

CODE OF REGULATIONS
FOR
THE BROOMALL CONDOMINIUM APARTMENTS

INDEX

	<u>Page</u>
ARTICLE I - IDENTIFICATION OF THE PROPERTY AND DEFINITIONS	1
§1. Identification of the Property	1
§2. Definitions	1
ARTICLE II - ADMINISTRATION; APPLICABILITY	2
§1. Administration	2
§2. Applicability	2
ARTICLE III - PRINCIPAL OFFICE	2
§1. Principal Office	2
ARTICLE IV - THE COUNCIL	2
§1. Management of the Property; Number and Qualification	2
§2. Term and Compensation	3
§3. Nominations and Elections	3
§4. Vacancies	4
§5. Removal	4
§6. Organizational Meeting	4
§7. Meetings	4
§8. Regular Meetings	5
§9. Quorum	5
§10. Unit Owners Attendance at Meetings	5
§11. Special Elections	6
ARTICLE V - OFFICERS OF THE COUNCIL	6
§1. Designation	6
§2. Election of Officers	6
§3. Duties of the President	6
§4. Duties of the Secretary	7
§5. Duties of the Treasurer	7
§6. Compensation	7
§7. Resignation and Removal	8
§8. Filling Vacancies	8
§9. Execution of Instruments	8
ARTICLE VI - UNIT OWNERS	8
§1. Place of Meetings	8
§2. Annual Meetings	8
§3. Special Meetings	8
§4. Notices	8
§5. Record Date	8
§6. Quorum	8
§7. Number of Votes	8
§8. Proxies	8

ARTICLE VI - UNIT OWNERS (Continued)

§9. Action by Unit Owners	12
§10. Actions of Unit Owners Without a Meeting	12
§11. List of Unit Owners	12
§12. Order of Business	12

ARTICLE VII - POWERS, AUTHORITY AND DUTIES OF THE COUNCIL 13

§1. Powers, Authority and Duties	13
A. Operation of the Property	13
B. Preparation of Budget	14
C. Increases in Assessments	14
D. Expenditures	15
E. Employment of Manager	15
F. Fidelity Bonds	15
G. Taxes; Water and Sewer Rents	16
H. Hire Employees	17
I. Collection of Delinquencies	17
J. Legal Counsel, etc.	17
K. Operating Accounts	17
L. Audits and Books of Account	17
M. Detailed Rules	18
N. Insurance	18
O. Collection of Proceeds	18
P. Prosecution of Eminent Domain Proceedings	18
Q. Purchase of Units	19
R. Lease or License of Common Elements	19
S. Designation of Title Holder	19
T. Approvals of Sale and Leases	19
U. Personal Property	20
V. Additions and Improvements	20
W. Maintenance, Replacement and Repair	20
§2. Limitation of Council's Liability	21
§3. Indemnification of Council Members	21
§4. Language Concerning Liability in Agreements	22
§5. Notice of Suit and Opportunity to Defend	22

ARTICLE VIII - INSURANCE; DAMAGE AND DESTRUCTION 22

§1. Insurance for Benefit of Unit Owners	22
§2. Master Policies	23
§3. Types of Insurance	24
§4. Unit Owner's Insurance	25

CODE OF REGULATIONS
FOR
THE BROOMALL CONDOMINIUM APARTMENTS

THIS CODE OF REGULATIONS is made this 27th day of February, 1979, by FRANK CREW, on behalf of himself, and on behalf of MARY ANN MAXWELL, and MORRIS L. STOLTZ, II, all of whom constitute the first members of Council of THE BROOMALL CONDOMINIUM APARTMENTS.

ARTICLE I

IDENTIFICATION OF THE PROPERTY
AND DEFINITIONS

§1. Identification of the Property. This Code of Regulations is the Code of Regulations which is adopted pursuant to the Unit Property Act of Delaware for the regulation and management of the Property known and identified as THE BROOMALL CONDOMINIUM APARTMENTS which was submitted to the provisions of the Act by Declaration Creating and Establishing The Broomall Condominium bearing even date herewith made by Frank Crew and Recorded in the Office for the Recording of Deeds in and for New Castle County, Delaware, in Deed Record V, Volume 104, Page 72, and the accompanying Declaration Plan which was Recorded in said Office in Microfilm No. 5092.

§2. Definitions. The following terms when used in this Code of Regulations shall have the same meanings ascribed to them in §1 of the Declaration referred to in §1 of this Article I, viz. "Act"; "Assessment"; "Building"; "Code of Regulations"; "Common Elements"; "Common Expenses"; "Common Interest"; "Common Receipts"; "Common Profits"; "Condominium"; "Condominium Documents"; "Council"; "Declarant"; "Declaration"; "Declaration Plan"; "Detailed Rules"; "Land"; "Majority"; or "Majority of Unit Owners"; "Person"; "Property"; "Recorded"; "Revocation"; "Unit"; "Unit Deed"; "Unit Designation"; "Unit Owner"; and "Voting Representative" of a Unit Owner means the person who is entitled pursuant to the provisions of §13 of the Declaration to cast votes for such Unit Owner.

ARTICLE II

ADMINISTRATION; APPLICABILITY

§1. Administration. The administration and management of The Broomall Condominium Apartments and the Property and the actions of the Council and the Unit Owners shall be governed by the Code of Regulations.

§2. Applicability. All present and future Unit Owners, tenants, their licensees, servants, agents, employees and any other person or persons that shall be permitted to use the Property shall be subject to the Code of Regulations and to the Detailed Rules (as defined in Paragraph M of §1 of Article VII of this Code of Regulations) made and promulgated by the Council. Acquisition, rental or occupancy of any Unit shall be conclusively deemed to mean that the Unit Owner, tenant or occupant has accepted and ratified the Code of Regulations and the Detailed Rules of the Council and will comply with them.

ARTICLE III

PRINCIPAL OFFICE

§1. Principal Office. The principal office of The Broomall Condominium Apartments and of the Council shall be located initially at 900 North Broom Street, Wilmington, Delaware, but thereafter may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Council.

ARTICLE IV

THE COUNCIL

§1. Management of the Property; Number and Qualification. The Council shall manage the business, operation and affairs of The Broomall Condominium Apartments on behalf of the Unit Owners in compliance with and subject to the provisions of the Act, this Code of Regulations and the Declaration. The Council shall consist of three natural individuals, each of whom shall be at least twenty-one years of age. A person need not be a Unit Owner to qualify for membership in the Council, but, if not a Unit Owner, must be a resident of the State of Delaware.

§2. Term and Compensation. The first members of the Council shall be persons designated as such in the Declaration, and they shall serve until their successors shall have been elected at the first annual meeting of the Unit Owners. At any annual election in which the Declarant shall be entitled to select a majority of the members of the Council as provided in §25(11) of the Declaration, all members of the Council shall be elected for a term of one year. At the first annual election in which the Declarant shall not be entitled to select a majority of the members of the Council, one member shall be elected to serve for a term of three years, one to serve for two years and one to serve for one year. At all subsequent elections the member or members of the Council to be elected at such election shall be elected for a term of three years. Each member shall serve until his successor shall be elected and shall serve without compensation.

§3. Nominations and Elections. At least two months preceding the annual meeting of the Unit Owners, the President shall appoint a nominating committee of three, at least one of whom shall be a member of the Council whose term of office does not expire at the ensuing annual election. The nominating committee, after considering the qualifications of individuals and consulting with the Declarant while the Declarant owns five or more Units, shall select an individual or individuals to be elected as a member of the Council. Such Committee shall report its nominees to the President at least fifteen days prior to the date of the annual meeting. In the case of an election to be made pursuant to the provisions of the third sentence of §11 of this Article IV, the nominating Committee shall be appointed at least 20 days prior to such election and such Committee shall file its report of nominees to the President at least ten days prior to the date of the special election.

Any eight Unit Owners, or the Unit Owner of eight or more Units, may nominate candidates to the Council by presenting such nominations in writing signed by them to the Secretary. Such petition shall be presented not less than fifteen days before the annual meeting.

At least ten days prior to the annual meeting, the Unit Owners shall be notified in writing of all nominees to the Council and shall be furnished with ballots. The names of all nominees shall be either typed or printed upon all ballots. Where there is more than one candidate such names shall be arranged in alphabetical order.

Those nominees receiving the greater number of votes out of the number to be elected shall be declared elected and in case of a tie vote as to the last place to be filled, a new ballot shall be cast in order to determine the last successful candidate excluding those with a smaller number of votes who shall be declared defeated. Cumulative voting shall not be permitted.

Unit Owners or their Voting Representatives may cast their vote prior to the annual meeting by depositing their ballots with the Secretary, to be opened by him at the meeting, and are not required to be present at the meeting to cast their ballots for the election of the members of the Council.

