

Sussex County Tax Map No. 3-34-6.00-355.00, All Units

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AMENDED and RESTATED  
CODE OF REGULATIONS  
OF  
HERITAGE VILLAGE  
CONDOMINIUM

FORMERLY THE  
VILLAS AT HERITAGE CONDOMINIUM

Amended and Restated

Code of Regulations

of

"HERITAGE VILLAGE CONDOMINIUM"

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AMENDED AND RESTATED  
CODE OF REGULATIONS  
FOR  
HERITAGE VILLAGE CONDOMINIUM  
(FORMERLY THE VILLAS AT HERITAGE CONDOMINIUM)

THIS AMENDED AND RESTATED CODE OF REGULATIONS is made as of this 1st day of February, 2007, by the undersigned persons, all of the members of the initial Council of the Association and the Board of Directors of HERITAGE VILLAGE CONDOMINIUM ASSOCIATION (formerly the Villas at Heritage Condominium Association).

This Amended and Restated Code of Regulations is made in conjunction with an Amended and Restated Declaration of Condominium for Heritage Village Condominium, recorded or to be recorded contemporaneously herewith, intended to:

- (1) Rename the Condominium 'Heritage Village Condominium' and the Association 'Heritage Village Condominium Association';
- (2) Eliminate the separate class of Residential Unit, described in the Declaration as 'Restricted Residential Unit(s)', including the four (4) Restricted Residential Units within the remaining, and hereafter single class of Residential Units;
- (3) Re-designate the area, now shown on the Declaration Plan as the 'Restricted Residential Area', as an additional 'Residential Area', and realign the boundaries between the Golf Course Limited Common Elements and the Residential Limited Common Elements;
- (4) Reallocate the Undivided Percentage Interests ("UPI") associated with the single class of Residential Units (now including the Units previously designated Restricted Residential Units), and the related percentage interests in 'Residential Limited Common Elements', accordingly; and
- (5) Redesign Golf Course Way, and rename it Bethpage Drive.

The Declarant under the Amended and Restated Declaration (a successor Declarant as defined in the original Declaration, and hereafter referred to as the "Declarant"), acquired all of the real property comprising all of the lands held for future expansion of the Villas at Heritage Condominium, as more fully described in Schedule 3.1, entitled "Expansion Lands", to the Declaration of Condominium for Villas at Heritage Condominium, of record in the Office of the Recorder of Deeds in and for Sussex County, Delaware in Deed Book 2947, Page 1 (the "Declaration"), by the following Deeds:

- Deed of Lingo Brothers, LLC, a Delaware limited liability company unto Thompson Heritage, LLC, a Delaware limited liability company, dated February 28, 2005, recorded in the Office of the Recorder of Deeds on March 8, 2005 in Deed Book 3110, Page 187; and
- Deed of Five D Limited Liability Company, a Delaware limited liability company unto Thompson Heritage, LLC, a Delaware limited liability company, dated February

28, 2005, recorded in the Office of the Recorder of Deeds on March 8, 2005 in Deed Book 3110, Page 189.

The Declarant has the authority under the Amended and Restated Declaration to appoint or remove all Directors (excepting the Golf Course Director) and Officers and to exercise powers and responsibilities otherwise assigned to the Association Board or Officers by the Act or the Condominium Instruments, and by this Amended and Restated Code of Regulations, confirms the identities of the members of the initial Board of Directors, who will serve as the initial Directors and Officers of the Association.

The Owner of the Golf Course Unit, Five D Limited Liability Company, which has the authority under the original Declaration (and this Amended and Restated Declaration) to appoint the Golf Course Director, has consented to this Amended and Restated Code of Regulations, its consent being attached hereto.

