 degrees, 30 minutes, 21 seconds west, 232.62 feet to a point; thence (4) north 06 degrees, 07 minutes, 02 seconds west, 97.76 feet to a point, thence, with same (5) north 06 degrees, 38 minutes, 10 seconds west, 300.78 feet to a corner for lands now or formerly of Marion W. Hopkins, etux, thence with same; (6) north 05 degrees, 53 minutes, 24 seconds west, 324.57 feet to a corner for lands now or formerly of Head Injury Recovery Facility, microfilm number 9746 thence, with same; (7) north 84 degrees, 02 minutes, 50 seconds east, 1021.16 feet to a corner for Parcel One; thence, with same; (8) south 06 degrees, 11 minutes, 03 seconds east, 682.40 feet to the point of beginning. Containing within said metes and bounds 18.4997 acres of lands, be they the same, more or less.

SUBJECT to a 30-foot wide sanitary sewer easement crossing course (7), running partially along course (8) and crossing the site and exiting across course (3) above and any and all easements and restrictions according to the aforementioned Boundary Survey Plan for lands of F. C. Properties, Inc.

TOGETHER with the right of use for utility and access purposes of Independence Way (60 feet wide) as shown on the aforementioned Boundary Survey Plan for Lands of F. C. Properties, Inc., as taken and rotated into the bearing system from the Record Major Land Development Plan for the Head Injury Recovery Facility as recorded in the Recorder of Deeds Office in and for New Castle County, on microfilm number 9746.

SOUTHRIDGE CONDOMINIUMS  
ENABLING DECLARATION  
SCHEDULE B  
IMPROVEMENTS

The Condomnium Regime includes the Land, the Buildings, the Clubhouse and the other Improvements.

SOUTHRIDGE CONDOMINIUMS  
ENABLING DECLARATION  
SCHEDULE C  
PROPORTIONATE INTERESTS

<u>Building No.</u>	<u>Unit No.</u>	<u>Unit Type</u>	<u>Proportionate Interest</u>
1	1101	A	1.85185
1	1102	C	1.85185
1	1103	A	1.85185
1	1201	A	1.85185
1	1202	A	1.85185
1	1203	A	1.85185
1	1204	A	1.85185
1	1205	D	1.85185
1	1206	B	1.85185
1	1207	D	1.85185
1	1208	C	1.85185
1	1209	A	1.85185
1	1210	A	1.85185
1	1211	A	1.85185
1	1212	A	1.85185
1	1301	A	1.85185
1	1302	A	1.85185
1	1303	A	1.85185
1	1304	A	1.85185
1	1305	D	1.85185
1	1306	B	1.85185
1	1307	D	1.85185
1	1308	C	1.85185
1	1309	A	1.85185
1	1310	A	1.85185
1	1311	A	1.85185
1	1312	A	1.85185
2	2101	A	1.85185
2	2102	C	1.85185
2	2103	A	1.85185
2	2201	A	1.85185
2	2202	A	1.85185
2	2203	A	1.85185
2	2204	A	1.85185
2	2205	D	1.85185
2	2206	B	1.85185
2	2207	D	1.85185
2	2208	C	1.85185
2	2209	A	1.85185
2	2210	A	1.85185
2	2211	A	1.85185
2	2212	A	1.85185
2	2301	A	1.85185
2	2302	A	1.85185
2	2303	A	1.85185
2	2304	A	1.85185
2	2305	D	1.85185
2	2306	B	1.85185
2	2307	D	1.85185
2	2308	C	1.85185
2	2309	A	1.85185
2	2310	A	1.85185
2	2311	A	1.85185
2	2312	A	1.85185

Prepared by, and Return to:  
WILLIAM D. CASHIN  
2308 Independence Way  
NEWARK, DE 19713

AMENDMENTS TO  
ENABLING DECLARATION ESTABLISHING  
A PLAN FOR CONDOMINIUM OWNERSHIP FOR  
SOUTHRIDGE CONDOMINIUMS

By order of Council, the subject Declaration is hereby amended:  
Page 16, 10, (a) (last 6 lines):

All repairs and maintenance of any patio or balcony appurtenant to a Unit shall be the responsibility of the Council, and performed at Common Expense, excluding damage caused by a willful or negligent act or failure to act by the Unit Owner, Owner's family, guests, invitees, employees, lessees, or licensee's, which will be the Unit Owner's responsibility and expense.

Page 17, 10, (b), (2):

All portions of a Unit which constitutes a part of the exterior of the particular building in which the Unit is located, including any patio or balcony and the Unit exterior doors accessing Common Elements.

Page 17, 10, (b), (5):

In the performance of any labor or the furnishing of any material to a Unit, under the direction of the Council, no lien shall be established, nor shall basis thereby exist for filing a mechanic's lien against the Unit Owner unless the damage was the result of a willful or negligent act by the Unit Owner, the Owner's family, guests, invitees, employees or lessees. Then the Unit Owner must repair the damage promptly, at the Owner's expense as directed by the Council. Unit Owners requesting to do some maintenance, such as painting the balcony or patio floor or railing, shall be approved, in writing, at the discretion of the Council, to be completed within the limits of applicable rules, at the Unit Owner's expense.

Page 17, 10, (c), (1):

Except for those portions of the Unit mentioned and described in Section 10, (b) above, to maintain, repair, or replace at such Owner's expense, all interior portions of the Unit which may cause injury or damage to other Units or the Common Elements.

Page 17, 10, (c), (2):

To maintain and repair all doors, door frames, windows, window frames, and vents within the Unit, excluding doors accessing Common Elements (includes Limited Common Elements, per page 9, 7, B.) and to paint and/or maintain walls, ceilings and floors defining the interior boundaries of the Unit. Each Unit Owner shall also keep clean any patio or balcony appurtenant to the Unit.

The lines and paragraphs above replace those existing which are deleted.

The date these amendments to the Declaration is recorded in the Recorder of Deeds Office shall be the effective date.

Southridge Condominium Association

*William D. Cashin*  
William D. Cashin  
President

SWORN TO AND SUBSCRIBED before me, a Notary Public, this  
15 day of FEBRUARY, 2000.

*Cynthia Schwartz*  
Notary Public



99 OCT -8 A 17.08.0

WILLIAM D. CASHIN  
2308 INDEPENDENCE WA.  
NEWARK, DE 19713

MICHAEL D. SATTAGLIA  
RECORDER OF DEEDS  
NEW CASTLE, DE  
AMENDMENTS TO  
Enabling Declaration Establishing  
A Plan For Condominium Ownership For  
Southridge Condominiums

Whereas: At a Special Meeting held September 14, 1999  
92% of the Southridge Association members voted to prohibit  
the rental, leasing or subleasing of Southridge units, the  
subject declaration is hereby amended in the following respects.

Section 9. Use of Units and of the Common Elements.

Sub-section (a) (ii), Delete in its entirety, and  
substitute in lieu thereof the following:

"The rental, leasing or subleasing of Southridge  
Condominium Units by the owner or mortgage holder  
is prohibited."

Sub-section (b) (i), Delete in its entirety, and  
substitute the following:

"Anything herein to the contrary notwithstanding,  
an owner may rent to a bona fide contract buyer  
of said owners unit for a period not to exceed  
90 days prior to closure of the sale."

Sub-section (b) (ii), Delete in its entirety.

Sub-section (d), In the first line, delete the words  
'or permitted lessee or sublessee of any unit.'

Section 20. Unit Leases.

Sub-section (a) Delete in its entirety.

Sub-section (b) Delete in its entirety.

The date these amendments to the Declaration is recorded in  
the Recorder of Deeds Office shall be the effective date.

Southridge Condominium Association

Date 10-2-99

William D. Cashin  
William D. Cashin  
President

SWORN TO AND SUBSCRIBED before me, a Notary Public, this  
2 day of OCTOBER, 1999.

See 14 Page 24  
the term lease should  
be deleted  
Page 15 (6) should have  
lease removed

Cynthia A. Swartzwelder  
Notary Public  
CYNTHIA A. SWARTZWELDER  
NOTARY PUBLIC - DELAWARE  
MY COMMISSION EXPIRES FEB. 23, 2000

Tax parcels: See attached



20131213-0077322

Pages: 4 F: \$75.00

12/13/13 10:49:13 AM

T20130038310

Michael E. Kozikowski  
New Castle Recorder MISC

Prepared by and Return To:

Daniel R. Losco, Esq.

Losco & Marconi, P.A.

1813 N. Franklin St.

PO Box 1677

Wilmington, DE 19899

**THIRD AMENDMENT TO ENABLING DECLARATION  
FOR SOUTHRIDGE CONDOMINIUMS**

**THIS THIRD AMENDMENT** (the "Third Amendment") to the Southridge Condominiums Enabling Declaration is made this 13 day of DECEMBER, 2013 by the Southridge Condominium Association, a Delaware condominium council established pursuant to the Delaware Unit Property Act, 25 Del. C. §§2201 *et seq.* (the "Association").

**WITNESSETH:**

**WHEREAS**, the Southridge Condominiums community was established by an Enabling Declaration dated February 5, 1997 recorded with the New Castle County, Delaware Recorder of Deeds office at Deed Book 2234, Page 231 (the "Declaration"); and

**WHEREAS**, a Code of Regulations for Southridge Condominiums dated February 5, 1997 was recorded in the office aforesaid at Deed Book 2234, Page 282 (the "COR"); and

**WHEREAS**, capitalized terms used but not defined herein shall be as defined in the Declaration; and

**WHEREAS**, pursuant to paragraph 29(c) of the Declaration, amendments to the Declaration of a material nature ("Material Amendments" as defined in paragraph 29 of the Declaration) may be made upon the affirmative vote of Unit Owners holding at least 67% of the Proportionate Interest as well as Eligible Mortgage Holders holding no less than 51% of the total mortgage interest on Units; and

**WHEREAS**, pursuant to paragraph 29 (d) amendments to the Declaration to cure any ambiguity therein may be made, subject to conditions, by the unilateral action of the Association's condominium council (the "Council"); and

**WHEREAS**, a document entitled "Amendments to Enabling Declaration Establishing a Plan for Condominium Ownership of Southridge Condominiums" was executed recorded with the New Castle County, Delaware Recorder of Deeds Office by the Association on February 15, 2000 at Deed Book 2784, Page 45 (the "2000 Amendment") without the affirmative vote of Unit Owners holding at least 67% of the Proportionate Interest as well as Eligible Mortgage Holders holding no less than 51% of the total mortgage interest in Units; and

**WHEREAS**, issues have arisen as to: (i) whether the 2000 Amendment represented a Material Amendment requiring Unit Owner and Eligible Mortgage Holder

vote and approval; and (ii) whether the 2000 Amendment unambiguously stated the terms of the intended amendment to the Declaration with respect to the repair, maintenance and replacement of balconies and related facilities; and

**WHEREAS**, the Association has secured and maintains record of the affirmative vote of Unit Owners holding at least 67% of the Proportionate Interest as well as Eligible Mortgage Holders holding no less than 51% of the total mortgage interest in Units to adopt this Third Amendment clarifying and amending the terms of the 2000 Amendment;

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS**, that the Declaration of Southridge Condominiums is hereby amended as follows:

1. **Amendment:** The Declaration and the 2000 Amendment are hereby modified and amended in the following respects:

a. **Balcony Components:** Anything in the Declaration, as amended, or the COR, as amended, notwithstanding, all components of all balconies located at the Property, including but not limited to decking, railings, storage closets located on balconies and doors leading to storage closets located on balconies (collectively, the "Balcony Components") shall be considered Limited Common Elements. Council shall be exclusively responsible for the repair, maintenance and replacement of all such Balcony Components with the cost thereof being assessed by Council against the Unit Owner having exclusive use of such balcony, who shall be personally obligated to pay for same at their sole cost and expense at such time and in such manner as determined by Council. The foregoing provisions shall not limit or prevent the Association, the Council or an affected Unit Owner from asserting claims for damages to Balcony Components caused by the negligence, recklessness or intentional conduct of third parties. The term "Balcony Components" shall expressly exclude any sliding glass doors, screen doors or other style doors providing access between a balcony and the interior of any Unit, as well as all hardware and other components of such doors necessary to make them operate as designed.

b. **Windows and Doors:** Anything in the Declaration, as amended, or the COR, as amended, notwithstanding, any and all windows or doors providing access, or light and air circulation, between the interior of any Unit and areas outside a Unit, as well as all hardware and other components of such doors and windows necessary to make them operate as designed (collectively, the "Window/Door Components") shall be considered parts of the Unit to which they are attached. The Unit Owner having exclusive use and control over Windows/Doors Components shall be exclusively responsible for the repair, maintenance and replacement of all such Window/Door Components at their sole cost and expense. The foregoing provisions shall not limit or prevent the Association, the Council or an affected Unit Owner from asserting claims for damages to Window/Door Components caused by the negligence, recklessness or intentional conduct of third parties.