§4. Vacancies. If the office of any member of the Council shall become vacant by reason of his death, resignation, retirement, disqualification, removal from office or otherwise, the remaining members of the Council, at a special meeting duly called for such purpose, shall choose a successor, who shall serve for the remaining unexpired term of the member replaced; except the Declarant alone shall designate the replacement of any member who was initially designated by him.

§5. Removal. Members of the Council (except those selected by the Declarant pursuant to the provisions of §25(11) of the Declaration) may be removed with or without cause, by the affirmative vote of Unit Owners or their Voting Representatives having two-thirds of the votes cast at any annual or special meeting of the Unit Owners duly called for such purpose, in which case the provisions of §4 of this Article IV shall also apply.

§6. Organizational Meeting. The first or organizational meeting of each newly elected Council shall be held immediately upon adjournment of the meeting of the Unit Owners at which they were elected and at the same place where the meeting of the Unit Owners was held, provided a quorum is present. If a quorum of the Council is not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable provided notice is given to each member of the Council as set forth in §7 of this Article IV or unless waived as provided in §8 of this Article IV.

§7. Meetings. The Council shall meet regularly at least once a month on the first Thursday of each month or on such other day as the Council may fix. At the meeting to be held on the first Thursday of November of each calendar year the Council shall adopt the budget specified in Paragraph B of §1 of Article VII of this

Code of Regulations. The meetings shall be held at the principal office of The Broomall Condominium Apartments or at such other places as the Council may determine. The annual meeting of the Council shall be held immediately following the annual meeting of the Unit Owners at the place where such annual meeting of the Unit Owners is held. A special meeting of the Council may be called by the President on two days' notice given either in writing, in person, by telephone, or by wire; to each member of the Council. Such special meeting must be called on the demand or request of two members of the Council.

§8. Regular Meetings. Regular meetings once established may thereafter be held without notice at the time and place agreed upon by the Council. If the time or place of a regular meeting be changed by circumstances beyond the control of the Council, notice of the change shall be given in the same manner as for a special meeting. Notice of a regular or special meeting need not be given to any member of the Council who submits a waiver of notice, whether such waiver be before or after the meeting. Attendance at the meeting shall be deemed to be a waiver of notice thereof.

§9. Quorum. At all duly convened meetings of the Council, a majority of the members of the Council shall constitute a quorum for the transaction of business except as otherwise expressly provided in the Code of Regulations or by law. Each member of the Council shall be entitled to cast one vote and the acts of the majority of the members of the Council present at such meeting at which a quorum is present shall be the acts of the Council. If at any meeting of the Council there shall be less than a quorum present, the members of the Council present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called, may be transacted without further notice to any such members.

§10. Unit Owners Attendance at Meetings. Except for the meeting to approve and adopt the budget of the Council as stated in §7 of this Article IV, Unit Owners shall have no right to attend the meetings of the Council, but the Council may, in its sole discretion, elect to allow the Unit Owners to attend a particular meeting or meetings. If the Council does elect to allow the Unit Owners to attend a particular meeting, the Secretary of the Council shall give a notice of such meeting to the Unit Owners at least three days

prior to the said meeting; provided however that the failure to give such notice shall neither invalidate any actions taken by the Council at said meeting nor impose any liability on the Council or the members or officers of the Council for the failure to give said notice. Notwithstanding anything contained in this §10, all Unit Owners shall have the right to attend and be heard, but not the right to vote, at the meeting of the Council at which the budget of the Council and The Broomall Condominium Apartments shall be adopted by the Council. Unit Owners shall receive notice of said meeting in the manner provided in §4 of Article VI of the Code of Regulations by the Secretary of the Council at least ten days, but not more than twenty days, prior to said meeting.

§11. Special Elections. In the event that at any time the Declarant shall own less than 10% of the Units, then the Council shall call for a special election of the members of the Council and such election shall be held within 120 days of the occurrence of such event for the purpose of electing members of Council who had theretofore been selected by the Declarant pursuant to the provisions of §25 (11) of the Declaration. Those members of Council elected pursuant to such special election shall serve the remaining annual term of the members of Council previously selected by the Declarant.

ARTICLE V

OFFICERS OF THE COUNCIL

§1. Designation. The officers of the Council shall be a President, Secretary and Treasurer. The Secretary may be eligible to the office of Treasurer. All officers shall be members of the Council.

§2. Election of Officers. The officers of the Council shall be elected annually by the Council at the organization of each new Council and shall hold office until their successors are elected or appointed by the Council and qualify.

§3. Duties of the President. The President shall be the chief executive officer of the Council and shall preside at all meetings of the Unit Owners and of the Council. He shall have the general powers and duties usually vested in the office of the

President of a Delaware business corporation, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may deem appropriate to assist in the conduct of the affairs of the Council.

§4. Duties of the Secretary. The Secretary shall attend all meetings of the Council and all meetings of the Unit Owners and shall record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose. He shall have charge of the minute book and such records and papers as the Council shall direct and perform all duties incident to the office of Secretary of a Delaware business corporation including the sending of notices of meetings to the Unit Owners, the Council and committees and such other duties as may be prescribed by the Code of Regulations or by the Council or the President. He shall keep at the Council's office a record of the names and addresses of all Unit Owners and the information specified in §11 of Article VI of this Code of Regulations, as well as copies of the Declaration, the Declaration Plan, the Code of Regulations and of the Detailed Rules adopted by the Council, all of which shall be available at the office of the Council for inspection by Unit Owners or prospective Unit Owners during regular business hours. The Secretary shall keep or cause to be kept the register of holders of mortgages secured upon the Units referred to in Article X hereof.

§5. Duties of the Treasurer. The Treasurer shall have charge and custody of, and be responsible for, the funds and securities of the Council and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Council in such depositories as may from time to time be designated by the Council. He shall disburse the funds of the Council as may from time to time be ordered by the Council or by the President, making proper vouchers for such disbursements. He shall keep or cause to be kept full, complete and accurate accounts and records of all financial transactions of the Council and shall submit or cause to be submitted to the Council and the Unit Owners such reports thereof as the law, the Declaration, the Council or the Code of Regulations may from time to time require. Such accounts and records shall include, without limitation, chronological listings of all Common Receipts and Expenses on account of the Common Elements and each Unit, and any other expense incurred, the amount of each Assessment for Common Expenses and Assessments applicable to the Units, if any, and the amounts paid and the amounts due on such Assessments by the Unit Owners. Such records

shall specify and itemize the maintenance, repair and replacement expenses relating to the Common Elements and any other expenses incurred by the Council. The foregoing financial records shall be kept at the Council's office and shall be available there for inspection by Unit Owners or prospective Unit Owners during regular business hours. He shall direct and perform all duties incident to the office of Treasurer of a Delaware business corporation.

§6. Compensation. The officers of the Council shall serve without compensation unless such is approved by a Majority of Unit Owners. If any compensation shall be paid, it shall be treated as a Common Expense. Appointment or election as an officer shall not carry with it an automatic contractual right to compensation. The officers of the Council shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

§7. Resignation and Removal. Any officer of the Council may resign at any time by written notice to the Council, such resignation to become effective at the next Council meeting. Any member of the Council who resigns or is removed as a member of the Council shall also be deemed to have resigned or been removed, ipso facto, from any Council office he may have held.

§8. Filling Vacancies. Vacancies caused by resignation or removal of any officer shall be filled by a majority vote of the other members of the Council.

§9. Execution of Instruments. No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Council and the Unit Owners unless signed by two officers of the Council, except as such power may be otherwise delegated to the Manager as provided in §1 of Article VII of the Code of Regulations. The liability of the Unit Owners, the Council or any officer of the Council under any instrument binding or purporting to bind the Unit Owners or the Council shall be governed by the provisions of §4 of Article VII of the Code of Regulations.

ARTICLE VI

UNIT OWNERS

§1. Place of Meetings. All annual and special meetings

of the Unit Owners shall be held at the principal office of The Broomall Condominium Apartments or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Code of Regulations or the Council and designated in the notices of such meetings.

§2. Annual Meetings. The first annual meeting of the Unit Owners shall be held within thirty days after the date on which title to Units having Common Interests in the Common Elements in excess of 75% shall have been conveyed by the Declarant to Unit Owners other than the Declarant or within one year following the date of conveyance of the first Unit, which ever shall first occur. Subsequent annual meetings shall be held at 7:30 P.M. on the first Monday of April of each year, or at such other date and time as the Council may determine but not more than one hundred fifty nor less than ninety days after the end of the fiscal year of Wilmingtonian Condominium as specified in Article XII of the Code of Regulations.