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## SECTION 1

### IDENTIFICATION OF THE SUBMITTED PROPERTY; DEFINITIONS.

A. This Code of Regulations (hereinafter the "Regulations") shall relate solely to the Submitted Property called "Heritage Village Condominium", situate in Lewes and Rehoboth Hundred, Sussex County, Delaware, as more fully described in the **Amended and Restated Declaration of Condominium** recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, in **Deed Book 3412, Page 46**, and as depicted in a previously recorded Declaration Plan, recorded February 26, 2004, in **Plot Book 84, Page 90**, as amended by a certain **First Amendment to Condominium Declaration Plan for Heritage Village Condominium**, recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, in **Plot Book 111, Page 80**, as the same may hereafter be amended.

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

## SECTION 2

### THE HERITAGE VILLAGE CONDOMINIUM ASSOCIATION.

#### A. Membership.

##### (1) Unit Owners.

The collectivity of all Owners of Units in the Submitted Property shall be and hereby is constituted as an unincorporated association named the "Heritage Village Condominium Association" (hereinafter called the "Association"). Either the Declarant, or the Board of Directors, if authorized by a Unit Owner vote of at least a majority of the votes cast at a meeting duly held in accordance with the provisions of the Code of Regulations, may incorporate the Association under the Laws of the State of Delaware as a non-stock, not for profit corporation named the Heritage Village Condominium Association, Inc., for the

purposes of exercising all of the functions of the Association, as set forth herein.

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

(2) Transfer of Membership.

(a) No membership may be transferred in any way except as an appurtenance to the transfer of title to the Unit to which that membership pertains. Transfer of membership shall be automatic upon transfer of title of a Unit, but the Association may treat the prior Unit Owner as the member for all purposes until satisfactory evidence of the recording of the instrument transferring title shall have been presented to the secretary of the Association. The records of the Recorder of Deeds of Sussex County shall be determinative of all disputes concerning the state of the title to any Unit or Units.

B. Meetings of the Association of Unit Owners.

(1) Time and Location.

(a) Annual Meetings. The first annual meeting of the Association shall be held on the first Saturday in June following the date upon which Declarant shall no longer have the right to appoint or remove Residential Directors, as provided in Article 7, Section 7.2(b) of the Declaration. All annual meetings of the Association after the first such meeting shall be held on the first Saturday of June of each year at 11:00 a.m., or at such other date and time as the Board of Directors may determine but not more than one hundred eighty (180) nor less than ninety (90) days after the end of the Association's fiscal year as specified in Section 2.D. hereof. Annual meetings of the Association may be held at whatever location the Board of Directors may deem convenient. The President of the Board of Directors shall preside over all annual meetings.

(b) Special Meetings. Special meetings may be called at any reasonable time and from time to time after the first annual meeting of the Association, if requested by Unit Owners together entitled to cast at least sixty-six and two-thirds percent (66 2/3%) of the votes of all members of the Association, by written request to the Board of Directors to call such a meeting. The Board of Directors shall designate the date, time and location of all special meetings of the Association. The President of the Board of Directors shall preside at all special meetings.



(2) Purpose and Business.

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

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

(3) Notice.

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

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

(c) Time. All notices for the annual and special meetings shall be delivered to the Unit Owners at least fourteen (14) days, but not more than twenty (20) days, prior to such meeting. Notices for postponed meeting shall be delivered at least five (5) days, but not more than twenty (20) days, prior to the date of the rescheduled meeting. In lieu of such delivered notice, notice may be given by posting conspicuously such notices in each Building in an area open to all Unit Owners at least seven (7) days prior to the meeting.

(4) Quorum.

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

(5) Voting.

(a) Allocation of Votes. Voting at all meetings of the Association shall be on a percentage basis. The percentages of the vote to which each Owner of a Residential Unit is entitled shall be the proportionate undivided interest in the Residential Limited Common Elements (as provided in the Declaration, Schedule 3.4; "% RLCE")<sup>1</sup> and subject to any reduction of this proportionate undivided interest, as set forth in the Declaration. Except as otherwise provided by the Unit Property Act, the Declaration or these Regulations, acts of the Association shall require the approval of the Unit Owners together entitled to cast at least a majority of the votes of all Unit Owners present in person or by proxy at a meeting of the Association (hereinafter a "Majority of the Unit Owners") at which a quorum of Unit Owners is present in person or by proxy.