2. **Ratification:** All other terms and conditions of the Declaration, as amended, and the COR, as amended, not inconsistent herewith are hereby ratified and confirmed.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has set its hand and seal.

**SOUTHRIDGE CONDOMINIUM ASSOCIATION**

BY: William F. Prettyman  
**William F. Prettyman, President**

ATTEST: Edward J. Kee (SEAL)  
**Secretary**

STATE OF DELAWARE :  
: ss.  
NEW CASTLE COUNTY :

On the 13 day of Dec, 2013, before me personally appeared **William F. Prettyman, President of SOUTHRIDGE CONDOMINIUM ASSOCIATION**, a Delaware condominium council established pursuant to the Delaware Unit Property Act, 25 Del. C. §§2201 *et seq.*, party to this Instrument, known to me personally to be such, and acknowledged this Instrument to be his act and deed and the act and deed of said condominium association; that the signature of the said President is in his own handwriting, that the seal affixed is the common or corporate seal of said condominium association and that his act of sealing, executing, acknowledging and delivering said Instrument was duly authorized by a resolution of the Council of said condominium association.

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

Jason M. Raab (SEAL)  
**NOTARY PUBLIC**  
My Commission Expires: 8-16-17

Jason M. Raab  
Notary Public  
#20130816000023  
Commission Expires 8/16/2017



## **PARCEL NUMBERS FOR SOUTHRIDGE**

### **PARCEL NUMBERS**

1804500039C0025  
1804500039C0045  
1804500039C0043  
1804500039C0048  
1804500039C0050  
1804500039C0001  
1804500039C0033  
1804500039C0011  
1804500039C0038  
1804500039C0015  
1804500039C0034  
1804500039C0021  
1804500039C0023  
1804500039C0006  
1804500039C0035  
1804500039C0007  
1804500039C0003  
1804500039C0026  
1804500039C0047  
1804500039C0031  
1804500039C0024  
1804500039C0019  
1804500039C0041  
1804500039C0042  
1804500039C0036  
1804500039C0012  
1804500039C0030

### **PARCEL NUMBERS**

1804500039C0044  
1804500039C0010  
1804500039C0054  
1804500039C0040  
1804500039C0016  
1804500039C0046  
1804500039C0032  
1804500039C0004  
1804500039C0029  
1804500039C0009  
1804500039C0022  
1804500039C0049  
1804500039C0017  
1804500039C0027  
1804500039C0018  
1804500039C0039  
1804500039C0002  
1804500039C0051  
1804500039C0052  
1804500039C0005  
1804500039C0028  
1804500039C0014  
1804500039C0008  
1804500039C0053  
1804500039C0013  
1804500039C0037  
1804500039C0020

Tax Parcel No. 18-045.00-037  
and 18-045.00-039  
Prepared By and Return To:  
Robert L. Thomas, Esq.  
Young, Conaway, Stargatt & Taylor  
P.O. Box 391  
Wilmington, DE 19899-0391

SOUTHRIDGE CONDOMINIUMS  
CODE OF REGULATIONS

THIS CODE OF REGULATIONS is made, established and adopted this 5<sup>th</sup> day of February, 1997, by Anthony J. Mullen, the first member of the Council of the Southridge Condominiums pursuant to the provisions of the Delaware Unit Property Act, Chapter 22 of Title 25 Delaware Code revised 1974, as amended, and pursuant to the provisions of the Enabling Declaration Establishing A Plan for Condominium Ownership for the Southridge Condominiums (the "Declaration") made by Southridge, L.L.C., a Delaware limited liability company (the "Declarant").

ARTICLE I

GENERAL PROVISIONS

1. IDENTIFICATION OF THE PROPERTY. This Code of Regulations governs the operation, management and administration of that certain property situate and located in City of Newark, in New Castle County, State of Delaware, known as the Southridge Condominiums (the "Property"), which has been submitted to the provisions of the Delaware Unit Property Act, Title 25, Chapter 22 of the Delaware Code revised 1974, as amended (the "Act") by the contemporaneous recording in the Office of the Recorder of Deeds in and for New Castle County, Delaware ("the Recorders Office"), of this Code of Regulations (the "Code"), an Enabling Declaration dated February 5, 1997 (the "Declaration") (in which reference is made to this Code of Regulations) as recorded in the Recorders Office in Deed Book       , at Page       , and the Declaration Plan referred to in such Declaration (the "Declaration Plan") as prepared by Morris & Ritchie Associates, Inc., Engineers and Minno & Wasko Architects and Planners, dated 1/24/97 and 1/14/97, respectively, as recorded contemporaneously herewith in the Recorders Office at Microfilm No.       . All of the terms, conditions and provisions of the

Declaration are incorporated herein by reference with the same effect as if the same were expressly contained herein.

2. APPLICABILITY OF CODE OF REGULATIONS. The provisions of this Code of Regulations are applicable to the Property and to the use and occupancy thereof. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other person who may use the facilities of the Property in any manner, are subject to this Code of Regulations, the Declaration and the Rules and Regulations. The acceptance of a deed or other transfer document or the entering into of a lease or the act of occupancy of a Unit by any person or entity shall conclusively establish the acceptance and ratification of this Code of Regulations, the Rules and Regulations and the provisions of the Declaration, as the same may be amended from time to time, by such person or entity and shall constitute and evidence an agreement by such person or entity to comply with the same.

3. DEFINITIONS. The following words and terms as used herein shall have the meanings respectively ascribed thereto in the Declaration: Building or Buildings, Code of Regulations, Common Elements, Common Expenses, Common Surplus, Condominium Documents, Council, Declaration Plan, Expandable Condominium, Land, Majority of Unit Owners, Phase One, Phase Two, Property, Proportionate Interest, Rules and Regulations, Unit, Unit Owner and Unit Property Act.

4. OFFICE. The Council may maintain an office at the Property or at such other place as may be designated from time to time by the Council.

## ARTICLE II

### THE ASSOCIATION OF OWNERS

1. COMPOSITION. All of the Unit Owners, acting as a group in accordance with the Unit Property Act, the Declaration and this Code of Regulations, shall constitute the "Association of Owners", who shall have the responsibility of administering the Property, establishing the means and methods of collecting the contributions toward the Common Expenses, arranging for the management of the Property, and performing all of the other acts that may be required to be performed by the Association of Owners, and the same shall be undertaken in accordance with the Unit

Property Act, the Declaration and this Code of Regulations, as applicable. Except as to those matters which the Unit Property Act specifically requires to be performed by the vote of the Unit Owners, the administration of the foregoing responsibilities shall be performed exclusively by the Council on behalf of the Unit Owners as more particularly set forth in Article III.

2. ANNUAL MEETINGS.

(a) Promptly after the earlier of (i) December 31, 1997, or (ii) until the Declarant shall have sold 48 Units, or (iii) two years from the date the final Unit certificate of occupancy issues (or sooner, if Declarant so elects), Declarant shall notify the President of the Council of such triggering event and the President of the Council shall thereafter calendar the first regular meeting of the Association of Owners within thirty (30) days of such notice and notify all Unit Owners of such scheduled meeting.

(b) At such meeting all of the Unit Owners, including the Declarant if the Declarant owns any Unit or Units, shall elect the Council, consisting of five (5) members. Upon installation of such elected members, the Council members theretofore designated by the Declarant and not elected to succeed themselves by the Association of Owners shall resign.

(c) Following the first regular meeting of the Association of Owners, an annual meeting of the Association of Owners shall be held on the second Monday in November of each succeeding year.

3. SPECIAL MEETINGS. The President of the Council shall call a special meeting of the Association of Owners if so directed by resolution of the Council or a petition presented to the Secretary of the Association and signed by Unit Owners having Proportionate Interests aggregating not less than thirty-three percent (33%) or more of the Proportionate Interests of all Unit Owners; provided, however, that without a resolution by the Council to the contrary, no special meeting must be called prior to the first regular meeting of the Association of Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at the meeting other than as specified in the notice thereof.

4. NOTICE OF MEETINGS. The Secretary shall give notice of each annual or special meeting of the Association of



Owners to the Unit Owners in accordance with Section 1 of Article XII of this Code of Regulations at least twenty (20) days prior to the meeting date. Each notice shall specify the time and place of the meeting and, in the case of each special meeting, shall include the purposes thereof as specified in the resolution or petition pursuant to which such special meeting was called.

5. PLACE OF MEETINGS. Meetings of the Unit Owners shall be held at the Property or at such other suitable place as may be specified by the Council in the notice thereof.

6. ADJOURNMENT OF MEETINGS. If any meetings of the Association of Owners cannot be held because a quorum is not present, Owners owning a majority of the Proportionate Interest who are present at such meeting, either in person or by proxy, may adjourn the meeting to a date and time not less than forty-eight (48) hours from the time the original meeting was called. If such a majority cannot agree upon a rescheduled date and time, the meeting shall be adjourned without being rescheduled.

7. ORDER OF BUSINESS. The order of business at all annual meetings of the Association of Owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers
- (e) Report of the Council
- (f) Reports of committees
- (g) Election of members of the Council  
(when so required).
- (h) Unfinished business
- (i) New business

8. QUORUM. Except as otherwise provided in this Code of Regulations, the presence in person or by proxy of a Majority of the Unit Owners shall constitute a quorum at all meetings of the Association of Owners.

9. CONDUCT OF MEETING. The President of the Council shall preside over all meetings of the Association of Owners and the Secretary of the Council shall keep the minutes of the meeting and record in a minute book all resolutions adopted at each meeting and such other information as any officer of the Council deems appropriate. When not in conflict with the Declaration, this

Code of Regulations or the Unit Property Act, Roberts Rules of Order shall govern the conduct of all meetings of the Association of Owners.

### ARTICLE III

#### THE COUNCIL

##### 1. NUMBER AND QUALIFICATION.

(a) The affairs of the Property shall be governed by the Council.

(b) Until the earlier of (a) December 31, 1997 or (b) until the Declarant shall have sold 48 Units, or (c) two years from the date the final Unit certificate of occupancy issues (or sooner, if Declarant so elects), and thereafter until successors shall have been elected by the Unit Owners, the Council shall consist of one (1) person (who may be a principal) designated by Declarant.