At the annual meeting the Unit Owners shall elect the members of the Council unless such action is taken pursuant to the provisions of §10 of this Article VI. The Unit Owners also may conduct whatever other business may be required or permitted by law, the Declaration or the Code of Regulations, to be done by a vote of the Unit Owners. The Treasurer of the Council shall present at each annual meeting an audit (prepared and certified by an independent certified public accountant) of the Common Expenses, Common Receipts and Common Profits, the allocation thereof to each Unit Owner, and any changes expected for the current fiscal year. Such audit shall be delivered to all Unit Owners not less than ten days prior to the annual meeting.

§3. Special Meetings. Special meetings of the Unit Owners may be called at any reasonable time and from time to time if requested by any two members of the Council and must be called by the Council upon receipt of written request from Unit Owners entitled to cast 15,000 votes. The Council shall designate the date, time and location of all special meetings of the Unit Owners. Special meetings of the Unit Owners shall be called for the purpose of considering matters which shall be required or permitted by law, the Declaration, or the Code of Regulations, to be done by a vote of the Unit Owners, or for any other reasonable purpose. Action taken at a special meeting shall be confined to the purposes

stated in the notice thereof.

§4. Notices. Notice of meetings of the Unit Owners shall be in writing. The Secretary of the Council shall give or cause to be given to the Unit Owners and all members of the Council any notice permitted, or required by the Declaration or the Code of Regulations either by hand delivery, or mailing United States Postal Service first class mail addressed to the Unit Owner at such address as the Unit Owner may from time to time specify in writing to the Secretary. This notice shall be deemed given if placed in the Unit Owner's mailbox by hand or when the notice has been duly deposited in a receptacle therefor maintained by the United States Postal Service, postage prepaid. Notice of meetings need not be given to any Unit Owner who personally, or by his Voting Representative, signs a waiver of notice whether before or after the meeting. The attendance at a meeting of any Unit Owner, or his Voting Representative, without protesting prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice of the meeting by such Unit Owner. If there are co-owners of record of a Unit, notice shall be addressed to all of them, but need be sent or delivered only to their Unit or to one other address designated in writing by them in accordance with the provisions of this §4.

Notices of the annual and special meetings of the Unit Owners shall specify the date, time and location of the meeting, as well as the matters which will be the subject of discussion or vote at such meeting. All notices for the annual meetings shall be given to the Unit Owners at least ten days, but not more than twenty days, prior to such meeting. Notices for special meetings shall be given to the Unit Owners at least fifteen days, but not more than twenty-five days, prior to such meeting. Notices for postponed meetings shall be given at least ten days, but not more than twenty days, prior to the date of the rescheduled meeting.

§5. Record Date. For the purpose of determining the Unit Owners entitled to notice of any meeting of the Unit Owners, or any adjournment thereof, or for the purpose of any other action, the Council shall fix in advance a date as the record date for such determination. Such date shall not be more than thirty nor less than twenty-five days before the date of the meeting. If no record date is fixed, then the date shall be deemed to be the twenty-fifth day before the date of the meeting.

§6. Quorum. No official business may be transacted nor may any binding vote be taken at any meeting of the Unit Owners unless a quorum of Unit Owners is present. A quorum for all meetings shall exist if there is present, in person or by proxy, Unit Owners or their Voting Representatives together entitled to cast at least twenty-five percent of the total outstanding votes of the Unit Owners. The subsequent joinder of a Unit Owner or his Voting Representative in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Person for the purpose of determining a quorum. When a quorum is once present to organize the meeting, it cannot be broken by the subsequent withdrawal of a Unit Owner or Unit Owners or his or their Voting Representatives. If a quorum is not present at any meeting, the Unit Owner present may reschedule the meeting for a later date, allowing time for the required notice which the Secretary shall give or cause to be given to all Unit Owners and which shall include notice that action may be taken at such rescheduled meeting regardless of a normal quorum. A quorum at such rescheduled meeting shall consist of whatever number of Unit Owners and Voting Representatives is present, whether or not their combined votes equal twenty-five percent of the total outstanding votes of the Unit Owners.

§7. Number of Votes. The number of votes which each Unit Owner (including the Declarant) or his Voting Representative shall be entitled to cast in any of the affairs of the Unit Owners requiring a vote, and which votes are assigned to a particular Unit, shall be as provided in §13 of the Declaration.

A Unit which has been acquired by the Council on behalf of all the Unit Owners shall not be entitled to vote so long as it continues to be so held.

§8. Proxies. Any Unit Owner and any Voting Representative may attend all meetings of the Unit Owners either in person or by proxy. Such proxy shall be in writing and shall be delivered to the Council at least one day prior to the meeting for which the proxy has been given. The proxy may be revoked at any time by written notice to the Council. No proxy shall endure for more than one meeting and any postponements thereof, unless the proxy shall state some longer period of duration, which in any event shall not exceed eleven months. Such proxy shall also become void when the Council has received written notice, given by a responsible person who would have personal knowledge of the fact, of the death or judicially

declared incompetence of the grantor of such proxy or of the recording of the transfer of title to the Unit from the grantor of such proxy.

§9. Action by Unit Owners. Except as otherwise provided by law, the Declaration or the Code of Regulations, acts of the Unit Owners shall require the approval of the Unit Owners or their Voting Representatives together entitled to cast in excess of fifty percent of the votes of all Unit Owners or their Voting Representatives present in person or by proxy at a meeting of the Unit Owners at which a quorum is present in person or by proxy.

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

§11. List of Unit Owners. The Secretary of the Council shall compile and keep up to date at the principal office of the Council a complete list of the Unit Owners and their last known post office addresses. Such list shall also show opposite each Unit Owner's name the Unit Designation of the Unit or Units owned by him, the percentage of Common Interest in the Common Elements assigned to the Unit or Units owned by him, the number of votes which the Unit Owner is entitled to vote at meetings of the Unit Owners and the Voting Representative, if any. This list shall be open to inspection by all Unit Owners and other persons lawfully entitled to inspect the same during regular business hours.

§12. Order of Business. The order of business at the annual meeting of the Unit Owners shall be:

- (a) Calling the roll.
- (b) Proof of notice of the meeting or certification as to waivers.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of the officers.

- (e) Reports of the Council.
- (f) Reports of Committees.
- (g) Selection and appointment of inspectors of election.
- (h) Election of members of the Council.
- (i) Unfinished business.
- (j) New business.
- (k) Adjournment.

The order of business at all other meetings of the Unit Owners shall as far as practical conform to the order of business at the annual meeting insofar as the special purposes of the meeting will permit.

ARTICLE VII

POWERS, AUTHORITY AND DUTIES OF THE COUNCIL

§1. Powers, Authority and Duties. The Council shall have and exercise all lawful powers, authority and duties necessary for the proper conduct and the administration, management and operation of affairs of The Broomall Condominium Apartments, and may do or cause to be done all such other lawful acts and things as are not by law, by the Code of Regulations and the Declaration or otherwise, directed or required to be done or exercised by the Unit Owners, or by others. In the performance of its duties as the administrating body of The Broomall Condominium Apartments, the Council shall have powers, authority and duties set forth in the Act and the Documents, including, but not limited to, the following:

A. Operation of the Property. The operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, protection and surveillance of The Broomall Condominium

Apartments, . . . and all other property, real or personal, of the Council held for the benefit of the Unit Owners.

B. Preparation of Budget. The preparation and adoption not later than the first Thursday of November of each calendar year of a budget or estimate of Common Expenses for the next succeeding fiscal year which shall include, but not be limited to, reasonable reserves for depreciation, retirements and renewals. The total amount of such budget or estimate shall be assessed against all of the Units and the respective Unit Owners thereof, in the same proportion as their respective undivided Common Interests in the Common Elements as set forth in the Declaration. The proportionate amounts thus found applicable to each Unit shall be payable by the Unit Owner thereof to the Council in twelve equal monthly installments on the first day of each month of each year. On or before the due date of the first monthly installment, the Council shall prepare and deliver or mail to each Unit Owner and person holding a first mortgage upon a Unit who has given the information set forth in §1 of Article X of this Code of Regulations, a statement showing the amount thereof and the amount assessed against such Unit for the entire fiscal year, and shall not be obligated to give notice of any subsequently accruing monthly payments for such fiscal year; and the omission of notice of such installment shall not relieve such Unit Owner from his obligation to pay such monthly installments promptly when and as they become due and payable. The omission by the Council to fix the Assessments for the next fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Code of Regulations or of the other Documents, or a release of the Unit Owners from the obligation to pay the Assessments, or any installment thereof for any such year, but the Assessment fixed for the preceding fiscal year shall continue until a new Assessment is fixed. The Council shall establish and maintain an adequate reserve for the replacement of the Common Elements which reserve must be funded by monthly Assessments rather than by extraordinary special Assessments. All such reserves shall be regarded as Common Expenses notwithstanding that they may not be expended during the year in which they are assessed.