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

(c) Co-Ownership. If there are co-owners of record of a Unit (whether by joint tenancy, tenancy in common, tenancy by the entirety, or otherwise), all of such co-owners may attend the meetings of the Association but their votes shall

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<sup>1</sup> Except as to votes relating to the portion of Bethpage Drive from Postal Lane to the Residential Area, which is a Common Element (the only Common Element not designated as a limited common element), in which case the percentages of the vote to which each Owner of a Residential Unit is entitled shall be the proportionate undivided interest in the Common Elements (as provided in the Declaration, Schedule 3.4; "UPI").

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

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

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

(6) Actions of Association of Unit Owners Without a Meeting.

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

C. Address of the Association of Unit Owners and the Board of Directors.

All notices and other communications to either the Association or the Board of Directors shall be addressed to such body at the office of the Board of Directors or to such address as the Board of Directors may have designated by written notice to all of the Unit Owners.

D. Fiscal Year.

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

## SECTION 3

### THE BOARD OF DIRECTORS

#### A. Election, Qualification, Number and Term.

The Association and the Submitted Property shall be governed by a Board of Directors, the members of which shall be natural persons and residents of Delaware or Unit Owners. There shall be six (6) Directors, as follows: one (1) **Golf Course Director**, appointed by the Owner of the Golf Course Unit, who shall decide issues pertaining to general and any special Assessments of the Golf Course Unit arising out of or pertaining to the Golf Course Limited Common Elements; and five (5) **Residential Directors**, appointed by a majority of Residential Unit Owners entitled to vote, who shall decide issues pertaining to general and any special Assessments of the Residential Units, arising out of or pertaining to the Residential Limited Common Elements.

Notwithstanding the foregoing, until the first to occur of (i) the date as of which all of the Residential Units shall have been conveyed by Declarant to Owners other than Declarant; or (ii) the surrender by Declarant of such rights by an express writing directed to the Condominium Association and noticed to the Residential Unit Owners (without the need for consent or joinder by any other person), the Condominium Association shall be governed by an initial Board of Directors, consisting of four (4) Directors: the Golf Course Director and three (3) additional directors appointed by Declarant, the three (3) directors appointed by Declarant serving as the Residential Directors. Thereafter, upon the first annual meeting of the Association, duly noticed to all Unit Owners as provided herein, the Residential Directors shall be elected by majority vote of all Residential Unit Owners entitled to vote. The five (5) Residential Directors shall serve with the remaining director, the Golf Course Director.

A Director may serve an unlimited number of terms. All Directors shall be natural persons and be either a resident of the State of Delaware or a Unit Owner, but need not be both.

#### B. Meetings.

(1) (a) Annual Meetings. The Board of Directors shall hold an annual meeting immediately following the annual meeting of the Association for the purpose of electing officers, as more fully set forth in Section 4 hereof, and for any other purpose which may be required or permitted by law, the Declaration or these Regulations to be done by a vote of the Board of Directors.

(b) Regular Meetings. The Board of Directors may hold regular meetings at such times and locations as shall be designated by a majority of the Board of Directors; provided, however, that (i) such Board of Directors meetings shall be held at least once every six (6) months, unless all members of the Board of Directors shall waive such requirement as to a particular meeting or meetings; (ii) the first such Board of Directors meeting shall be held within six (6) months of the effective date

hereof; and (iii) there shall be a meeting of the Board of Directors during the first full calendar week of May of each year at which the Board of Directors shall adopt the budget of the Association for the forthcoming fiscal year of the Association.