(c) Thereafter, the Council shall be composed of five (5) persons, all of whom shall be elected by the Association of Owners, each of whom shall be Unit Owners or residents of the State of Delaware. The preceding sentence to the contrary notwithstanding, each Building shall at all times be represented by at least two residents of such Building. Moreover, as long as the Declarant continues to own any Unit(s), one member shall be designated by the Declarant and need not reside in either Building.

(d) Declarant shall have the right in its sole discretion to replace such Council members as may be so selected and designated by Declarant and to select and designate their respective successors from time to time.

(e) Candidates for election to Council shall, at least three (3) weeks prior to any meeting held to elect Council members, advise Council of the willingness to serve, whereupon Council shall verify such individual's eligibility and proceed to place such individual's name on the ballot.

2. POWERS AND DUTIES. Subject to the limitations and restrictions contained in the Unit Property Act, the Declaration and this Code of Regulations, the Council shall have all of the powers and duties necessary to administer the affairs of the Property. The Council also may do all such acts and things as are

not directed to be exercised and done directly by the Association of Owners by the Unit Property Act, the Declaration or by this Code of Regulations. The Council shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Property provided such Rules and Regulations do not conflict with this Code of Regulations, the Unit Property Act or the Declaration. The Council may delegate to one or more but not less than all of the Council's members the authority to act on behalf of the Council on all matters relating to the duties of the Council which might arise between the Council meetings. In addition to the duties imposed by this Code of Regulations or by any resolution of the Association of Owners hereafter be adopted, the Council shall have the power to, and be responsible for, the following:

(a) Preparation of an annual budget, on the basis of which shall be established the annual contribution of each Unit Owner to the Common Elements.

(b) Levying assessments against Unit Owners to defray the costs and expenses (including reserves) of operating and maintaining the Property and the affairs of the Council, establishing the means and methods of collecting such assessments from the Unit Owners and, as the Council may elect, establishing procedures for installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Council, each Unit Owner's annual assessment for Common Expenses assessed against each Unit Owner according to his Proportionate Interest shall be payable in equal monthly installments, each such installment to be due and payable in advance of the first day of each calendar month during the Council's pertinent fiscal year.

(c) Providing for the operation, care, upkeep, and maintenance of all of the Common Elements and services with respect to the Property.

(d) Designating, hiring and dismissing personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and for providing services for the Property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their respective duties.

(e) Collecting the assessments for Common Expenses against the Unit Owners, depositing the proceeds thereof in a bank

depository which the Council shall approve, and using the proceeds to pay the Common Expenses.

(f) Bringing, prosecuting, defending and settling litigation on behalf of the Council, the Property and the Unit Owners, and paying any adverse judgment entered with respect to such litigation.

(g) Entering into and performing under contracts, deeds, leases and other written instruments or documents in the name of the Council and authorizing the execution and delivery of the same by an officer of the Council.

(h) Making and amending Rules and Regulations respecting the use of the Property.

(i) Opening and closing bank accounts and designating the signatories required therefor.

(j) Making, or contracting for the making of repairs, additions, and improvements to, or alterations or restoration of the Property in accordance with other provisions of this Code of Regulations or the Declaration.

(k) Entering into or ratifying management contracts for the operation, maintenance or management of the Property.

(l) Enforcing the provisions of the Declaration, this Code of Regulations and the Rules and Regulations.

(m) Obtaining and carrying insurance against casualties and liabilities, as herein provided, and paying the premium cost thereof.

(n) Paying the cost of all services rendered to the Property to the extent the same is not billed to Unit Owners.

(o) Purchasing, holding, selling, conveying, mortgaging or leasing any one or more Units in the name of the Council.

(p) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Property, specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The books and vouchers accrediting the entries thereupon shall be available for examination by the Association of Owners and any first mortgagee of any Unit, or their respective duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by

the Council. All books and records shall be kept in accordance with generally accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Council who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(q) Notifying a first mortgagee of a Unit of any default by the Owner of such Unit whenever requested in writing by such mortgagee to send such notice.

(r) Providing a first mortgagee of any Unit with audited financial statements of the operation of the Property upon the written request of such mortgagee.

(s) Maintaining offices to the extent the Council deems the same appropriate from time to time, and paying the costs thereof.

(t) Establishing and maintaining a maintenance, replacement or other reserve fund and assessing all Unit Owners for the cost thereof to the extent of their respective Proportionate Interests. The Council may include reserves for contingencies in such assessment and such assessment may from time to time be increased or reduced at the discretion of the Council.

3. MANAGING AGENT. The Council may employ a professional managing agent to perform such duties and services as the Council shall authorize; provided, however, that any management agreement entered into between the Council and the Declarant shall expressly provide that the Council can cancel the same upon ninety (90) days' written notice without cause and without penalty.

4. ELECTION PROCEDURE. Each Council member shall be elected by a vote of a majority of the aggregate percentage of the total vote present at a duly constituted annual meeting or special meeting of the Association of Owners called for that purpose. All voting for the election of Council members shall be by written ballot supervised by three inspectors of election appointed by the President of the Council from among the Unit Owners qualified to vote and present at such meeting (in person or by proxy, as the case may be).

5. TERM OF OFFICE. Council members shall serve a term of office of three (3) years and may succeed themselves, except that the first Council members elected pursuant to Section 1(b) of this Article III shall have staggered terms such that one member shall be elected for a term of one (1) year, two members

shall be elected for a term of two (2) years, and two members shall be elected for a term of three (3) years. The members of the Council shall hold office until their respective successors shall have been elected by the Association of Owners.

6. REMOVAL OF MEMBERS OF THE COUNCIL. At any regular or special meeting of the Association of Owners duly called, any one or more of the members of the Council may be removed with or without cause by a Majority of the Unit Owners and a successor may be then and there or subsequently elected to fill the vacancy thus created. Any member of the Council whose removal has been proposed by the Unit Owners shall be given at least ten (10) days' notice of the calling of the meeting for such purpose and shall be given an opportunity to be heard at the meeting. Notwithstanding anything herein provided to the contrary, as long as the Declarant owns, in the aggregate a total of at least five (5) Units, no person selected and designated by the Declarant as a member of the Council may be removed without the written consent of the Declarant and, in such event, the Declarant shall select and designate such removed member's successor.

7. VACANCIES. Council vacancies with respect to any member thereof not designated by the Declarant shall, unless otherwise provided herein, be filled by a vote of a majority of the remaining members of the Council taken at a special meeting of the Council held for that purpose promptly after the occurrence of any such vacancy. Such vote may occur and shall be valid even though the members present at such special meeting constitute less than a quorum. Each successor so elected shall be a member of the Council for the remainder of the term of the replaced member and until a successor shall be elected at the next meeting of the Association of Owners. The vacancy of any member designated by the Declarant pursuant to a right of the Declarant to make such designation shall be filled only by the Declarant.

8. ORGANIZATION MEETING. The first meeting of the Council shall be held within fifteen (15) days following the first regular meeting of the Association of Owners.

9. REGULAR MEETINGS. Regular meetings of the Council may be held at such time and place as shall be determined from time to time by a majority of the Council members, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Council shall be given to each member. By

mail or in person, at least three (3) business days prior to the day named for such meeting.

10. SPECIAL MEETINGS. Special meetings of the Council may be called by the President on three (3) business days' notice to each member, given by mail or in person, which notice shall state the time, place and purpose of the meeting. Special meetings of the Council shall, upon the written request of at least two (2) members, be called by the President or Secretary in like manner and on like notice.

11. WAIVER OF NOTICE. Any member may, at any time, in writing, waive notice of any meeting of the Council, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Council shall constitute a waiver of notice by such member of the time and place of such meeting. If all members are present at any meeting of the Council, no notice shall be required and any business may be transacted at such meeting.

12. QUORUM OF COUNCIL. At all meetings of the Council, a majority of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Council. The preceding sentence to the contrary notwithstanding, as long as the Declarant owns any Unit(s), a quorum shall not exist unless the Declarant is present through direct representation or by proxy.

13. FIDELITY BONDS. The Council shall require fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds and such bond coverage shall be in an amount equal to: (a) one quarter of the annual Common Expenses; plus (b) all reserve funds controlled by the Council. The premiums on such bonds shall constitute a Common Expense.

14. DIRECTOR AND OFFICER LIABILITY INSURANCE. The Council may obtain Director and Officer Liability Insurance for all Council members and officers of the Council. The premiums on such insurance shall constitute a Common Expense.

15. COMPENSATION. No member of the Council shall receive any compensation for acting as such; however, a member of Council shall be entitled to reimbursement for advanced made by such member on behalf of the Council, at the Council's request or

otherwise with the Council's approval. Moreover, this provisions shall not preclude Council from remunerating a Council member or reimbursing a Council member for out-of-pocket expenses incurred by the Council member for services rendered in a capacity other than as a Council member, as long as the same have been approved, in advance, by the Council.

16. CONDUCT OF MEETINGS. The President shall preside over all meetings of the Council and the Secretary shall keep a minute book of the Council meetings, recording therein all resolutions adopted by the Council and a record of all transactions and proceedings occurring at such meetings. When not in conflict with the Declaration, this Code of Regulations or the Unit Property Act, Robert's Rules of Order shall govern the conduct of the meetings of the Council.

17. ACTION BY WRITTEN CONSENT. As long as the Council is composed entirely of designees of the Declarant, such members of the Council may act by unanimous consent in lieu of a meeting. Otherwise, the Council shall act only at duly constituted meetings thereof.

18. LIABILITY OF THE MEMBERS OF THE COUNCIL. No member of the Council shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for such member's willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Council from and against all contractual liability to others arising out of any contract made by the Council on behalf of the Unit Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of this Code of Regulations and known to be such by the Council members. It is intended that the members of the Council shall have no personal liability with respect to any contract made by the Council in good faith on behalf of the Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by the Council or out of the aforesaid indemnity in favor of the members of the Council shall be limited to such Unit Owner's Proportionate Interest of such total liability. Every agreement made by the Council or by a managing agent on behalf of the Unit Owners shall provide that the members of the Council, or a managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit



Owner's liability thereunder shall be limited to such Unit Owner's Proportionate Interest of such total liability. The Unit Owners shall indemnify any person who, by reason of the fact that such person is or was a member of the Council, was, is or may become party to any threatened, pending or completed action, suit or proceeding against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, and not opposed to, the best interest of the Unit Owners.

19. COUNCIL COMMITTEES. The Council may, as Council deems necessary or appropriate for the administration of the affairs of the Council or of the Property, from time to time establish one or more standing or ad hoc committees. Each such committee shall have discretionary, decision making or advisory powers as the Council shall determine; provided, however, that the Council shall retain full responsibility for all acts undertaken by any committee within the authority granted to such committee. The members of any such committee shall be appointed from the group comprised of the members of Council and those persons entitled to vote at any meeting of Unit Owners.

20. PARTICIPATION IN MEETINGS BY COMMUNICATIONS EQUIPMENT. One or more members of the Council may, by means of conference telephone or similar communications equipment, participate in and be counted for quorum purposes at any meeting of the Council as long as all persons participating in the meeting can each hear and speak with one another.

#### ARTICLE IV THE OFFICERS

1. DESIGNATION. The officers of the Council shall each be elected by a majority vote of the Council and shall include a President, Treasurer and Secretary. Such officers may also include a Vice-President and such other officers as the Council may from time to time determine. The offices of Treasurer and Secretary may be filled concurrently by the same person. All officers shall be chosen from among the members of the Council.