C. Increases in Assessments. To adjust or increase the amount of any annual Assessment for Common Expenses and monthly installments thereof, and to levy and collect in addition thereto, special Assessments for Common Expenses in such amounts as the

Council may deem proper, whenever the Council is of the opinion it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies; provided, however, that all such increased or special Assessments shall be made or levied against the Unit Owners and the Units owned by them respectively, in the same proportions or percentages as provided in Paragraph B of §1 of this Article VII.

D. Expenditures. To use and expend, in accordance with the budget, any sums collected from such Assessments for the operation, management, maintenance, renewal, replacement, repair, care, cleaning, upkeep, surveillance and protection of the Common Elements and all real and personal property of the Council held for the benefit of the Unit Owners. No expenditures for capital improvements in excess of \$5,000 for any one item shall be made by the Council without the affirmative vote of the Unit Owners or their Voting Representatives representing a majority of the total votes at an annual meeting or special meeting called for that purpose at which a quorum was present. Nor shall the Council voluntarily incur and pay for any expenses for which provision has not been made in the budget.

E. Employment of Manager. To employ and hire one or more persons or business entities (herein collectively called the "Manager") to manage the Property. The Manager shall be subject to the control of the Council at all times. The Council shall have the power to fix the Manager's compensation and to set forth and define the details of the Manager's powers and duties. The compensation of the Manager shall be paid by the Council as part of the Common Expenses. Any management agreement entered into by the Council shall be terminable by the Council for cause upon 30 days' written notice thereof, and the term of any such agreement shall not exceed one year, renewable by agreement of the parties thereto for successive one-year periods. If the Council shall enter into such management agreement, then the effectuation of any decision by the Council to terminate professional management and to assume management of the Property shall be subject to the prior written approval of each institutional holder of a first mortgage lien on Units.

F. Fidelity Bonds. To require all officers and employees of the Council and the Manager handling, or responsible

for, funds of the Council or funds in its possession or under its control, to furnish fidelity bonds, in form, amounts and with corporate surety satisfactory to the Council; provided, however, such bonds shall meet the following minimum requirements:

- (1) the Council shall be named as an Obligee;
- (2) they shall be written in an amount equal to at least 150% of the estimated annual Common Expenses, including reserves;
- (3) they shall contain waivers of any defense bond upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- (4) they shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to any mortgagee holding a first mortgage lien on a Unit.

The premiums on such bonds shall be paid by the Council as part of the Common Expenses.

G. Taxes; Water and Sewer Rents. To pay all taxes and assessments levied or assessed against any property of the Council held for the benefit of the Unit Owners, exclusive of any taxes or assessments levied against any Unit or otherwise properly chargeable to the Unit Owner or Unit Owners thereof.

Taxes and assessments (if any) which may be levied against the Property as a whole before separate assessments for each Unit are made as provided by Section 2232 of the Act shall be paid by the Council and shall be included in the budget and paid by the Unit Owners as a Common Expense. All liens against the Common Elements of any nature including taxes and special assessments levied by governmental authorities shall be paid by the Council and shall be assessed by the Council against the Unit or Units in accordance with their respective Common Interests or to the Common Expense account, whichever in the judgment of the Council is appropriate.

Water rents, sewer rents and electricity for common

facilities (other than as supplied to individual Units) which are assessed, levied and charged against the Property as a whole shall be paid by the Council and shall be included in the budget and paid by the Council as a Common Expense.

H. Hire Employees. To employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Council may from time to time be necessary for the proper operation and maintenance of The Broomall Condominium Apartments, except the portions thereof required to be maintained by Unit Owners.

I. Collection of Delinquencies. To collect delinquent levies or Assessments made by the Council against any Units and the respective Unit Owners thereof, and interest thereon, together with such costs and expenses incurred in connection therewith, including but not limited to filing fees, court costs and attorneys' fees whether by suit or otherwise, and to abate nuisances and enforce observances of the Rules and Regulations (as defined in Paragraph M of this §1) relating to The Broomall Condominium Apartments, by injunction or such other legal action or means as the Council may deem necessary or appropriate.

J. Legal Counsel, etc. To employ or retain legal counsel, engineers and accountants, and to fix their compensation, whenever such professional advice or services may be deemed necessary by the Council for any proper purposes, including but not limited to those hereinbefore or hereinafter referred to in this Code of Regulations or the Declaration.

K. Operating Accounts. To cause such operating accounts, and escrow and other accounts, if any, to be established and opened as the Council may deem appropriate from time to time and as may be consistent with good accounting practices.

L. Audits and Books of Account. (1) To cause a complete audit of the books and accounts of the Council to be made by a competent certified public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary. The Council shall also prepare at the end of each fiscal year and furnish to all Unit Owners a report of the business and affairs of the Council, showing its transactions and reflecting

fully and accurately its financial condition.

(2) To keep detailed books of account, in chronological order, of the receipts and expenditures affecting The Broomall Condominium Apartments and its administration, and specifying the amount of the Common Expenses, Common Receipts and Common Profits and the portions thereof attributable to each Unit.

M. Detailed Rules. To make, promulgate and enforce compliance with such reasonable rules and regulations (herein called the "Detailed Rules") relative to the operation, use and occupancy of the Units, the Common Elements and other portions of the Property (including the assignment to each Unit of the exclusive right to use of certain parking spaces on a uniform, reasonable and equitable basis), and to amend the same from time to time as the Council shall deem necessary or appropriate, all by majority of the Council. Copies of the Detailed Rules when approved by appropriate resolutions shall be posted in a convenient central place in the building for inspection by the Unit Owners, and a copy of such Detailed Rules and copies of any amendments thereof shall be delivered or mailed to each Unit Owner promptly upon the adoption thereof. Such Detailed Rules shall become effective fifteen (15) days after their date of posting, subject to change of the affirmative vote of a Majority of all of the Unit Owners.

N. Insurance. To procure and maintain the insurance and keep the Property insured as provided in Article VIII of this Code of Regulations. The Council shall review the insurance requirements and limits thereof once each year. The Council shall pay the premiums on the aforementioned policies as Common Expenses. In the event the amount of any premium on such insurance shall be increased above the normal premium because of a particular use of, or hazard or risk in, a Unit, then the Unit Owner of such Unit shall be solely liable for the increase, and the same shall not constitute a Common Expense.

O. Collection of Proceeds. To collect all proceeds of all casualty or physical damage insurance and to apply the same towards the cost of repair, restoration or replacement of any damaged Property in accordance with the provisions of this Code of Regulations and the Declaration.

P. Prosecution of Eminent Domain Proceedings. To prosecute all proceedings with respect to the taking, injury or

destruction by eminent domain of the Common Elements or any part thereof; or any part of the Property, provided, however, that the Council shall not compromise any claim without the affirmative vote of Unit Owners or their Voting Representatives representing at least a majority of the total outstanding votes of the Unit Owners at an annual meeting or special meeting thereof called for that purpose. The Council shall give notice to each Unit Owner of any such proceedings and each Unit Owner shall be entitled to participate in any such proceedings. The Council shall also determine whether it shall be appropriate to apply any sums payable with respect to such taking, injury or destruction to the repair or replacement of the Common Elements or Property injured or destroyed as a result thereof and shall distribute any sums not so applied as provided in Article IX of the Code this Code of Regulations.

Q. Purchase of Units. In order to protect the Council's right to collect unpaid Assessments which are a charge against a Unit, it shall have the right to purchase, on behalf of the Unit Owners, at sheriff's sale any Unit in The Broomall Condominium Apartments provided such action shall be authorized by the affirmative vote of a majority of the members of the Council. To purchase a Unit for use by any superintendent employed by the Council and otherwise hold, lease, sublet, sell, convey and mortgage such Units and Units acquired pursuant to the provisions of the preceding sentence. The Council may borrow all or a part of the funds necessary to effect any such purchase. Payment of the purchase price shall be made from the Common Receipts and any income from any resale, mortgage or lease shall be deemed to constitute Common Receipts.

R. Lease or License of Common Elements. To lease or license the use of Common Elements in a manner not inconsistent with the rights of the Unit Owners, including, but not limited to leases of portions of the Common Elements to the Declarant.

S. Designation of Title Holder. To designate a nominee for the purpose of acquiring title to any Unit and/or to designate and enter into a trust agreement with two or more members of the Council to act as trustees on behalf of the Council and Unit Owners for the purpose of holding title to any Units purchased by the Council in trust for the Council and the Unit Owners and/or to execute mortgages and leases as such trustees.

T. Approvals of Sale and Leases. To give the consents

and approvals, if any, required by the provisions of the Declaration.