(c) Special Meetings. Special meetings of the Board of Directors may be called at any reasonable time and from time to time if requested by the President of the Board of Directors or, after the first annual meeting of the Association if two (2) members of the Board of Directors send a written request to the President of the Board of Directors to call such a meeting. The President shall call such meetings not less than fourteen (14) or more than twenty (20) days after receipt of such request. The President shall designate the time and location of such meetings. No business shall be transacted at the meetings other than as specified in the notice thereof.

(2) Notice.

(a) Written Notice. Written notice of meetings of the Board of Directors shall be given or caused to be given by the Secretary to each member of the Board of Directors as follows:

(i) either by hand delivery or by United States first-class mail at least fourteen (14) days, but not more than twenty (20) days prior to each regular or special meeting; or

(ii) by posting conspicuously such notices in each Building in an area open to all Unit Owners at least seven (7) days prior to the meeting.

The notice of the annual meeting of the Association given to a Board of Directors member pursuant to Section 2B(3)(a) hereof shall be deemed proper notice of the annual Board of Directors meeting.

(b) Waiver of Notice. Notice may be waived in writing given either before or after the meeting, but no action of the Board of Directors shall be valid unless a quorum is present or unless the Board of Directors has acted without the formality of a meeting, which it may do by obtaining the written consent of all Board of Directors members for any and all acts decided upon in such manner.

(3) Quorum.

A majority of the members of the Board of Directors shall comprise a quorum for the transaction of all business.

(4) Voting.

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

(5) Organization.

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

(b) Unit Owners shall have the right to attend Board of Directors meetings (but not the right to be heard, except at the pleasure of the Board); and provided that Unit Owners may be excluded from a portion of the Board of Directors meeting reserved for consultations with legal counsel, or for personnel matters relating to employees of the Board of Directors.

(c) Unit Owners shall receive notice of the Board of Directors meeting at which the fiscal year budget of the Association shall be presented to the Board of Directors for adoption, together with a copy of the proposed budget, in the manner provided in Section 2B(3)(a) hereof by the Board of Directors Secretary at least fourteen (14) days prior to said meeting.

C. Resignation and Removals.

Any member of the Board of Directors may resign from the Board of Directors at any time by written notice to the Board of Directors. Except as hereinafter provided, any member (other than a member designated by Declarant under Section 3A hereof, who may be removed and replaced by Declarant at any time and from time to time) may be removed from the Board of Directors with or without cause by a vote for such removal by Unit Owners entitled to cast a majority of the votes of those members of the Board of Directors entitled to elect such member, such votes having been cast at any special meeting of the Association the notice for which shall contain the name of the member or members of the Board of Directors whose removal is sought. Notwithstanding the immediately foregoing sentence, if a member of the Board of Directors who is also a Unit Owner shall cease being a Unit Owner (other than a member designated by Declarant), such member may be removed from the Board of Directors, and replaced for the balance of his term by another such Unit Owner, by the unanimous vote of the other Board of Directors members, which vote shall be held, if at all, at the first meeting of the Board of Directors following the Board's receipt of notice of such cessation of Unit ownership.

D. Filling Vacancies.

Any vacancy or vacancies on the Board of Directors, whether caused by resignation or removal, may be filled by the vote of a Majority of the Unit Owners entitled to elect such Board of Directors member or members, at any special meeting called for the purpose of filling such vacancy or vacancies; provided, however, that Declarant shall have the exclusive right to fill any vacancy created by the resignation or removal of a Board of Directors member previously designated by Declarant. If a vacancy results from removal, the election of a new member or new members may be held at the same meeting where such removal takes place and notice of an election for removal shall be considered notice of an election to fill the vacancy or vacancies so caused. The vote of a Majority of the Unit Owners shall cause the postponement of the election to a later date, but if such vacancy is not filled within ninety (90) days after it occurs, the Board of Directors shall promptly thereafter elect a replacement.