2. ELECTION AND TERM. The officers shall be elected annually by the Council at the first meeting of each new Council and shall hold office at the pleasure of the Council.

3. REMOVAL. The Council may, at a regular meeting or a special meeting called for such purpose, remove any officer at any time, with or without cause, and may fill any vacancy in an office.

4. VACANCIES. Any vacancy in any office by reason of death, resignation, removal or otherwise, shall be promptly filled by majority vote of the Council, and the successor officer shall serve the balance of the term so filled.

5. PRESIDENT. The President shall be the chief executive of the Council and shall preside at all meetings of the Association of Owners and of the Council. The President shall have all powers and duties statutorily vested in the office of president of a stock corporation organized under the General Corporation Law of the State of Delaware.

6. VICE-PRESIDENT. The Vice-President, if any, shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Council shall appoint some other member of the Council to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon the Vice President by the Council or by the President.

7. SECRETARY. The Secretary shall keep the minutes of all meetings of the Association of Owners and of the Council and shall have charge of such books and papers as the Council may direct. The Secretary shall, in general, perform all of the duties statutorily vested in the office of secretary of a stock corporation organized under the General Corporation Law of the State of Delaware.

8. TREASURER. The Treasurer shall have the responsibility for Council funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial data and for the deposit of all monies and other valuable effects in the name of the Council, or the managing agent, in such depositories as may from time to time be designated by the Council. The Treasurer shall, in general, perform all of the duties

statutorily vested in the office of treasurer of a stock corporation organized under the General Corporation Law of the State of Delaware.

9. AGREEMENTS, CONTRACTS, DEEDS, CHECKS, ETC.

All agreements, contracts, deeds, leases, checks and other instrument for expenditures or obligations of \$1,000 or more, with the exception of individual payroll checks, shall be executed by any two officers of the Council. All such instruments for expenditures or obligations of less than \$1,000 as well as all payroll checks, regardless of their amount, may be executed by any one officer.

10. NO COMPENSATION OF THE OFFICERS.

No officer shall be compensated for acting as such.

ARTICLE V

LIABILITY AND INDEMNIFICATION

1. LIABILITY OF COUNCIL MEMBERS.

A member of the Council:

(a) Shall not be liable to the Association of Owners as a result of such member's activities as a member of the Council for any mistake of judgment, negligence or otherwise, except for such member's own willful or wanton misconduct or bad faith;

(b) Shall have no personal liability in contract to any Unit Owner or any other person or entity under any agreement, instrument or transaction entered into by such member in such capacity;

(c) Shall have no personal liability in tort to a Unit Owner or any other person or entity direct or imputed, for acts performed for such member in such capacity except for such member's own willful or wanton misconduct or bad faith; and

(d) Shall have no personal liability arising out of the use, misuse or condition of the Property, which might in any way be assessed against or imputed to such member as a result or by virtue of such capacity.

2. INDEMNIFICATION OF COUNCIL MEMBERS AND

OFFICERS. The Association of Owners shall indemnify and hold harmless each member of the Council and each officer of the Council, as well as each such individual's heirs and personal representatives from and against any and all personal losses, liabilities and expenses, including counsel fees, incurred or imposed or arising out

of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, instituted by any one or more Unit Owners or any other persons or entities, to which such member or officer shall be or shall be threatened to be made party by reason of the fact that such member or officer is or was a member or officer of the Council. This provision to the contrary notwithstanding, a member or officer of the Council shall not be entitled to indemnification to the extent, if any, that such loss, liability or expense shall be attributable to such member or officer's willful or wanton misconduct or bad faith. Such right of indemnification shall not be deemed exclusive of any other rights to which such member or officer may be entitled as a matter of law by agreement or vote of the Association of Owners or of the Council, or otherwise. The costs, if any, of the indemnification by the Unit Owners herein set forth shall be paid by the Council on behalf of the Unit Owners, shall constitute a Common Expense and shall be assessed and collectible as such.

3. LIABILITIES OF INDIVIDUAL UNIT OWNERS. Each Unit Owner and any lessee, sublessees or occupants of a Unit shall be jointly and severally liable for losses, liabilities and expenses arising out of personal conduct or the ownership, occupancy, use, misuse or condition of a Unit (unless such loss, liability or expense is the result of a condition affecting all or other parts of the Property).

4. LANGUAGE CONCERNING LIABILITY IN AGREEMENTS. Every agreement, deed, lease or other instrument entered into by the Council shall contain the following language or such other language of like import as the Council may by resolution, provide: "Any and all obligations contained herein or hereunder have been entered into on behalf of the Association of Owners of Southridge Condominiums and no member of the Council of Southridge Condominiums shall be held personally liable in connection with such obligation. Moreover, any person dealing with any such member of the Council shall look solely to the Association of Owners for payment of any claim or the performance of any obligations hereunder." All obligations and liabilities created by any such instrument shall be a Common Expense and shall be borne by the Unit Owners at the time such liability is assessed by the Council as a Common Expense.

5. COSTS OF SUIT IN ACTIONS BROUGHT BY ONE OR MORE UNIT OWNERS ON BEHALF OF ALL UNIT OWNERS. If any action is brought by one or more but less than all Unit Owners on behalf of all Unit Owners and recovery is had, all expenses of the plaintiff Unit Owner(s), including reasonable counsel fees, shall be a Common Expense and assessed as such. If one or more Unit Owners brings an action against all other Unit Owners and such other Unit Owners are ultimately determined to be liable, the expenses of the plaintiff Unit Owner(s), including counsel fees, shall not be a Common Expense but, instead, shall be the sole responsibility of the Unit Owners deemed liable.

6. NOTICE OF SUIT AND OPPORTUNITY TO DEFEND. Litigation instituted against the Council or the Property shall be referred to the Council, and the Council shall give prompt written notice thereof to the Unit Owners and the holders of all Eligible Mortgages. Such litigation shall be defended by the Council. The Unit Owners and the holders of Eligible Mortgages shall have no right to participate in such defense other than through the Council. Litigation instituted against one or more but less than all Unit Owners or Units alleging liabilities shall be directed to such Unit Owners. Any Unit Owner who is served with legal process affecting solely such Owner's Unit or who receives knowledge thereof in any other fashion shall promptly give written notice thereof to the Council and to the holders of any Eligible Mortgage affected thereby. Such litigation shall be defended by such Unit Owner and at such Unit Owner's sole expense.

## ARTICLE VI

### OPERATION OF THE PROPERTY

1. FISCAL YEAR. The fiscal year of the Condominium shall consist of the twelve month period commencing on January 1 of each year and terminating on the last day of December of the same calendar year. The first and last fiscal years of the Condominium may be shortened in the event that the same commence, or expire, respectively, on other than January 1 or December 31.

2. PREPARATION AND APPROVAL OF BUDGET. Each year on or before November 1st, the Council shall adopt a budget for the Property containing an estimate of the total amount which the Council considers necessary to pay the cost of maintenance.

management, operation, repair and replacement of the common Elements and those parts of the Units as to which the Council has responsibility to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared Common Expenses by the Unit Property Act, the Declaration, this Code of Regulations or a resolution of the Association of Owners, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services. Such budget shall also include such reasonable amounts as the Council considers necessary to provide working capital for the Property, a general operating reserve, and reserves for contingencies and replacements. Such budget shall constitute the basis for determining each Unit Owner's contribution towards payment of the Common Expenses for the fiscal year for which such budget was prepared. The Council shall, on or before November 5th preceding the fiscal year to which the budget applies, send to each Unit Owner a copy of the budget in a reasonably itemized form setting forth the amount of the Common Expenses to be assessed against each Unit Owner.

3. REGULAR ASSESSMENT AND PAYMENT OF COMMON EXPENSES. The total amount of the estimated funds required for the operation of the Property set forth in the budget adopted by the Council shall be allocated among the several Units, as hereinafter provided, and assessed, accordingly, against each Unit Owner. Such allocation, in percentage terms, shall allocate to each 2-bedroom Unit (i.e., 24 Units in total) a 1.45% (i.e., 0.0145) allocation and to each 3-bedroom (i.e., 30 Units in total) a 2.174% (i.e., 0.02174) allocation; and, for purposes of implementing such allocation, all Units originally constructed with lofts shall be deemed 3-bedroom Units. The amount thus assessed with respect to each Unit shall be a lien against the pertinent Unit as of the first day of the fiscal year to which such budget applies. If the Council deems it advisable, the assessment made against each Unit Owner for each fiscal year shall set forth separately such Unit Owner's share of the amount of the total assessment allocated to normal and recurring expenses of administration, management, operation and repair, and the amount of the total assessment allocated to each category of reserves included in the budget. On or before the first day of each fiscal year, and the first day of each of the succeeding calendar

month during such fiscal year, each Unit Owner shall be obligated to pay to the Council or the managing agent (as determined by the Council), one-twelfth (1/12th) of the total assessment for such Owner's Unit for such fiscal year computed in accordance with the foregoing provisions; provided, however, if the Council so elects, assessments may be collected more or less frequently in which event the allocable amount which each Unit Owner is obligated to pay to the Council or the managing agent (as determined by the Council) shall be adjusted accordingly. Within ninety (90) days after the end of each fiscal year, the Council shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Council for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves, allocated prorata to each Unit Owner as hereinabove provided in this Article VI.3., shall either be credited to the next monthly installments due from Unit Owners under the current fiscal year's budget until exhausted, refunded to each Unit Owner, or applied in any other manner as the Council shall determine in its sole discretion. Any net shortage shall, as the Council deems advisable, be allocated to each Unit, as aforesaid and assessed immediately, as an addition, to assessment installments due during all or part of the succeeding fiscal year.

4. COUNCIL UNIT ASSESSMENT. In the event the Council purchases a Unit, that portion of the Common Expenses assessed with respect such Unit shall be allocated among the Unit Owners in accordance with the respective allocation percentages referenced in paragraph 3 of this Article VI and shall be collectable in whatever manner the Council, in its sole discretion, decides.

5. RESERVES. The Council shall accumulate and maintain reasonable reserves for working capital, operations, contingencies and replacements. Upon the initial sale of each Unit by the Declarant, the Unit Owner purchasing such Unit shall contribute to such reserve account a sum equal to one-sixth (1/6) (i.e., two (2) months) of Common Expenses budgeted for the fiscal year during which such purchase occurs. Extraordinary expenditures not originally included in the annual budget for a particular fiscal

year but which may arise during such year shall be charged first against available reserves. If such reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Council may at any time levy a further assessment, which shall be assessed against the Unit Owners, prorata in accordance with the respective percentages referenced in paragraph 3 of this Article VI, and shall be payable in a lump sum or in installments as the Council determines. The Council shall serve notice of any such further assessment on all Unit Owners by a statement in writing specifying the assessment amount and the reasons therefor; and such further assessment shall, unless otherwise specified in the notice, become effective with the next regular installment payment due more than ten (10) days after the date of such further assessment notice. All Unit Owners shall be obligated to pay the adjusted amount.

6. EFFECT OF FAILURE TO PREPARE OR ADOPT BUDGET.

The failure or delay of the Council to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay such Unit Owner's allocable share of the Common Expenses as herein provided whenever the same shall be determined; and, in the absence of any annual budget or adjusted budget, each Unit Owner shall, subject to appropriate subsequent adjustment, continue to pay the periodic assessment installment at the then existing rate established for the previous fiscal period.

7. ACCOUNTS. Except as otherwise provided, all sums collected by the Council with respect to assessments against the Unit Owners may be commingled in a single fund, with such provisions for safekeeping and earnings, as the Council deems appropriate.