U. Personal Property: To acquire, hold and lease in the name of the Council, the Council's nominee, or the trustees appointed by the Council pursuant to Paragraph S of this §1, for the benefit of the Unit Owners, tangible and intangible personal property and to dispose of the same by sale or otherwise. The beneficial interest in such personal property shall be in the Unit Owners and shall be deemed part of the Common Elements and shall not be transferable except as part of the transfer of title to a Unit. The transfer of title to a Unit shall transfer to the grantee ownership of the grantor's share of the beneficial interest in such personal property.

V. Additions and Improvements.

(1) Subject to the provisions of the Documents, the Council shall have the right to make or cause to be made such alterations, additions and improvements to the Common Elements as in the Council's opinion may be beneficial and necessary or which are requested in writing by a Unit Owner or Unit Owners and the holders of first mortgages thereon. The Council shall require the consent in writing before undertaking such work of such Unit Owners and the holders of first mortgages thereon, whose rights, in the sole opinion of the Council, may be prejudiced adversely by such alterations, additions or improvements.

(2) When, in the sole opinion of the Council, the alteration, addition or improvement is general in character, the costs therefor shall be assessed as Common Expenses.

(3) When, in the sole opinion of the Council, the alteration, addition or improvement is exclusively or substantially exclusively for the benefit of one or more Unit Owners who requested it, the cost shall be assessed against such Unit Owner or Unit Owners in such proportion as the Council shall determine is fair and equitable. Nothing herein contained shall prevent the Unit Owners affected by such alteration, addition or improvement from agreeing in writing, either before or after the Assessment is made, to be assessed in different proportions.

W. Maintenance, Replacement and Repair. To take whatever steps are necessary to maintain, repair and replace the common elements, and to pay the costs thereof. The Council shall exercise this authority in any effort to keep the Common Elements in as good condition as when the property was submitted to condominium status, ordinary wear and tear excepted; and shall make such replacements of worn out equipment and materials as are necessary to keep the Property in good operating condition, and to preserve the habitability and value of the Units. No Unit Owner shall perform any work on the Common Elements without the prior written authorization of the Council.

§2. Limitation of Council's Liability. The Council and the members of the Council in their capacity as Council members and/or officers of the Council: (a) shall not be liable for the failure of any service to be obtained and paid for by the Council hereunder, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Property, or resulting from electricity, water, rain or dust which may leak or flow from the outside or from any parts of any Buildings or other improvements constructed on the Property, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by willful misconduct or gross negligence of the Council; (b) shall not be liable to the Unit Owners as a result of the performance of their duties for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or gross negligence; (c) shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Council or the Unit Owners in the performance of their duties; (d) shall have no personal liability in tort to a Unit Owner or any other person or entity direct or imputed, by virtue of acts performed by them, except for their own individual willful misconduct or gross negligence in the performance of their duties or acts performed for them; and (e) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be chargeable against or imputed to them as a result or by virtue of their performance of their duties except for their own individual willful misconduct or gross negligence.

§3. Indemnification of Council Members. Each member of the Council in his capacity as a Council member and/or officer and his heirs, executors and administrators shall be indemnified by the Unit Owners against all liabilities and expenses, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding in which he may become involved by reason of his being or having been a member and/or officer of the Council, or any settlement thereof, whether or not he is a Council member and/or officer at the time such expenses are incurred, except in such cases wherein the Council member and/or officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only if and when the Council (with the affected member abstaining) acting upon advice of legal counsel,

approves such settlement and reimbursement as being in the best interests of the Unit Owners. The indemnification by the Unit Owners set forth in this §3 of this Article VII shall be paid by the Council on behalf of the Unit Owners and shall constitute a Common Expense and shall be assessed and collectible as such. Such right of indemnification shall not be deemed exclusive of any rights to which such Council member and/or officer may be entitled as a matter of law or agreement or vote of Unit Owners or of the Council or otherwise.

§4. Language Concerning Liability in Agreements. Every agreement, deed, lease, mortgage, instrument or other transaction entered into by the Council on behalf of The Broomall Condominium Apartments shall provide that the Council and the officers executing the same are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except to the extent, if any, that they may also be Unit Owners at the time any such liability is assessed), that any claim by the other party or parties thereto in respect thereto or to the subject matter thereof shall be asserted against the Council, which shall act on behalf of the Unit Owners in respect thereto, that any liability thereunder or in respect of the subject matter thereof shall be borne by those Persons who are Unit Owners at the time such liability is assessed by the Council as a Common Expense, for which Assessment each such Unit Owner shall be liable only severally to the extent of his Common Interest in the Common Elements.

§5. Notice of Suit and Opportunity to Defend. Complaints brought against the Council, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, or the Unit Owners as a class, shall be directed to the Council, which shall give written notice thereof promptly to the Unit Owners and the mortgagees who shall have registered with the Council pursuant to the provisions of §1 of Article X of the Code of Regulations, and shall be defended by the Council. The Unit Owners and such mortgagees shall have no right to participate other than through the Council in such defense.

ARTICLE VIII

INSURANCE; DAMAGE AND DESTRUCTION

§1. Insurance for Benefit of Unit Owners. Except for

title insurance, the Council shall obtain and maintain, to the extent available, insurance on the Buildings and all other insurable improvements upon the Land, including but not limited to the Units, together with the service machinery and equipment and all other personal property as may be held and administered by the Council for the benefit of the Unit Owners, covering the interest of the Council and all Unit Owners and their mortgagees as their interests may appear. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Delaware.

§2. Master Policies. The Council shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Council if the net proceeds are \$25,000 or less and to a bank or trust company regularly doing business in the State of Delaware designated by the Council as insurance trustee under the Code of Regulations, if the net proceeds exceed \$25,000. Under the same master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering each and every Unit of Wilmingtonian Condominium and the Common Elements. A certificate of insurance with proper mortgagee endorsements shall be issued to each Unit Owner and the original thereof shall be delivered to the mortgagee, if there be one, or retained by the Unit Owner if there is no mortgagee. The certificate of insurance shall show the relative amount of insurance covering the Unit and Common Interest in the Common Elements and shall provide that improvements to a Unit or Units which may be made by the Unit Owner or Owners shall not affect the valuation for the purposes of this insurance of the Buildings and other improvements upon the Land. Such master insurance policies and certificates shall contain provisions to the extent obtainable by the Council; using its best efforts, that the insurer waives its right to subrogation as to any and all claims against the Council, its agents and employees, Unit Owners, their respective servants, employees, agents, tenants and guests, and of any defense based on co-insurance or the invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution from casualty insurance which may be purchased by individual Unit Owners as hereinafter permitted. All such policies shall provide that coverage shall not be prejudiced by: (1) any act or neglect of the Unit Owners when such act or neglect is not within the control of all the Unit Owners or the Council, or (2) failure of the Council to comply with any warranty or condition with regard to any portion of the Property over which

the Council has no control. The original master policies of insurance shall be deposited with the insurance trustee and memoranda thereof shall be retained by the Council and deposited with any first mortgagee who may require the same. The insurance trustee must acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms of the Code of Regulations. The Council shall pay, for the benefit of the Unit Owners and each Unit mortgagee, the premiums for the insurance hereinafter required to be carried at least thirty days prior to the expiration date of any such policies and will notify each Unit mortgagee of such payment within ten days after the making thereof.

§3. Types of Insurance. The Property shall be covered by:

(1) Casualty or physical damage insurance in an amount equal to the full replacement value of the Buildings and all other insurable improvements referred to in §1 of this Article VIII, as determined annually by the Council with the assistance of the insurance company affording such coverage; provided that, at the option of the Council, such policy or policies may contain a "deductible" provision in an amount determined by the Council but not to exceed \$2,500. Such coverage shall afford protection against the following:

(a) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement, as well as coverage with respect to debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; together with coverage for the payment of Common Expenses with respect to damaged Units during the period of reconstruction; such policy to contain a "Demolition Endorsement", or its equivalent, and, if necessary, an "Increased Cost of Construction Endorsement", or "Contingent Liability. From Operation of Building Laws Endorsement", or the equivalent.

(b) Such other risks as from time to time customarily shall be covered with respect to property similar in construction, location and use as the Buildings and other insurable improvements.

The policies providing such coverage shall provided that,

notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Council or the insurance trustee or where in conflict with the terms of the Documents.

All policies of casualty or physical damage insurance shall provide that such policies may not be cancelled (including cancellation for non-payment of premium), substantially modified or reduced without at least ten days prior written notice to all insureds, including all mortgagees of the Units, and certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and their mortgagees at least twenty days prior to the expiration of the then current policies. The Council shall order annually an appraisal of the Property to be made for the purpose of determining the current market and replacement values of the Property.