E. Compensation.

No member of the Board of Directors shall receive compensation for performing his duties as a member of the Board of Directors unless such compensation is approved by the Association. If any compensation is given it shall be treated as a Common

Expense of the Submitted Property. Election as a member of the Board of Directors shall not carry with it an automatic contractual right to compensation.

#### SECTION 4

##### BOARD OF DIRECTORS - OFFICERS

###### A. Election.

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

###### B. Duties.

###### (1) President.

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

###### (2) Secretary.

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

(3) Treasurer.

The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association, shall deposit or cause to be deposited all such funds in such depositories as the Board of Directors may direct, shall keep or cause to be kept correct and complete accounts and records of all financial transactions of the Association and the Board of Directors and shall submit or cause to be submitted to the Association and the Board of Directors such reports thereof as the law, the Declaration, the Association, the Board of Directors or these Regulations may from time to time require. Such records shall include, without limitation, chronological listings of all receipts and expenditures on account of the Common Elements and Limited Common Elements of each Unit, the amount of each assessment for Common Expenses and expenses assessable to individual Units, if any, and the amounts paid and the amounts due on such assessments. Such record shall specify and itemize the maintenance, repair and replacement expenses relating to the Common Elements and any other expenses incurred by the Association or Board of Directors. The foregoing financial records shall be kept at the Association's office and shall be available there for inspection by Unit Owners or prospective Unit Owners during normal business hours. The Treasury shall also perform such duties and have such other powers as are ordinarily attributable to the Treasurer of a corporation domiciled in Delaware.

(4) Vice-Presidents and Assistant Officers.

Unless otherwise determined by a resolution of the Board of Directors, any Vice-President and any assistant officer shall have the powers and perform the duties of his respective superior officer, the President being any Vice-President's superior officer, the Secretary being any Assistant Secretary's superior officer and the Treasurer being any Assistant Treasurer's superior officer.

C. Compensation.

The officers of the Board of Directors shall receive no compensation unless such compensation is approved by the Association. If any compensation is given it shall be treated as a Common Expense of the Submitted Property. Appointment or election as an officer shall not carry with it an automatic contractual right to compensation.

D. Resignation and Removal.

Any officer may resign at any time by written notice to the Board of Directors, such resignation to become effective at the next Board of Directors meeting. Any Board of Directors member who resigns or is removed as a Board of Directors member shall also be deemed to have resigned or been removed, ipso facto, from any Board of Directors office he may have held. Any officer (other than a member designated by Declarant under Section 3A hereof) may be removed from his office at any time by a majority vote of the Board of Directors whenever in the judgment of the Board of Directors members the interests of the Association will be best served thereby, or by vote of the Association with or without cause, in the same manner as set forth for the removal of Board of Directors members in Section 3C hereof.



E. Filling Vacancies.

Vacancies caused by resignation, removal or creation of new offices may be filled by a majority vote of the Board of Directors members if the vacancy resulted from action of the Board of Directors. If, however, the vacancy resulted from action by the Association, such vacancy shall be filled in the same manner as set forth in Section 3D hereof for filling Board of Directors vacancies, except that the Board of Directors shall promptly elect a replacement if the Association does not fill such vacancy within six (6) weeks after it occurs.

F. Execution of Instruments.

No agreement, check in excess of \$500, contract, deed, lease, mortgage or other written instrument or document shall be binding upon the Association unless entered into on its behalf by the Board of Directors and signed by two (2) officers of the Board of Directors or by one (1) officer and one (1) assistant officer. The liability of the Association, the individual Unit Owner or any officer of the Board of Directors under any instrument binding or purporting to bind the Association or the Board of Directors shall be governed by the provisions of Section 7 hereof.