8. EXCEPTIONS FOR DECLARANT'S AND COUNCIL'S UNITS. Notwithstanding any other provision to the contrary, no lawsuit, suspension of utilities or other action shall be taken by or on behalf of the Council or any Unit Owner, occupant, mortgagee or other lienor to collect any assessment made against any Unit owned by the Declarant, or the Council, or any respective successor or assign of the same, if such assessment relates to any period of time during which the Unit was not actually being occupied as a residence (and the performance of work on Declarant's units to construct, complete, repair, rehabilitate, modify or improve the same shall not constitute occupancy thereof) unless and except to



the extent that such assessment is for actual cash expenditures made by the Council for the cost of electricity, gas, oil, water, sewer, insurance protection or other service, or maintenance personnel, in fact directly consumed or utilized by such Unit independent of and apart from its interest in the Common Elements. To the extent that Declarant owes any assessment on a Unit (computed in accordance with the limitations regarding unoccupied Units owned by the Declarant contained in the previous sentence) at the time when that Unit is being conveyed, the amount due shall be reimbursed to the Council without interest, from the net proceeds of sale received by the Declarant, but only insofar as such net proceeds are adequate. Any deficiency shall be allocated to and among the Declarant's then remaining unsold Units in accordance with the respective percentage allocations as established by paragraph 3 of this Article VI.

9. PAYMENT OF COMMON EXPENSES. Each Unit Owner shall, to the extent of the percentage allocation applicable to such Unit Owner (as established by paragraph 3 of this Article VI), be obligated to pay the Common Expenses assessed by the Council from time to time. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against such Owner's Unit for periods subsequent to a sale, transfer or other conveyance of such Unit by such Unit Owner.

10. COLLECTION OF ASSESSMENTS. The Council shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

11. STATEMENT OF COMMON EXPENSES. The Council shall promptly provide to any Unit Owner so requesting the same a written statement of all unpaid assessments for Common Expenses due from such Unit Owner.

12. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY OWNERS. No Unit Owner shall make any structural addition, structural alteration or structural improvement in or to such Owner's Unit without the prior written consent of the Council. Such Council consent shall not be required for Units owned by the Declarant. Any application to any governmental authority for a permit to make any structural addition, alteration or improvement in or to any Unit must be executed by the Council. Such participation by the Council, however, shall not result in any liability on the part of the Council, or any Council member, to any

contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

13. RESTRICTIONS ON USE OF UNITS. Each Unit and the Common Elements shall be occupied and used in accordance with the provisions of the Declaration and the Rules and Regulations.

14. RULES AND REGULATIONS. Rules and Regulations concerning the operation and use of the Common Elements may be promulgated or withdrawn from time to time by the Council, provided, that such Rules and Regulations are not contrary to or inconsistent with the Unit Property Act, the Declaration or this Code of Regulations. A copy of the current Rules and Regulations shall be made available on request to each Unit Owner by the Council.

## ARTICLE VII

### INSURANCE

1. AUTHORITY TO PURCHASE. Except as otherwise provided in this Article, all insurance policies relating to the Property shall be purchased by the Council as trustee for the Unit Owners and the Owners' respective mortgagees, as their interests may appear. Such insurance shall, to the extent available, be at least equal to the following:

(a) Casualty or physical damage insurance in an amount equal to full replacement value (i.e., 100% of "replacement cost" less any deductible amount not to exceed Two Thousand Dollars (\$2,000) per loss per occurrence) with an "agreed amount" endorsement and a "Condominium replacement cost" endorsement, without deduction or allowance for depreciation (such amount to be redetermined annually by the Council with the assistance of the insurance company affording such coverage), such coverage to afford protection against, inter alia, the following:

(i) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement.

(ii) Such other risks as shall customarily be covered with respect to projects similar to the Property in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, machinery explosion or damage, and such other insurance as the Council may from time to time determine.

(b) Public liability insurance in such amounts and in such form as may be considered appropriate by the Council (but not less than \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence), including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile and any and all other liability incident to the ownership and/or use of the Property or any portion thereof; and

(c) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Council.

2. LIMITATIONS. Any insurance obtained pursuant to the requirements of this Article, shall be subject to the following provisions:

(a) All policies shall be written with a company or companies licensed to do business in the State of Delaware and holding a rating of "A+" or better in Best's Insurance Guide.

(b) Exclusive authority to negotiate losses under such policies shall be vested in the Council or its authorized representative, including any trustee with which the Council or Association of Owners may enter into any insurance trust agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee".

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the Unit Owners, individually or collectively, or their respective mortgagees, as herein permitted, and any "no other insurance" or similar clause in an policy obtained by the Council pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that they may not be canceled or substantially modified without at least thirty (30) days' prior written notice to any and all insureds named therein, including the holders of any mortgages on any Unit. Duplicate originals of the insurance policies and all endorsements thereto, together with proof of payment of premiums, shall be delivered to any Unit Owner and to any mortgagee of a Unit upon written request for the same.

(e) The net proceeds of any claim paid under any such policy, if less than Fifty Thousand Dollars (\$50,000), shall

be payable to the Council, and if more than Fifty Thousand Dollars (\$50,000) shall be payable to the Insurance Trustee designated herein.

(f) All policies shall contain, if available, a waiver of subrogation by the insurer as to any and all claims against the Council, any Unit Owner(s) or their respective agents, employees or invitees, and a waiver of any defense(s) based upon coinsurance or invalidity arising from the acts of the insured.

(g) All policies shall contain a standard mortgagee clause. In the event a mortgagee endorsement has been issued to a Unit, the proceeds payable shall be held in trust for the named mortgagee and the Unit Owner as their interests may appear.

3. SEPARATE INSURANCE. Each Unit Owner shall, at such Owner's own expense, obtain and maintain additional insurance for the contents of such Owner's Unit and for the Owner's personal liability; provided, however, that no Unit Owner shall be entitled to acquire or maintain such additional insurance coverage if doing will decrease the amount which the Council, on behalf of all Unit Owners, may realize under any insurance policy which the Council may have in force on the Property at any particular time or to cause any insurance coverage maintained by the Council to be brought into contribution with such additional insurance coverage obtained by the Unit Owner. Each Unit Owner shall, coincidence with the acquisition by such Owner of such Owner's Unit, file with the Council evidence of such Owner's insurance, as required under the terms of the preceding sentence and, within thirty (30) days after the each renewal of such insurance, shall file with the Council evidence of the timely renewal of the same. Each Unit Owner shall be responsible, to the exclusion of the Council, for any deductible(s) associated with such Unit Owner's obligatory insurance as well as any deficiencies as to such coverage.

4. INSURANCE TRUSTEE.

A. The Council shall have the right to designate any bank, trust company, savings and loan association, building loan association, insurance company or institutional lender s the Insurance Trustee, and all parties having a beneficial interest in such insurance coverage shall be bound thereby. The Insurance Trustee at the time of the deposit of such policies shall acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of this Code of Regulations.

B. Each Insurance Trustee shall carry out the duties assigned to such Trustee under this Code of Regulations. The Insurance Trustee shall serve as such until its appointment as Trustee is terminated by the Council, or until such Trustee shall resign its appointment, and, in either case, until a successor meeting the foregoing qualifications has been appointed by the Council and has accepted such appointment. The same procedure shall apply in the case of subsequent terminations by or resignations of one or more successor Insurance Trustees. Any agreement between the Council acting in Council's own behalf or on behalf of the Unit Owners and the Insurance Trustee may be amended only by a writing executed by a Majority of the Unit Owners and approved in writing by all Eligible Mortgagees affected thereby.

C. The Insurance Trustee shall not be liable for payment of premiums, the renewal of policies, the sufficiency of coverage, the form or contents of policies, the correctness of any amounts received by the Trustee on account of the proceeds of any insurance policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated in this Code of Regulations and for the benefit of the Unit Owners and their respective mortgagees.

5. COUNCIL AS AGENT. The Council is hereby irrevocably appointed the agent for each Unit Owner and for each mortgagee of a Unit and for each owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Council and to execute and deliver releases upon the payment of claims.

6. RECONSTRUCTION FUNDS.

A. RECONSTRUCTION FUND. The net proceeds of insurance collected on account of a casualty and the funds collected by the Council from assessments against Unit Owners on account of such casualty, if any, shall constitute a reconstruction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Article. If the net proceeds of insurance collected on account of a casualty is Fifty Thousand Dollars (\$50,000) or more, then the funds collected by the Council from assessments against the Unit Owners, if any, shall be deposited by the Council with the Insurance Trustee, and the entire reconstruction fund shall be disbursed by the Insurance Trustee;

otherwise the reconstruction fund shall be held and disbursed by the Council.

B. METHOD OF DISBURSEMENT. The reconstruction fund shall be paid by the Council or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the Property as are designated by the Council.

C. SURPLUS. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the reconstruction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the Unit Owners and their respective mortgagees; provided, however, that any distribution to a mortgagee which is not in excess of assessments paid by the Unit Owner into the reconstruction fund shall not be made payable to any mortgagee.

D. COMMON ELEMENTS. When the damage is to both Common Elements and one or more Units, the insurance proceeds shall be applied first to the cost of repairing the Common Elements and the balance to the cost of repairing the Unit(s) allocated as set forth above.

E. CERTIFICATE. The Insurance Trustee shall be entitled to rely upon a certificate executed by the Council President or Vice President, and the Secretary certifying: (a) whether the damaged Property is required to be reconstructed or repaired; (b) the name of the payee and the amount to be paid with respect to disbursements from any reconstruction fund held by the Trustee; (c) whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and (d) all other matters concerning the holding and disbursing of any reconstruction fund held by the Trustee. Any such certificate shall be delivered to the Insurance Trustee promptly upon request.

ARTICLE VIII

ACQUISITION OF UNITS BY THE COUNCIL

1. NO SEVERANCE OF OWNERSHIP. No Unit Owner shall execute any deed, lease, mortgage, or other instrument conveying or mortgaging the title to such Owner's Unit without including therein the undivided interest in the Common Elements appurtenant to each such Unit. No part of an interest in the Common Elements appurtenant to any Unit may be sold, leased, transferred, gifted, devised, or otherwise disposed of, except as part of a sale, lease, transfer, gift, devise, or other disposition of the Unit to which such interest is appurtenant, or as part of a sale, lease, transfer, gift, devise or other disposition of the interests in the Common Elements of all Units.

2. PAYMENT OF ASSESSMENTS. No Unit Owner shall be permitted to convey, mortgage, hypothecate, sell, lease, gift, or devise such Owner's Unit unless and until such Unit Owner (or such Owner's personal representative) shall have paid in full to the Council all unpaid Common Elements theretofore assessed by the Council against such Owner's Unit and payable prior to the date of conveyance.

3. PURCHASE OF UNITS BY THE COUNCIL. The Council may, on behalf of all Unit Owners in the name of the Council or in the name of a nominee, purchase or otherwise acquire and hold title to any Unit or any interest therein permitted by the Condominium Documents. The Council may borrow all or part of the funds necessary to effect any such purchase and may create a mortgage against the Unit or give other security to secure the borrowing. So long as the Council or the Council's nominee is the Unit Owner of any Unit so purchased, the Council shall have the power to hold, sell, convey, lease, mortgage and otherwise deal in and with such Unit, and in so doing shall be acting on behalf of the Association of Owners.