(ii) Public liability insurance against claims for bodily injury, death or property damage, such insurance to afford minimum protection in respect of bodily injury or death of not less than \$500,000 for any one person, and not less than \$1,000,000 for any one occurrence, and in respect of property damage not less than \$100,000, which such insurance shall also cover claims of one insured against another and shall include a "Severability of Interest Endorsement", or equivalent coverage which would preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Unit Owners and the Council; and shall cover water damage liability, liability for non-owned and hired automobile, liability for property of others and such other risks as shall be customarily be covered with respect to projects similar in construction, location and use.

(iii) Workmen's compensation insurance to meet the requirements of law.

(iv) Fidelity insurance covering those officers and employees of the Council and those agents, employees and Manager hired by the Council who handle Common Receipts, in amounts as provided in Paragraph F of §1 of Article VII of this Code of Regulations.

§4. Unit Owner's Insurance. Each Unit Owner may obtain

insurance at his own expense affording coverage upon his personal property and for his personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in §2 of this Article VIII. Each Unit Owner may obtain physical damage insurance at his own expense upon his Unit, but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Council or shall be written by the same carrier; a copy of any such policy shall be filed with the Council within thirty days after the purchase thereof. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Council pursuant to §3 of this Article VIII due to proration of insurance purchased by the Unit Owner under this §4, the Unit Owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the insurance trustee to be distributed as provided in this Code of Regulations.

§5. Improvements by Unit Owners. Each Unit Owner shall be required to notify the Council of all improvements made by him to his Unit, the value of which is in excess of One Thousand Dollars, within 5 days of the commencement of the work.

§6. Proceeds of Insurance. All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Council as hereinabove set forth shall be paid as provided in §2 of this Article VIII. The sole duty of the insurance trustee, and the duty of the Council with respect to insurance proceeds paid to the Council, shall be to receive such proceeds as are paid and to hold the same in trust for the purpose elsewhere stated in this Code of Regulations, and for the benefit of the Unit Owners and their respective mortgagees.

§7. Adjustment of Loss. Each Unit Owner shall be deemed to have delegated to the Council his right to adjust with the insurance companies all losses under policies purchased by the Council.

§8. Distribution of Proceeds. In no event shall any distribution of proceeds be made by the Council or the insurance trustee directly to a Unit Owner where there is a mortgagee endorsement on the certificate of insurance. In such event any remittances shall be to the Unit Owner and his mortgagee jointly.

This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

§9. Repair or Reconstruction of Casualty Damage. Except as otherwise provided by law or in the Documents, damage to or destruction of the Buildings, or any of the other improvements constructed on the Property shall promptly be repaired and restored by the Council using the proceeds of insurance, if any, held by the Council or the insurance trustee for that purpose, and the Unit Owners directly affected thereby shall be liable for Assessment for any deficiency in such proceeds in proportion to their respective Common Interests in the Common Elements, except that if and to the extent that such deficiency exists solely by reason of a "deductible" provision in the insurance policy or policies held by the Council, such deficiency shall be assessed against all Unit Owners as a Common Expense. The Council shall be responsible for accomplishing the full repair or reconstruction which shall be paid out of the Common Receipts and assessed as above provided. The Unit Owners may apply the proceeds from their individual fire or casualty insurance policies, if any, to the share of such Common Expense as may be assessed to them. The Council shall be responsible for restoring the Property only to substantially the same condition as it was immediately prior to the damage, and each Unit Owner shall personally assume the additional expense of any improvements to his Unit which he desires to make to his Unit beyond such condition. If any changes are made in the basic construction of any restored Unit or the Common Elements, or both, the Council shall record an amended Declaration Plan encompassing such changes.

Immediately after a casualty causing damage to the Property for which the Council has the responsibility of maintenance and repair, the Council shall obtain reliable and detailed estimates of the cost to place the damaged Property in condition hereinbefore specified. Such costs may include professional fees and premiums for such bonds as the Council desires.

The proceeds of insurance collected on account of casualty, and the sums received by the Council from collections of Assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed by the Council or the insurance trustee, as the case may be, in payment of the costs of reconstruction and repair in the following manner:

- (1) If the amount of the estimated cost of

Reconstruction and repair of the damaged or destroyed Property is less than \$25,000.00, then the construction fund shall be disbursed in payment of such costs upon order of the Council, provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided in the following paragraph (ii).

(ii) If the estimated cost of reconstruction and repair of the damaged or destroyed Property is more than \$25,000.00, then the construction fund shall be disbursed in payment of such costs upon approval of an architect licensed to practice in Delaware and employed by the Council to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work: (a) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (b) that there is no other outstanding indebtedness known to the said architect for the services and materials described; and (c) that the cost as estimated by said architect, for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

In the event there is any surplus monies in the construction fund after the reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums shall be distributed to the Unit Owners and their mortgagees who are the beneficial owners of the fund.

§10. Substantial Total Destruction. If (i) there is substantially total destruction of the Building, the existence of which condition shall be conclusively determined by a unanimous vote of the members of the Council rendered within thirty days after the damage; and (ii) the Unit Owners directly affected by the damage and entitled to cast seventy-five percent of the votes of all said Unit Owners directly affected thereby duly resolve, within sixty days after receipt of at least three contractors' bids and final insurance adjustment, not to proceed with repair or restoration, then, and only in those events, the Property shall be removed from

The provisions of the Act upon the proper recording of a Revocation not less than thirty days after the determination to remove the Property from the provisions of the Act. Upon the recording of the Revocation, the salvage value of the Property shall be subject to partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies held by the Council or the insurance trustee, shall be considered as one fund and shall be divided among all the Unit Owners in proportion to their respective Common Interests in the Common Elements, after discharging, out of the respective shares of Unit Owners, to the extent sufficient for the purpose, all liens against the Units of such Unit Owners.

ARTICLE IX

EMINENT DOMAIN; OBSOLESCENCE

§1. Eminent Domain. A taking of, injury to, or destruction of part or all of the Property by the exercise of the power of eminent domain shall be considered to be included in the term "damage or destruction" for purposes of this Article IX and the award or settlement made in lieu thereof, or any other compensation arising out of any taking or condemnation shall be treated in the same manner as insurance proceeds arising from a casualty loss. Whenever all or part of the Common Elements shall be taken, injured or destroyed by the exercise of the power of eminent domain, each Unit Owner shall be entitled to notice thereof and to participate in the proceedings incident thereto, but in any proceedings for the determination of damages, such damages shall be determined for such taking, injury or destruction as a whole and not for each Unit Owner's interest therein. Any such damages, settlement or compensation shall be collected by the Council and distributed by it among the Unit Owners and the holders of liens against the Units of such Unit Owners in proportion to each Unit Owner's Common Interest in the Common Elements, except to the extent that the Council deems it necessary or appropriate to apply them to the repair or restoration of any injury or destruction.

§2. Obsolescence. In the event the Council by unanimous vote of the members thereof shall determine that the Building is obsolete, the Council, at any regular or special meeting of the Unit Owners, may call for a vote to determine whether or not the Property shall be removed from the provisions of the Act and sold. In the event at least seventy-five percent of the Unit Owners voting in

accordance with the procedures established by this Code of Regulations shall determine that the Property shall be removed from the provisions of the Act and sold.

ARTICLE X

MORTGAGES

§1. Notification of Council. A Unit Owner who mortgages his Unit shall notify the Council of the name and address of his mortgagee and the Council shall maintain such information in a book entitled "Mortgages of Units". A person who holds a mortgage may supply such information to the Council.

§2. Report of Unpaid Assessments. The Council shall promptly report to the holder of a first mortgage lien upon a Unit any default in such Unit Owner's obligations under the Condominium Documents not cured within 30 days of the date of default.

§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 each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Council. The Council also shall give to each such holder of a mortgage written notice of any loss to or condemnation, or threat of condemnation, of the Common Elements, or any part thereof, and also written notice of substantial damage or destruction of any Unit. Any institutional holder of a first mortgage lien on a Unit, upon request, shall be entitled to written notice of all meetings of the Unit Owners and be permitted to designate a representative to attend all such meetings.

§4. Examination of Books. Each mortgagee of a Unit who shall have given the aforesaid information to the Council shall be permitted to examine the books of account of the Council during regular business hours. The Council, if requested by the holder of a first mortgage lien upon a Unit, shall submit to such holder within 90 days following the end of each fiscal year copies of the annual fiscal reports required to be made pursuant to provisions of paragraph L of Article VII of this Code of Regulations and such other financial data which may be requested.

§5. No Participation in Adjustment of Losses. The mortgagees of Units shall have no right: (a) to participate in the ad-

judgment of losses with insurers or in the decision as to whether or how to repair or restore damage or destruction of the Property; (b) to receive or apply the proceeds of insurance to the reduction of the mortgage debt secured by such mortgages or otherwise, except in the event and to the extent either of a distribution thereof to Unit Owners pursuant to Section 2239 of the Act or of insurance proceeds or condemnation awards being received in excess of the cost of repair or restoration; or (c) to accelerate the mortgage debt or to be entitled to exercise any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere on the Property other than within the affected Unit, and that the obligation secured by any such mortgage shall be prepayable, without premium or penalty, upon the happening of any removal of the Property from the provisions of the Act pursuant to the terms and conditions of the Documents.