SECTION 5

POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS

A. Powers.

Subject to any limitations set forth in the Act, the Declaration or these Regulations, the Board of Directors shall, on behalf of the Association, operate the Submitted Property and manage the business and affairs of the Association, and for such purposes the Board of Directors shall have the power to (1) engage and dismiss employees, (2) appoint and dismiss accountants, agents and attorneys, (3) define the duties and fix the compensation of such employees, accountants, agents and attorneys, (4) designate and enter into a trust agreement with two (2) or more Board of Directors members to act as trustees on behalf of the Association for the purpose of holding title to any Units purchased by the Association in trust for the Board of Directors and/or executing and delivering mortgages as trustees of the Association to secure any borrowing of the Association, and (5) enter into agreements, contracts, deeds, leases, mortgages and other written instruments or documents either in the name of the Board of Directors or in the name of its designees or trustees appointed by it pursuant to this Section 5A, on behalf of the association, and authorize the execution, delivery and, if appropriate, the recording thereof. The Board of Directors shall have such incidental powers as may be appropriate to the performance of its duties set out below.

B. Duties.

The duties of the Board of Directors shall include the following: (1) maintenance, repair and replacement of the Common Elements and Limited Common Elements, and the making of improvements or additions thereto; (2) the establishment of a budget and the assessment and collection of funds from Unit Owners for Common Expenses and the payment of such Common Expenses; (3) promulgation, distribution and enforcement of the Community Rules and Regulations governing the details of the use and operation of the Submitted Property and the use of the Common Elements and Limited Common Elements; (4) any other duties which may be set

forth from time to time in the Declaration or these Regulations, or by law.

C. Powers and Duties Exercised by Specific Directors.

The general powers and duties of the Board of Directors, as set forth above, are expressly subject to the specific powers and duties of:

(1) the Golf Course Director, who shall decide issues pertaining to the maintenance, repair and/or replacement of the Golf Course Limited Common Elements, and shall determine the amount of the general and any special Assessments of the Golf Course Unit arising out of or pertaining to the Golf Course Limited Common Elements; and

(2) the Residential Directors, who shall decide issues pertaining to the maintenance, repair and/or replacement of the Residential Limited Common Elements, and shall determine the amount of the general and any special Assessments of the Residential Units, arising out of or pertaining to the Residential Limited Common Elements.

SECTION 6

COMMON EXPENSES AND ASSESSMENTS

A. Common Expenses.

As provided in Article 6, Section 6.1 of the Declaration, the only Common Element not designated a Limited Common Element hereunder is Bethpage Drive (f/k/a Golf Course Way). This Common Element is subject to general Assessment of all Unit Owners for payment of the Common Expenses relating thereto, in accordance with a Unit Owner's Undivided Percentage Interest ("UPI") in the Common Elements (as contrasted with the Unit Owner's percentage interest in the respective appurtenant Limited Common Elements). All Directors comprising the Condominium Association's Board of Directors shall collectively decide issues pertaining to this Common Element (and other Common Elements, if any), not designated as Limited Common Elements. The Board of Directors shall determine the separate costs and expenses attributable to the Common Expenses (not designated as Limited Common Elements), for purposes of determining the assessments to all Unit Owners attributable to the Common Elements. Such separate cost may include a reasonable apportionment of the Association's administrative expenses and insurance. The total assessment for these Common Expenses shall be assessed to all Unit Owners in accordance with such Unit Owner's Undivided Percentage Interest ("UPI") in the Common Elements, as reflected in Schedules 3.3 and 3.4.1.

B. Limited Common Expenses.

It shall be the responsibility of each class of Directors to determine the separate costs and expenses attributable to the separate (i.e., the Golf Course and the Residential) Limited Common Elements. Each class of Director may separately contract for services, utilities, repairs, maintenance and replacements of such Limited Common Elements. Each class of Director shall prepare the annual budget and shall provide the Board of Directors their respective annual budgets for Limited Common Expenses.

(1) Limited Common Expenses Relating to the Golf Course Limited Common Elements.