4. EFFECT OF OWNERSHIP OF UNITS BY THE COUNCIL. During the period when the Council or the Council's nominee holds title to a Unit:

(a) All taxes, municipal claims and other charges assessed against the Unit 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

allocated among and assessed against all other Unit Owners as provided in paragraph 3 of Article VI above;

(b) The Common Expenses and the Common Profits, if any, otherwise assessable and distributable with respect to such Unit shall be assessed and distributed to the other Unit Owners, pro rata, in accordance with their respective percentage allocations as established by paragraph 3 of Article VI above;

(c) The voting rights appurtenant to the Unit shall be suspended and may not be exercised or counted for voting purposes and such Unit shall not be counted in determining a quorum for meeting purposes;

(d) No notice of any meetings of Unit Owners or notices of assessments, budgets or the like need be given in respect to such Unit;

(e) The sale, management, or disposal of such Unit shall be within the Council's sole authority and no prior authorization of the Association of Owners shall be required therefor; and

(f) The rights and obligations of Unit Owners in the event of a permitted partition proceeding or termination of the Condominium pursuant to the Condominium Documents shall be construed, allocated and borne as if such Unit was not included in the Property. The Council shall give all other Unit Owners prompt written notice both of each such event.

## ARTICLE IX

### MORTGAGES

1. NOTICE TO THE COUNCIL. A Unit Owner who mortgages such Owner's Unit shall notify the Council of the name and address of the mortgagee.

2. NOTICE OF DEFAULT OR UNPAID ASSESSMENTS. The Council, whenever so requested in writing by the holder of a mortgage or lien upon a Unit, shall promptly report to such holder any uncured default with respect to such Unit Owner's obligations under the Condominium Documents.

3. NOTICES The Council when giving notice to a Unit Owner of a default in paying assessments for Common Expenses or other default, shall send a copy of such notice to the holder of any Eligible Mortgage with respect to such Unit and shall also give to



each such holder written notice of any loss to or condemnation, or threat of condemnation, of the Common Elements, or any part thereof, or substantial damage or destruction of the pertinent Unit. An Eligible Mortgage holder shall, upon request, also be entitled to written notice of all meetings of the Association of Owners and be permitted to designate a representative to attend all such meetings.

#### ARTICLE X

##### BOOKS, RECORDS AND REPORTS

1. MAINTENANCE OF BOOKS AND RECORDS. The Council shall maintain complete, accurate and current books and records adequate to reflect fully the operations, proceedings and financial condition of the Council and the operation and condition of the Property.

2. ACCESS TO BOOKS AND RECORDS. The books and records of the Council shall be kept at the Property or at such other convenient location as the Council may from time to time determine and shall be available for examination by the Unit Owners during regular business hours upon reasonable notice.

#### ARTICLE XI

##### COMPLIANCE AND DEFAULT

1. RELIEF. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, this Code of Regulations, and the Rules and Regulations, and any amendments of the same. A default thereunder by a Unit Owner shall entitle the Association of Owners, acting through the Council or through the managing agent, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, this Code of Regulations, or the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due as money damages, injunctive relief, foreclosure of the lien for the payment of all assessments, any other relief provided for in this Code of Regulations, or any combination thereof, and any other relief available at law or in equity, all of which relief may be sought by the Association of Owners, the Council, the managing agent, or, if appropriate, by any aggrieved Unit Owner.

(b) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded.

(c) No Waiver of Rights. The failure of the Association of Owners, the Council, or of an aggrieved Unit Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, this Code of Regulations or the Rules and Regulations shall not constitute a waiver of the right of the Association of Owners, the Council or the aggrieved Unit Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association of Owners, the Council, or any aggrieved Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, this Code of Regulations or the Rules and Regulations shall be cumulative, and the exercise of any one or more thereof shall not constitute an election of remedies, nor shall such exercise preclude the party exercising the same from exercising such other rights, remedies and privileges as may be granted to such party by the Declaration, this Code of Regulations or the Rules and Regulations, or at law or in equity.

(d) Interest. In the event of a default by any Unit Owner in paying any assessment for Common Expenses or other sum which continues unpaid for a period in excess of thirty (30) days, such Unit Owner shall be obligated to pay interest on amounts due from the due date thereof at the legal rate then in effect, unless such interest is waived by the Council.

(e) Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Council, or the breach of any provision contained herein, or the breach of any provision of the Declaration shall give the Council the right, inter alia: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Council shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate proceedings, either at law or in equity, the continuance of any such breach.

## 2. LIEN FOR CONTRIBUTIONS.

(a) The total annual assessment of each Unit Owner for the Common Expenses is hereby declared to be a lien levied against the Unit of such Unit Owner and such lien shall be effective as of the first day of the fiscal year to which such assessment pertains. The Council, or the managing agent, may file or record such other or further notice of lien, or such other further document as may be necessary or appropriate to confirm the establishment of such lien.

(b) In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the payment of any single installment, which default continues for thirty (30) days after the written notice thereof has been sent to the Unit Owner, the maturity of the installments of such assessments then remaining unpaid may be accelerated, at the option of the Council, and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Council or the managing agent.

(c) The lien for unpaid assessments of Common Expenses may be foreclosed upon by the Council in accordance with applicable law. The Council or the managing agent, as the plaintiff in such foreclosure proceeding, shall have with right to the appointment of a receiver, if such right is then available under applicable law.

(d) Suit to recover a money judgment for unpaid assessments of Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

(e) The lien for unpaid assessments of Common Expenses shall be subordinate to the lien of any first mortgagee.

## ARTICLE XII

### MISCELLANEOUS

1. NOTICES. All notices, demands, bills, statements or other communications under this Code of Regulations shall be in writing and shall be duly given if delivered personally or if sent, using the United States Postal Service, first class postage prepaid.

(1) if to a Unit Owner, at the address which the Owner shall

designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (2) if to the Association of Owners, the Council or the managing agent, at the principal office of the managing agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Article. Notices shall be effective two (2) business days following the mailing thereof or, if hand delivered, upon delivery of the same.

2. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and do not define, limit or proscribe the scope of this Code of Regulations, or the intent of any provision hereof.

3. GENDER. The use of the masculine gender in this Code of Regulations shall be deemed to include the feminine or neuter genders, whenever the context so requires. The use of the singular shall include the plural, and the plural shall include the singular whenever the context so requires.

4. EFFECTIVE DATE. This Code of Regulations becomes effective when duly entered or recorded, together with the Declaration and the Declaration Plan in the Recorders Office.

5. INTERPRETATION. This Code of Regulations shall be liberally construed in order to effectuate a uniform plan for development and operation of the Condominium established by the Declaration. Moreover, this Code of Regulations shall, to the extent reasonable, be interpreted consistently with and supplementary to the provisions of the Unit Property Act. Any conflict between the Declaration and this Code of Regulations of Regulations shall, if not otherwise resolvable, be resolved in favor of the Declaration. The unconstitutionality, illegality, invalidity or nonconformance with the Unit Property Act of any provision of this Code of Regulations shall not affect the remaining portions hereof which shall have continuing validity and full force and effect. Any provisions of this Code of Regulations of Regulations which may not be directly or indirectly provided for or permitted by the Unit Property Act, but which is not specifically prohibited by the Unit Property Act, or by any other applicable statute or rule of law, shall, if not enforceable under the Unit Property Act, be deemed a contractual undertaking and obligation, voluntarily assumed, by each and every Unit Owner, as the entirety of Unit Owners may be constituted from time to time, and such contractual

undertaking and obligation shall be in consideration of the such assumption by each and every other Unit Owner, and the same may be enforced in the same manner as any other contractual undertaking and obligation. No provision in this Code of Regulations of Regulations shall be deemed invalid, waived, abrogated or no longer enforceable by reason of the passage of time or of any failure to enforce the same, irrespective of the elapsed time or the prior failure(s) to enforce one or more such provisions.

6. NONCOMPLIANCE AND WAIVER. Any failure or threatened failure by a Unit Owner or occupant to comply with this Code of Regulations and with the Rules and Regulations and with the covenants, conditions and restrictions set forth in the Declaration or in the deed to such Owner's Unit, or in the Declaration Plan, shall be grounds for an action for the recovery of damages (including the costs of the Council's taking any action necessary to correct or remedy any such failure) or for injunctive relief, or both, maintainable by any member of the Council on behalf of the Council, by the Council, or in a proper case, by any aggrieved Unit Owner(s) or by the holder of a first mortgage or lien aggrieved by any such failure or threatened failure. The Council shall have the right to do any act and to take any step necessary to correct or prevent any failure or threatened failure to so comply and shall have the right directly or through agents or employees to enter any Unit at all reasonable times for such purposes. The expenses incurred by or on behalf of the Council in any action taken, together in each case with interest at the highest legal rate of interest then permitted under applicable law, shall be promptly assessed by the Council against the Unit Owner of said Unit and shall be collectible and enforceable in accordance with the provisions hereof. No restriction, condition, obligation or provision contained in the Unit Property Act, the Declaration, the Declaration Plan, this Code of Regulations, the Rules and Regulations or in the deed to any Unit shall not be deemed

abrogated or waived by reason of any failure, single or repeated, to enforce the same.

7. AVOIDANCE OF LIENS AND NOTICES OF LIENS AND SUITS. Each Unit Owner shall, with respect to such Owner's Unit and during such Owner's ownership of the same, pay all charges, claims, taxes or assessments for which a lien could be filed before the same shall become delinquent and prior to the time when any lien shall attach. Such Owner also shall, within five (5) days following receipt of notice of or actual knowledge of the attaching of any lien (other than the lien of a permitted Mortgage) or the filing of any suit or other proceeding against such Owner's Unit, give the Council written notice thereof. The Council may, but shall not be obligated to, advance any sums necessary to prevent the attaching of any lien against a Unit, except the lien of a permitted Mortgage, and any amounts so advanced shall bear interest from the date of the advance at the highest legal rate of interest then permitted by applicable law. Such amounts shall be promptly assessed by the Council against such Unit Owner and shall be collectible and enforceable in accordance with the provisions of the Condominium Documents.

8. PARLIAMENTARY PROCEDURE. All meetings of the Unit Owners or of the Council shall be conducted in accordance with Roberts Rules of Order; provided, however, that such rules may be waived by the affirmative vote of seventy-five (75%) percent of those persons attending a duly constituted meeting and entitled there to vote. The Council may appoint a parliamentarian for any meeting of the Council or of the Unit Owners.

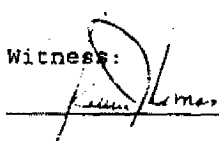
#### ARTICLE XIII

##### AMENDMENTS

1. AMENDMENTS. This Code of Regulations of Regulations may be amended from time to time in accordance with the Unit Property Act and, for the purposes of accomplishing any special rights or privileges as provided in the Declaration, as set forth in the Declaration.


IN WITNESS WHEREOF, the undersigned being the first members of the Council of Southridge Condominiums, have executed this instrument on this 3rd day of February, 1997.