ARTICLE XI

FISCAL YEAR

§1. Fiscal Year. The fiscal year of The Broomall Condominium Apartments and the Council shall begin on the first day of January in each year and shall end on the thirty-first day of December of each year.

ARTICLE XII

AMENDMENTS TO CODE OF REGULATIONS

§1. Proposal. Amendments to the Code of Regulations shall be proposed only by the Council. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon by the Unit Owner Owners.

§2. Vote Required. Except as otherwise provided in the Declaration, the affirmative vote of Unit Owners or their Voting Representatives representing two-thirds of the total outstanding votes of the Unit Owners shall be required to amend the Code of Regulations provided, however, that if any such amendment would affect the Declarant's ability to sell or lease Units owned by the Declarant, such amendment shall require the written approval of the Declarant; and

provided further that any material amendment to the Code of Regulations also shall require the prior written approval of each institutional holder of a first mortgage lien on Units.

§3. Effective Date. All amendments to the Code of Regulations made as herein above provided shall be evidenced by a written instrument, executed and acknowledged by all members of the Council, which shall contain a certification that the amendment was approved in accordance with the provisions of this Article XII. Such instrument shall be Recorded and the amendment to the Code of Regulations shall become effective on the date upon which such instrument shall have been Recorded. Copies of such instrument shall be sent to each Unit Owner in the manner provided in the Code of Regulations for the giving of notices to Unit Owners, but the same shall not constitute a condition precedent to the effectiveness of such amendment.

ARTICLE XIII

PARLIAMENTARY RULES

§1. Parliamentary Rules. Roberts Rules of Order (latest edition) shall govern the conduct of proceedings of the Unit Owners and the Council.

ARTICLE XIV

MISCELLANEOUS

§1. Failure of Council to Insist Upon Strict Performance is No Waiver. The failure of the Council to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of the Documents or the Rules and Regulations, or to exercise any right or option therein contained, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, restriction, option or right, but such term, covenant, restriction, option or right shall remain in full force and effect. The receipt by the Council of any payment of Assessments from any Unit Owner with knowledge of the breach of any covenant of

the Documents or the Rules and Regulations shall not be deemed a waiver of such breach, and no waiver by the Council of any provision of the Documents or the Rules and Regulations shall be deemed to have been made unless expressed in writing and signed by duly authorized officers of the Council.

§2. Captions. Captions used in this Code of Regulations, and the table of contents, if any, are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of the Documents.

§3. Gender, Singular, Plural. Whenever the context so permits, the use of the plural shall include the singular, the singular shall include the plural and any gender shall be deemed to include all genders.

§4. Severability. If any provision of this Code of Regulations or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the laws of the State of Delaware, then the said laws shall be deemed controlling and the validity of the remainder of this Code of Regulations and the application of any such provision, section, sentence, clause, phrase or word in other circumstances shall not be affected thereby.

§5. Effective Date. This Code of Regulations shall become effective on the date when it is Recorded.

§6. Execution. The Declarant shall have authority to promulgate the initial Code of Regulations by executing the Declaration with the intent of thereby adopting the Code of Regulations, and by causing such Code to be recorded immediately after the Declaration.

AMENDMENT TO CODE OF REGULATIONS FOR THE BROOMALL

CONDOMINIUM APARTMENTS

Be it resolved that the Unit Owners and the Council of the Broomall Condominium Apartments hereby amends the Code of Regulations by deleting therefrom the bracketed portions and adding thereto the underlined portions as follows:

ARTICLE IV

THE COUNCIL

§1. Management of the Property; Number and Qualification. The Council shall manage the business, operation and affairs of The Broomall Condominium Apartments on behalf of the Unit Owners in compliance with and subject to the provisions of the Act, this Code of Regulations and the Declaration. The Council shall consist of [three] seven natural individuals, each of whom shall be at least twenty-one years of age and a Unit Owner. [A person need not be a Unit Owner to qualify for membership in the Council, but, if not a Unit Owner, must be a resident of the State of Delaware.]

* * *

ARTICLE V

OFFICERS OF THE COUNCIL

§1 Designation. The officers of the Council shall [be] include a President, Secretary and Treasurer[.], and such other officers as Council shall designate. The Secretary may be eligible to the office of Treasurer. All officers shall be members of the Council.

* * *

ARTICLE VII

POWERS, AUTHORITY AND DUTIES OF THE COUNCIL

§1 Powers, Authority and Duties. The Council shall have and exercise all lawful powers, authority and duties necessary for the proper conduct and the administration, management and operation of affairs of The Broomall Condominium Apartments, and may do so cause to be done all such other lawful acts and things as are not by law, by the Code of Regulations and the Declaration or otherwise, directed or required to be done or exercised by the Unit Owners, or by others. In the performance of its duties as the administering body of The Broomall Condominium Apartments, the Council shall have powers, authority and duties set forth in the Act and the Documents, including, but not limited to, the following:

B. Preparation of Budget. The preparation and adoption not later than the first Thursday of November of each calendar year of a budget or estimate of Common Expenses for the next succeeding fiscal year which shall include, but not be limited to, reasonable reserves for depreciation, retirements and renewals. The total amount of such budget or estimate shall be assessed against all of the Units and respective Unit Owners thereof, in the same proportion as their respective undivided Common Interests in the Common Elements as set forth in the Declaration. The proportionate amounts thus found applicable to each Unit shall be payable by the Unit Owner thereof to the Council in twelve equal monthly installments on the first day of each month of each year. On or before the due date of the first monthly installment, the Council shall prepare and deliver or mail to each Unit Owner and person holding a first mortgage upon a Unit who has given the information set forth in §1 of Article X of this Code of Regulations, a statement showing the amount thereof and the amount assessed against such Unit for the entire fiscal year, and shall not be obligated to give notice of any subsequently accruing monthly payments for such fiscal year; and the omission of notice of such installment shall not relieve such Unit Owner from his obligation to pay such monthly installments promptly when and as they become due and payable. The omission by the Council to fix the Assessments for the next fiscal year shall not be deemed a waiver or modification in any respect of the provisions of this Code of Regulations or of the other Documents, or a release of the Unit Owners from the obligation to pay the Assessments, or any installment thereof for any such year, but the Assessment fixed for the preceding fiscal year shall continue until a new Assessment is fixed. The Council shall establish and maintain an adequate reserve for the replacement of the Common Elements which reserve must be funded by monthly Assessments rather than by extraordinary special Assessments. All such reserves shall be regarded as Common Expenses [notwithstanding that they may not be expended during the year in which they are assessed.]

F. Fidelity Bonds. To require all officers and employees of the Council and the Manager handling, or responsible for, funds of the Council or funds in its possession or under its control, to furnish fidelity bonds, in form, amounts and with corporate surety satisfactory to the Council; provided, however, such bonds shall meet the following minimum requirements:

- (1) the Council shall be named as an Obligee;
- (2) they shall be written in an amount equal to at least [150%] 100% of the estimated annual Common Expenses, [including] excluding reserves;
- (3) they shall contain waivers of any defense bond upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- (4) they shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to any mortgagee holding a first mortgage lien on a Unit.

The premiums on such bonds shall be paid by the Council as part of the Common Expenses.

AMENDMENT TO CODE OF REGULATIONS FOR THE BROOMALL
CONDOMINIUM APARTMENTS

Be it resolved that the Unit Owners and the Council of the Broomall Condominium Apartments hereby amend the Code of Regulations by deleting therefrom the bracketed portions and adding thereto the underlined portions as follows:

ARTICLE VI
UNIT OWNERS

§2. Annual Meetings. The first annual meeting of the Unit Owners shall be held within thirty days after the date on which title to Units having Common Interests in the Common Elements in excess of 75% shall have been conveyed by the Declarant to Unit Owners other than the Declarant or within one year following the date of conveyance of the first Unit, whichever shall first occur. Subsequent annual meetings shall be held at 7:30 P.M. on the first Monday of [April] November of each year, or at such other date and time as the Council may determine [but not more than one hundred fifty nor less than ninety days after the end of the fiscal year of Wilmingtonian Condominium as specified in Article XII of the Code of Regulations].