As provided in Article 6, Section 6.2 the Golf Course Unit Owner is responsible for all Golf Course Limited Common Element Expenses, through the payment of General Annual Assessments (Section 6.2.2), as established by the Golf Course Director. As provided in Section 6.2.3 of the Declaration, the Golf Course Unit Owner (either directly or through the Golf Course Director) may elect to pay directly all costs and expenses related to the Golf Course Unit and the Golf Course Limited Common Elements, subject to the requirements pertaining to maintenance of certain insurance coverage, as more fully set forth in Section 6.2.3. In the event the Golf Course Unit Owner so elects, and complies with the provisions of Section 6.2.3, the Golf Course Unit Owner will only be subject to the Golf Course Unit Owner's assessment for Common Expenses, as set forth in the preceding Section 6.A.

In the event the Golf Course Unit Owner does not so elect, the Golf Course Director shall fully comply with the provisions of Section 6.2.2 of the Declaration, and the Golf Course Unit Assessment shall be made through the Board of Directors, which assessment may include a reasonable apportionment of administrative expenses.

(2) Limited Common Expenses Relating to the Residential Limited Common Elements.

As provided in Article 6, Section 6.3 the Residential Unit Owners are collectively responsible for all Assessments properly levied by the Association, specifically including the Residential Limited Common Element Expenses, through the payment of Residential Unit Annual Assessments ("RUA Assessments"; Section 6.3.2). The duties of the Residential Directors in establishing an estimated budget of the Residential Limited Common Element Expenses for purposes of establishing the total RUA Assessment, and a listing of the items generally included in the RUA Assessment are set forth in the Declaration, Section 6.3.2.

The Board of Directors, acting through the Residential Directors, for the benefit of and on behalf of the Residential Unit Owners, is hereby authorized to separately contract for the following goods and services, to pay the following expenses and to satisfy the following liabilities pertaining to the Residential Limited Common Elements, and to pay such liabilities from RUA Assessments:

(a) Trash collection, refuse and garbage removal from the Residential Units and Residential Limited Common Elements, snow removal from the Residential Limited Common Elements; lawn and landscaping maintenance, vermin extermination, custodial services, management services, water service, sewer service, electrical service and other utility services, if any, provided to any part of the Residential Limited Common Elements or, to the extent not separately metered and/or charged, to the individual Residential Units.

(b) Fire and other insurance, in conformity with the provisions of Article 8 of the Declaration.

(c) Comprehensive liability insurance policies, as more fully set forth in Section 8 hereto, in conformity with

the provisions of Article 8 of the Declaration.

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

(e) Fees and salaries for such employees, if any, as the Board of Directors may deem necessary or desirable for the operation and maintenance of the Residential Common Elements.

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

(g) Legal and accounting fees necessary and proper for any one or more of: operation of the Residential Limited Common Elements; conduct of the affairs of the Board of Directors or the Association, or (on behalf of the Board of Directors) enforcement of the Declaration, these Regulations, the Community Rules and Regulations, or any one or more of them.

(h) Paint, maintenance, repair, relocation, replacement and landscaping for, and improvements and additions to the Residential Limited Common Elements (subject to individual Residential Unit Owner's responsibilities of maintenance, repair and replacement of Residential Limited Common Elements, as may be provided in the Declaration) as the Residential Directors may deem necessary and proper, including reasonable reserves for working capital, operations, contingencies and replacements, as well as any materials, supplies, labor, services, structural alterations, insurance and tax assessments which the Residential Directors are required to secure or pay by law, the Declaration or these Regulations, or which the Residential Directors deem necessary and proper in their discretion.

(i) Mechanics' and materialmen's liens arising as a result of repairs to or improvements to the Residential Limited Common Elements, if no authorization to make such repairs or improvements is required by the Board of Directors or the Association, or if such authorization is required and such repairs or improvements are authorized in writing pursuant to a duly adopted resolution of the Board of Directors; provided, however, that until such liens are paid by the Association they shall be liens against each Residential Unit in a percentage equal to the proportionate share of the Limited Common Elements appertaining to such Residential Unit.