Witness:



COUNCIL OF SOUTHRIDGE CONDOMINIUMS

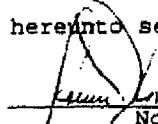
BY:

 (SEAL)  
Anthony J. Mullen

STATE OF DELAWARE:  
: SS.  
NEW CASTLE COUNTY:

BE IT REMEMBERED, That on this 3rd day of February, 1997, personally came before me, the Subscriber, a Notary Public for the State of Delaware, ANTHONY J. MULLEN, who acknowledged himself to be the first member of the Council of Southridge Condominiums and that, as such, he executed the foregoing Code of Regulations of Regulations as his respective act and deed and the act and deed of such Council.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

Name (Please Print) Robert L. Thomas  
Title Notary Public  
My Commission Expires: 12 22 98

  
20130103-0000983  
Pages: 3 F: \$65.00  
01/03/13 04:08:02 PM  
T20130000360  
Michael E. Kozikowski  
New Castle Recorder MISC

Tax parcels: See attached

Prepared by and Return To:  
Daniel R. Losco, Esq.  
Losco & Marconi, P.A.  
1813 N. Franklin St.  
PO Box 1677  
Wilmington, DE 19899

## **FIRST AMENDMENT TO SOUTHRIDGE CODOMINIUMS CODE OF REGULATIONS**

**THIS FIRST AMENDMENT** (the "First Amendment") to Southridge Condominiums Code of Regulations is made this 17 day of December, 2012 by the Southridge Condominium Association, a Delaware condominium council established pursuant to the Delaware Unit Property Act, 25 *Del. C.* §§2201 *et seq.* (the "Association").

### **WITNESSETH:**

**WHEREAS**, the Southridge Condominiums community was established by an Enabling Declaration dated February 5, 1997 recorded with the New Castle County, Delaware Recorder of Deeds office at Deed Book 2234, Page 231 (the "Declaration"); and

**WHEREAS**, a Code of Regulations for Southridge Condominiums dated February 5, 1997 was recorded in the office aforesaid at Deed Book 2234, Page 282 (the "COR"); and

**WHEREAS**, pursuant to paragraph 29 of the Declaration, the COR may be amended in "non-material" respects upon the affirmative vote of a majority of Unit Owners of Southridge Condominiums, cast in person or by proxy at a meeting duly held in accordance with the provisions of the COR; and

**WHEREAS**, at a Special Meeting of Unit Owners duly noticed and held on November 12, 2012 sixty-seven percent (67%) of the Southridge Condominium Association Unit Owners voted to adopt a non-material amendment the COR as specified herein and proof of such affirmative vote of the Unit Owners is maintained in the offices of the Association;

**NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS**, that the Code of Regulations of Southridge Condominiums is hereby amended as follows:

1. **Amendment:** Article IV, Section 9 of the COR is hereby amended so that, effective upon the recording of this First Amendment, such Section shall read, in its entirety, as follows:

### **Article IV, Section 9: Agreements, Contracts, Deeds, Checks, Etc.**

All agreements, contracts, deeds or leases shall be executed by the Council President upon approval of the majority of the Council. All invoices for expenditures in excess of \$1,000 must be approved for payment by the Council Treasurer, unless authorized by the approved annual budget (i.e. utility bills, insurance billing, monthly contractual obligations) prior to



payment being issued from the Association's operating account. All checks drawn on the Association's reserve accounts must be signed by two members of the Council.

2. **Ratification:** All other terms and conditions of the COR not inconsistent herewith are hereby ratified and confirmed.

**IN WITNESS WHEREOF**, the undersigned has set its hand and seal

**SOUTHRIDGE CONDOMINIUM  
ASSOCIATION**

BY: William F. Prettyman  
**William F. Prettyman, President**

ATTEST: South A. Hughes (SEAL)  
**Secretary**

**STATE OF DELAWARE** :  
:  
**NEW CASTLE COUNTY** :

**ss.**

On the 17 day of December, **2012**, before me personally appeared William F. Prettyman, President of **SOUTHRIDGE CONDOMINIUM ASSOCIATION**, a Delaware condominium council established pursuant to the Delaware Unit Property Act, 25 *Del. C.* §§2201 *et seq.*, party to this Instrument, known to me personally to be such, and acknowledged this Instrument to be his act and deed and the act and deed of said condominium association; that the signature of the said President is in his own handwriting, that the seal affixed is the common or corporate seal of said condominium association and that his act of sealing, executing, acknowledging and delivering said Instrument was duly authorized by a resolution of the Council of said condominium association.

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

Jason M. Raab (SEAL)  
**NOTARY PUBLIC**  
My Commission Expires: 8-31-13

Jason M. Raab  
Notary Public  
#20110831000016  
Commission expires 8/31/2013

# **PARCEL NUMBERS FOR SOUTHRIDGE**

## **PARCEL NUMBERS**

1804500039C0025  
1804500039C0045  
1804500039C0043  
1804500039C0048  
1804500039C0050  
1804500039C0001  
1804500039C0033  
1804500039C0011  
1804500039C0038  
1804500039C0015  
1804500039C0034  
1804500039C0021  
1804500039C0023  
1804500039C0006  
1804500039C0035  
1804500039C0007  
1804500039C0003  
1804500039C0026  
1804500039C0047  
1804500039C0031  
1804500039C0024  
1804500039C0019  
1804500039C0041  
1804500039C0042  
1804500039C0036  
1804500039C0012  
1804500039C0030  
1804500039C0044

## **PARCEL NUMBERS**

1804500039C0010  
1804500039C0054  
1804500039C0040  
1804500039C0016  
1804500039C0046  
1804500039C0032  
1804500039C0004  
1804500039C0029  
1804500039C0009  
1804500039C0022  
1804500039C0049  
1804500039C0017  
1804500039C0027  
1804500039C0018  
1804500039C0039  
1804500039C0002  
1804500039C0051  
1804500039C0052  
1804500039C0005  
1804500039C0028  
1804500039C0014  
1804500039C0008  
1804500039C0053  
1804500039C0013  
1804500039C0037  
1804500039C0020

SOUTHRIDGE CONDOMINIUMS  
RULES AND REGULATIONS

The Council of the Southridge Condominiums, pursuant to the powers granted to the Council under that certain Southridge Condominiums Enabling Declaration dated \_\_\_\_\_, 1995, made by Southridge, L.L.C., a Delaware limited liability company, and the Code of Regulations adopted by the Council on \_\_\_\_\_, 1995, as recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, at Deed Book \_\_\_\_\_, Page \_\_\_\_\_, and Deed Book \_\_\_\_\_, at Page \_\_\_\_\_, respectively, does hereby adopt the following Rules and Regulations governing the conduct of all Unit Owners:

1. Vehicles.

(a) Automobiles and any other permitted vehicles shall be parked only within designated parking areas and within the painted lines of a designated parking space. No vehicle shall park, stop or stand along the side or in the middle of any entrance or exit driveway or within a parking or fire lane area so as to impede or prevent ready access to and from a Building, any Unit, any garage, or any other vehicle or parking space. No inoperable or unlicensed vehicle shall be parked anywhere on the Land for more than forty-eight (48) hours. The Council shall have the right to cause any vehicle not conforming with these regulations to be moved or towed away, as necessary, at the offending Unit Owner's expense as the case may be, without liability for damage caused to such vehicle.

(b) No camper, mobile home, utility trailer, truck, tractor trailer, boat or boat trailer, personal water craft or personal watercraft trailer, snowmobile, mechanical toboggan, machinery or other type of vehicle, other than a private passenger automobile, passenger pick-up truck, non-commercial passenger van or station wagon shall be parked anywhere on the Land.

(c) All parking regulations posted or promulgated by the Council from time to time for the safety, comfort and convenience of the Unit Owners shall be strictly obeyed.

(d) Except as otherwise required for safety, each Unit Owner or occupant shall refrain from horn blowing or tire screeching with respect to any vehicle under the control of such individual when the same is approaching or located upon any part of the Land.

(e) No vehicle shall be washed in other than such locations on the land as may be designated by Council. Likewise, except

as required by emergency circumstances, no vehicle shall be mechanically serviced or attended to on the Land.

2. Grounds and Walks.

(a) The Council's maintenance responsibilities for grounds, streets, ponds, and sidewalk components of the Land shall, unless expanded by vote of the Unit Owners, be confined to grass cutting, snow removal, pavement repair, watering, pruning, trimming, edging, raking and litter pick up. However, no Unit Owner or Unit occupant shall till, seed, plant, cultivate, roll, cut, trim, edge, water, fertilize or otherwise treat the Land or plantings thereon, or cause or permit the same to be done, except in accordance with instructions issued from time to time by the Council or, in the absence of applicable instructions, with the Council's permission. Moreover, except as may be otherwise permitted or directed by the Council in writing, no Unit Owner or occupant shall cause or permit any paved area, to be salted, wetted, obstructed or used other than for access with respect to the Project. Each Unit Owner, occupant, employee and guest shall likewise refrain from littering.

(b) No signs, lamp posts, fences, birdbaths, tents, trailers or other improvements or adornments shall be erected or placed upon the Land except pursuant to the Council's written permission. No existing fences or enclosures, walks or curbs shall be painted, written or drawn upon, used to mount a sign, removed, marked or otherwise defaced. Lawn chairs, tables, barbecue grills and similar items may be located outside a Unit only at such times and places as the Council may from time to time prescribe and shall be returned to such Unit when not in use unless otherwise permitted, in writing, by the Council. No Common Elements, whether limited or not, shall be used for the storage of bicycles, furniture, ladders, tools, or any other articles of whatever nature without the written permission of the Council.

(c) Unless otherwise expressly authorized by Council, no fires shall be caused or permitted on the Land (including, without limitation, the use of electric, gas or coal or other similar cooking devices). Likewise, no other activity shall be carried on upon the Land which, in the opinion of the Council, may constitute an unreasonable safety risk to any Unit or occupant or cause unreasonable wear and tear to any Common Element.

(d) No person shall loiter upon the walks, hallways, lobbies, entrances, stairways, roof or in the parking lots or drives.

(e) All garbage and other refuse shall be kept out of sight in tightly-covered waterproof containers. Each Unit Owner or occupant shall take all reasonable steps to prevent such containers and the contents thereof from omitting odors which annoy any other Unit Owner or occupant. Disposal of garbage and other refuse from within each Unit shall be done no less frequently than weekly and in accordance with such procedures as the Council shall from time to time specify.

3. Occupancy Restrictions. At least one permanent resident of a Unit must be fifty-five years of age or older (such resident being hereinafter referred to as a "qualifying resident") and, except as hereinafter provided, children under eighteen (18) years of age ("minor children") are prohibited from residing in any Unit. The preceding sentence to the contrary, visitors of any age shall be permitted to occupy a Unit, in conjunction with a qualifying residence; however, no such occupancy shall, absent consent of the Council, exceed sixty (60) days within any calendar year.

4. Pets. No animals or livestock of any kind shall be kept within a Unit except as hereinafter provided. Dogs, cats and caged birds may be maintained within a Unit; however, the same shall be limited, in the aggregate, to no more than two animals per Unit. Each Unit Owner housing any dog(s), cat(s) or bird(s), permitted as aforesaid, shall be responsible for curbing such animals on the Property only in areas designated for such purpose by Council, for removing immediately and dispensing properly of all waste from such pet(s) (wherever occurring on the Property) and for preventing odors from animal waste attributable to such Unit Owner's pets (whether occurring outside or within such Unit Owner's Unit. Waste from such pet(s) shall be disposed of, by the Unit Owner maintaining such pet(s), in sealed containers placed only in the Condominium trash facilities. Moreover, no dog, cat or bird maintained in a Unit, as hereinabove permitted, shall be audible from outside the Unit. If the foregoing regulations are not adhered to by an Owner or Unit occupant, the Council shall have the right to require removal of any offending dog, cat or bird or unauthorized animal from the Project.