At the annual meeting the Unit Owners shall elect the members of the Council unless such action is taken pursuant to the provisions of §10 of this Article VI. The Unit Owners also may conduct whatever other business may be required or permitted by law, the Declaration or the Code of Regulations, to be done by a vote of the Unit Owners. The Treasurer of the Council shall present at each annual meeting an [audit] unaudited compiled financial statement (prepared [and certified] by an independent certified public accountant) of the Common Expenses, Common Receipts and Common Profits, the allocation thereof to each Unit Owner, and the proposed budget approved by Council, and any changes expected for the current and following fiscal year. Such [audit] statement shall be delivered to all Unit Owners not less than ten days prior to the annual meeting.

11/7/90



20121203-0070688
Pages: 3 F: \$65.00
12/03/12 03:29:04 PM
T20120037867
Michael E. Kozikowski
New Castle Recorder MISC

Tax Parcel Nos: 26-027.20-007 *et seq.*
Prepared by and Returnable to:
Michael J. Goodrick, Esquire
P.O. Box 134
Wilmington, DE 19899

CERTIFICATE OF AMENDMENT

TO

**CODE OF REGULATIONS OF
BROOMALL CONDOMINIUM APARTMENTS**

THIS IS TO CERTIFY ON DECEMBER 1, 2012, that pursuant to 25 *Del. C.* §2207 and §2211(3), and consistent with the enabling Declaration creating and establishing the Broomall Condominium Apartments recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Record Book V, Volume 104, Page 72, *et seq.* and further in accordance with the Code of Regulations for the Broomall Condominium Apartments as recorded in the Office of the Recorder of Deeds in and for New Castle County, State of Delaware, in Deed Book V, Volume 104, Page 98, *et seq.* upon approval of the majority of council and by written ballot supported by at least 66 2/3% of the unit owners; therefore, the following:

Amendment is made to the Code of Regulations of Broomall Condominium Apartments as follows:

Article IV, §1 is deleted in its entirety and the following provision is inserted in lieu thereof.

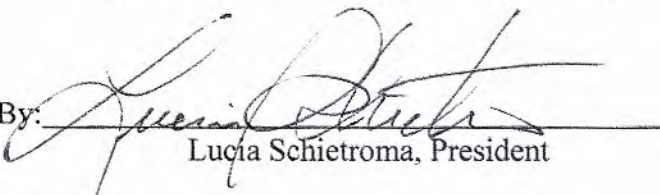
§1. Management of the Property Number and Qualification. The Council shall manage the business operation and affairs of the Broomall Condominium Apartments on behalf of the Owners in compliance with and subject to the provisions of the Act these Regulations and the Declaration. The Council shall consist of seven (7) natural individuals each of whom shall be at least 21 years of age. A person need not be a Unit Owner to qualify for membership in the Council, but if not a Unit Owner must be a resident of the State of Delaware. No person who is a Unit Owner may be elected nor having been elected continue to serve if they fail to satisfy their financial obligations under any regular or special assessment after notice of same having been provided to them by the Treasurer or to the Treasurer by the President of Council for a period of sixty (60) days.

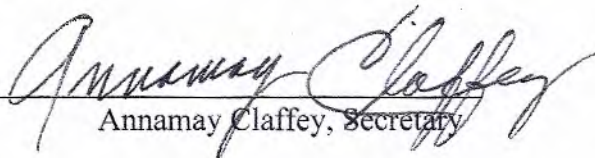
Upon certification of a failure to comply with their financial obligations in writing by the Treasurer or if the Treasurer is the party to be removed, then by the President, the Council shall then declare a vacancy and the provisions of §4 of Article IV shall apply.

All of the provisions of the Code of Regulations shall remain in full force and effect.

IN WITNESS WHEREOF, the Council of the Broomall Condominium Apartments has caused this Certificate of Amendment to its Code of Regulations to be executed by Lucia Schieteroma, its President, duly attested by Annamay Claffey, the Secretary of the Council, the day and year first above written.

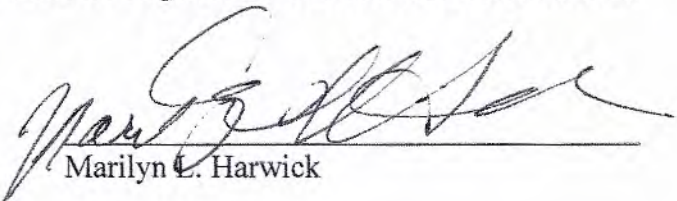
THE COUNCIL OF THE
BROOMALL CONDOMINIUM APARTMENTS

By: 
Lucia Schieteroma, President

Attest: 
Annamay Claffey, Secretary

CERTIFICATION

I, Marilyn L. Harwick, member of the Council of the Broomall Condominium Apartments, do hereby certify that the foregoing Amendment was duly enacted in accordance with the provisions of the Declaration and the Code of Regulations of Broomall Condominium Apartments.


Marilyn L. Harwick



20121102-0064023

Pages: 3 F: \$65.00

11/02/12 12:14:06 PM

T20120034788

Michael E. Kozikowski
New Castle Recorder MISC

Tax Parcel Nos: 26-027.20-007 *et seq.*

Prepared by and Returnable to:

Michael J. Goodrick, Esquire

P.O. Box 134

Wilmington, DE 19899

CERTIFICATE OF AMENDMENT

TO

CODE OF REGULATIONS OF BROOMALL CONDOMINIUM APARTMENTS

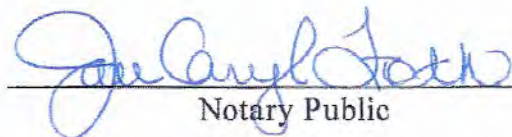
THIS IS TO CERTIFY ON OCTOBER 9, 2012, that pursuant to *25 Del. C. §2207* and *§2211 (3)*, and consistent with the enabling Declaration creating and establishing the Broomall Condominium Apartments recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Record Book V, Volume 104, Page 72, *et seq.* and further in accordance with the Code of Regulations for the Broomall Condominium Apartments as recorded in the Office of the Recorder of Deeds in and for New Castle County, State of Delaware, in Deed Book V, Volume 104, Page 98, *et seq.* and more specifically Article V, §10, permitting action of unit owners without a meeting wherein actions required or permitted to be taken by a vote of the unit owners may be taken without a meeting by the written consent stating the action so taken of at least that number of unit owners or their voting representatives whose votes would otherwise have been sufficient to take the action if the meeting had been held at which all unit owners or their voting representatives were present and by reason of the consent of owners or owners representatives holding more than 66.66% of voting interests the aforementioned Code of Regulations of the Broomall Condominium Apartments as amended is further amended by the adoption of the following **new article VI, §13** of said Code of Regulations:

Voting by Mail. Whenever the Unit Owners' passage of a resolution or motion requires the action by a majority or super-majority (including a unanimous vote) of the Unit Owners, Council may, in its sole and absolute discretion, following discussion of the resolution or motion at a duly called meeting of the Unit Owners at which a quorum was achieved, direct that the Unit Owners' vote proceed by written ballot sent to each Unit Owner at said Unit Owner's address on record with the Council. The ballot shall be accompanied by the full text of the resolution, and instructions for voting, including a deadline for the Council's receipt of returned ballots. The ballot and resolution may be accompanied by one or more of the following documents: an additional explanation of the resolution, a projection of its predicted financial impact on the condominium, a Council recommendation for or against adoption of the resolution, and a return envelope. A ballot

STATE OF DELAWARE)
) ss:
NEW CASTLE COUNTY)

Before Me, the Subscriber, a Notary Public of the State and County, aforesaid, appeared Lucia Schietroma, known personally to me, who, as President of the Council and Association of Unit Owners of Broomall Condominium Apartments, did acknowledge her execution of the foregoing CERTIFICATE OF AMENDMENT OF THE CODE OF REGULATIONS OF BROOMALL CONDOMINIUM APARTMENTS as her act and deed and the act and deed of said condominium Council, duly attested by Annamay Claffey, Secretary of the Council and the Association of Unit Owners, this 26th day of October, 2012.

JAN CARYL FOTH
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires March 14, 2015

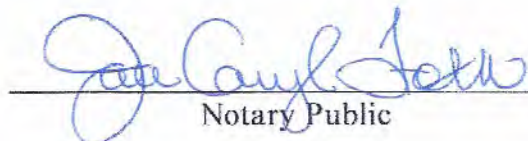

Notary Public

My Commission Expires: _____

STATE OF DELAWARE)
) ss:
NEW CASTLE COUNTY)

Before Me, the Subscriber, a Notary Public of the State and County, aforesaid, appeared Marilyn Harwick, known personally to me, who, as a member of the Council of Broomall Condominium Apartments, did acknowledge his/her execution of the Certification following the foregoing CERTIFICATE OF AMENDMENT OF THE CODE OF REGULATIONS OF BROOMALL CONDOMINIUM APARTMENTS as his/her act and deed, this 26th day of October, 2012.

JAN CARYL FOTH
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires March 14, 2015


Notary Public

My Commission Expires: _____