5. Unit Exteriors.

(a) No Unit Owner or occupant shall cause or permit any sign to be displayed on or from, or any rug, laundry, aerial, fan, air conditioner, wire or other object to hang or protrude from, any window or door of the Unit pertinent to such Owner or occupant. All window treatment furnished by Declarant shall be maintained by the pertinent

Unit Owner and replaced in kind by such Unit Owner as necessary. Any additional window treatment introduced by a Unit Owner or other occupant shall be subject to Council approval, to the extent the same are visible from outside the Unit; and, in the specific context of draperies, all such draperies shall be lined with a white or off-white lining. All screens, screening or window blinds not installed by the Declarant shall be subject to the Council's written approval as to appearance, design, material and manner of installation. No shades, awnings, window guards or any enclosure shall be used except with the Council's written approval. No sign or other object shall be displayed on any wall or rooftop without the Council's written approval. Subject to such specific limitations on type, manner of display and duration as the Council may from time to time fix and determine, holiday or seasonal decorations may be displayed on the exterior of Unit entrance doors and the interior of Unit windows, provided that such decorations are not lighted, are noiseless, in the case of door decorations do not protrude beyond the door frame, and are removed when the particular holiday season is concluded.

(b) No rugs shall be beat from patios, balconies or outdoor living areas, nor shall dust, rubbish or litter be shaken, swept or thrown from any window, door, patio, balcony or outdoor living area. No laundry shall be aired from any balcony or on any Common Element.

(c) No tires, tools, ladders or any other items shall be stored or left on any patio or entryway or stairway without the Council's written permission, except that outdoor tables and chairs in good condition may remain set up on patios and subject to such regulation as the Council may from time to time issue.

6. Unit Interiors.

(a) Unless and until the Council adopts an overall signage policy for the Project, no Unit Owner or occupant shall place such person or entity's name or any sign, advertisement or notice in any common area or on any Common Element or on any door. No Unit Owner shall paint, decorate or adorn any interior Common Element except pursuant to rules of the Council governing holiday decorations. All entrances and exits, foyers, corridors, stairwells and landings shall be kept free of all objects whatsoever except such furnishings as may belong to all Unit Owners in common and have been placed in a Building by the Declarant or the Council as an accessory thereto.

(b) No refuse shall be carried through, over or across any Common Element area except in a water-tight bag or other container adequate to keep the refuse from offending other Unit Owners, occupants and guests and from soiling the Common Element area. No dust or dirt shall be shaken, swept or otherwise dropped from or deposited in any common area. All damage to the Common Element areas caused by the moving or carrying of articles and all need for extraordinary cleaning shall be paid by the Unit Owner or occupant responsible for causing the same to be required.

(c) No Unit Owner, occupant or guest shall loiter about in any hall, corridor, lobby, foyer, stairwell, landing, elevator or other interior Common Element area. All pets, when outside the confinement of a Unit, shall be maintained on a leash or in a carrier or be hand held by an adult. No pet or child shall be permitted to soil any interior or exterior Common Element areas (except in designated areas as permitted aforesaid), and all accidental soiling shall immediately be cleaned by the Unit Owner or occupant responsible therefor and reported to the Council.

(d) No Unit Owner or occupant shall cause or permit the moving of furniture or equipment within the Common Areas of any Building without having first arranged the proposed moving time with the Council or the Council's duly authorized agent. Such move shall be in accordance with the regulations and directions, if any, of the Council.

(e) Fireplaces in a Unit, if any, when in operation shall be supervised by an adult and never left unattended. No coal or other combustible materials shall be stored in a Unit other than a reasonable supply of wood to be used in conjunction with a fireplace.

7. Noise. No Unit Owner or occupant shall play or allow others to play any musical instrument, radio, television, phonograph, sound movie projector, tape recorder or like device, or practice singing or vocal exercises, or use any tool or engage in any activity audible beyond the perimeter walls of a Unit earlier in the morning than eight o'clock (8:00 a.m.), Monday through Saturday inclusive, and eleven o'clock (11:00 a.m.) Sunday, or later in the evening than eleven o'clock (11:00 p.m.) Sunday through Thursday, and twelve o'clock midnight (12:00 a.m.) Friday and Saturday, or for longer (except for television, radio or phonograph) than three hours in any given day, if the same shall annoy any Unit Owner or the occupants of any other Unit. No Unit Owner shall engage in any altercation at any time or otherwise shout, yell or disturb

the peace if the same shall annoy any Unit Owner or the occupants of any other Unit. Television, radio or other electrical devices subject to volume control shall be maintained at or below moderate volume levels at the request of any Unit Owner or occupant.

8. Cleanliness. All Unit Owners and occupants shall be responsible for the cleanliness of their respective Units. The cost of exterminating any rodent or insect infestations resulting from the uncleanness of any Unit shall be charged to the Owner of that Unit and access to each Unit shall be available at all reasonable times to the Council or Council's agents for purposes of undertaking such extermination services as the Council reasonably deems necessary.

9. Water and Plumbing.

(a) No Unit Owner or occupant shall allow water to run with respect to such Owner or occupant's Unit for any unreasonable or unnecessary length of time, whether inside or outside such Owner or occupant's Unit. Use of water for shrubs and lawn care or for any purpose other than necessary human consumption shall be subject to regulations and limitations by the Council.

(b) Toilets and drains shall be used for no other purpose than that for which they were designed. No sweepings, rubbish, wrappers, papers, ashes or other substances shall be deposited therein. Any repairs necessitated by the misuse of such facilities shall be charged to the offending Unit Owner.

(c) No Unit Owner or occupant shall cause or permit any tampering with, alteration to or new connection into any water or sewer pipe without the prior written consent of Council.

10. Equipment and Installation. No Unit Owner or occupant shall tamper or interfere with or attempt to repair, alter or connect with any Common Element electrical or other cable, line, pipe, apparatus or equipment without the prior written consent of Council. Before installing and operating any machinery, refrigerating or heating device, washing machine, dryer, air conditioning or other equipment not installed by Declarant and before using any illumination other than household electric fixtures or decorative candles, each Unit Owner and occupant intending to install or operate the same shall, in each and every instance, obtain the written consent of the Council.

11. Explosives and Inflammables. No explosive or highly inflammable material shall be brought onto any part of the Property except under the supervision of the Council.



12. Keys to Units. The Council shall be entitled to possession of one key to each Unit for use during emergencies. No Unit Owner or occupant shall change any lock or install any additional lock to the entrance to such Owner's Unit without the Council's written permission and without delivering a key for such changed or additional lock to the Council.

13. Sales. No garage, auction or similar sale shall be held on the Land without the Council's written permission.

14. Increase Risk. No Unit Owner shall do, or permit anything to be done in such Owner's Unit or bring or keep anything or permit to be brought or kept anything therein which will in any way increase the risk of fire to the Project or the rate of fire insurance assessed to the Council or any Unit Owner with reference to the Project or any property maintained therein, or obstruct or interfere with the rights of other Unit Owners, or in any way risk injury to them, or conflict with the laws, ordinances or regulations applicable to the Project or with any insurance policy carried by the Council.

15. Clubhouse, and Other Common Element Use. Use of the Clubhouse or other Common Element facilities shall be regulated in accordance with rules and regulations published specifically with respect to such facilities.

16. Carpeting. All floor areas of each Unit which are carpeted or designated to be carpeted incident to the initial conveyance of such Unit by Declarant shall remain carpeted and underpadded at all times thereafter or, alternatively, covered by the Unit Owner, at such Owner's expense, with an alternative noise reduction covering approved in advance and in writing by the Council.

17. Declarant's Privileges. To the extent reasonably necessary or convenient for completion of construction of the Project and sale or rental of any Unit(s) standing in the Declarant's name, neither the Declarant nor its successors and assigns, shall be bound by the foregoing Rules and Regulations.

IN WITNESS WHEREOF, the undersigned, being the members of the Council of Southridge Condominiums, have hereunto set their respective hands and seals the \_\_\_\_ day of \_\_\_\_\_, 1995.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Anthony J. Mullen

(SEAL)

STATE OF DELAWARE:

: SS

NEW CASTLE COUNTY:

BE IT REMEMBERED, that on this \_\_\_\_ day of \_\_\_\_\_, 1995, personally came before me, the Subscriber, a Notary Public for the State of Delaware, ANTHONY J. MULLEN, known to me personally to be such, and acknowledged these Rules and Regulations to be his act and deed.

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

\_\_\_\_\_  
Notary Public

210

030931

BK 2825 PG 0260

00 MAY 11 A 10:46.5

PREPARED BY AND RETURN TO:

MICHAEL B. BATTAGLIA  
RECORDER OF DEEDS  
NEW CASTLE CO. DE

WILLIAM D. CASHIN  
2308 Independence Way  
Newark, DE 19713

AMENDMENT TO  
SOUTHRIDGE CONDOMINIUMS  
RULES AND REGULATIONS

Whereas: At a special meeting held May 14, 1999, the Council of the Southridge Condominium Association voted to amend the Association Rules and Regulations, Article 5, Titled Unit Exterior, sub-section (a) in the following respects:

Page 4, lines 8 through 11, delete references to shades, awnings etc., and substitute the following:

"No exterior window shades or guards are permitted. A resident owner may install a Retractable Awning System on the balcony or patio of the owners unit, provided: Such sun protection awning system shall be professionally installed, be of the same type and manufacture, use the same fabric and color to blend with the existing building exterior color scheme, and be equipped with a storage hood. The awning system may be operated manually, or by mechanized means as the owner desires. When installed on third (3rd) floor Court Yard units, the awning projection shall be adequate to protect the second (2nd) floor deck below. Installation and maintenance of the awning system will be the owners expense. Personal injury and property damage insurance coverage for the balcony (limited common element) will be the owners expense. Appearance and condition of the awning system will be monitored by Council for necessary replacement of the awning fabric.

The effective date of this amendment shall be May 14, 1999.

Southridge Condominium Association

*William D. Cashin*

William D. Cashin  
President

Date: 5-11-00

SWORN TO AND SUBSCRIBED before me, a Notary Public, this  
11<sup>th</sup> day of MAY, 2000.

JEFFREY L. MAXWELL  
NOTARY PUBLIC - DELAWARE  
MY COMMISSION EXPIRES APRIL 12, 2001

*Jeffrey L. Maxwell*  
Notary Public

1/14826



20070410-0032656

Pages: 1 F: \$18.00

04/10/07 02:44:00 PM

T20070024114

Michael E. Kozikowski  
New Castle Recorder MISC

Prepared by and Return:  
William D. Cashin  
2308 Independence Way  
Newark DE 19713

AMENDMENT TO  
Rules and Regulations  
Southridge Condominiums

Whereas: At a Special Meeting held March 29, 2007, 71% of the Southridge Association members voted to amend the Southridge Rules and Regulations in the following respects.

Section 4, Pets. Delete in its entirety and substitute in lieu thereof the following:

No animals, birds, reptiles or livestock shall be kept within a Unit without the approval of Council. Dogs, including visiting dogs, are prohibited from being maintained within a Unit. Cats and birds, permitted as aforesaid, shall be limited in the aggregate to no more than two pets per Unit. Moreover, no pet maintained in a Unit, as hereinabove permitted shall be audible from outside the Unit. If the foregoing regulations are not adhered to by the owner, the Council shall have the right to require removal of any offending pet, or unauthorized animal from the Southridge property.

Dogs, cats and birds presently at residence in Southridge are grandfathered under the current policy.

The date this amendment to the Rules and Regulations is recorded in the Recorder of Deeds Office shall be the effective date.

Southridge Condominium Association

Date 4-2-07

W.D. Cashin

William D. Cashin  
President

SWORN TO AND SUBSCRIBED before me, a Notary Public, this 2nd day of April, 2007.