(j) Any unpaid assessments which cannot be collected from a delinquent Residential Unit Owner or prior Residential Unit Owner whose Unit has been sold pursuant to the provisions of Section 6D hereof.

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

(l) The amount (if any) by which the cost of repairing or restoring any casualty loss insured under an insurance policy or policies carried by the Residential Directors on behalf of the Residential Unit Owners exceeds the proceeds of such insurance, but only if by reason of a non-insured loss or failure of the Board of Directors to carry fire insurance in the full insurable replacement value of the Submitted Property as

required by Section 8 of the Declaration.

(3) Taxes.

The Board of Directors and the Association will not be responsible for real estate or other taxes as a Common Expense, except for such taxes as shall be imposed because of transactions involving one or more Units owned by the Association. Each Unit, including its allocated Limited Common Elements and its appurtenant undivided interest in the Common Elements as stated in the Declaration, shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the Building or the Submitted Property of which the Unit is a part. After the Declaration and the Declaration Plan are recorded, neither the Building, the Submitted Property nor any and all of the Common Elements or Limited Common Elements shall be assessed or taxed except as part of the assessment and taxation of the Units, including their respective allocated Limited Common Elements and appurtenant undivided interests in the Common Elements.

(4) Limit on Capital Expenditures.

Except as expressly provided by the Declaration, these Regulations, or by vote of a majority of the Unit Owners, the Board of Directors may not make capital expenditures from the Common Expense fund in amounts greater than Five Thousand Dollars (\$5,000.00) for any one capital expenditure item. The foregoing prohibition shall not apply to an expenditure made from reserves previously set aside for such purpose.

(5) Purchase of Unit to Protect Assessments.

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

C. Assessments.

(1) Initial Assessment; Administrative Fee upon Subsequent Transfers.

An initial assessment in the amount of Five Hundred Dollars (\$500.00) shall be due and payable at the initial settlement of each Residential Unit, as provided in the Declaration, Article 6, Section 6.3.2 (g). An administrative Fee of Fifty Dollars (\$50.00) shall be payable by the new Unit Owner upon the subsequent transfer of title of any Residential Unit.

(2) Initial Annual Assessment; Board of Directors Determination of Annual Assessments.

The Initial RUA Assessment shall be \$1,800.00. RUA Assessments shall be payable in quarterly installments on the first day of each quarter (January, April, July, October). At the initial settlement on any Unit, the Unit Owner shall pay the *pro-rata* portion of the current quarter and the next quarter, in advance.

The Board of Directors, not less than thirty (30) days prior to the end of each fiscal year, shall determine the Annual Assessment for each class of Unit, as more fully set forth in the Declaration, Article 6, based upon budgets provided by the Golf Course Director and the Residential Directors. The budgets so provided and the resulting Annual Assessments shall be presented at the annual meeting of the Association, for review and discussion, but shall not be modified or amended except by action of the Board of Directors.

All Assessments determined by action of the Board of Directors, whether regular, additional or special, or limited, shall be a separate, distinct and personal liability of the Unit Owner, and a lien and charge against the Unit at and from the time each assessment is made and levied by the Board of Directors and due and payable to the Association. The Board of Directors shall have all the rights and remedies contained in the Delaware Unit Submitted Property Act (Chapter 22 of Title 25, Delaware Code of 1953, as now and hereafter amended), the Declaration of Condominium, and this Code of Regulations, to enforce the collection of all assessments provided for herein.

(3) Unsold and Transferred Units.

Declarant shall be responsible for the expenses allocable to any Units unsold to a first purchaser, but shall not be subject to assessments on such Units unless actually occupied (*i.e.*, leased by Declarant for occupancy; use as a model for sales purposes shall not be construed as occupancy); provided, however, that when a first purchaser shall take title to such Unit, the annual assessment shall be prorated between Declarant and the new Unit Owner as of the date of settlement for such Unit. The assessment on any Unit, the title to which shall have been transferred, shall be prorated in all cases between the old and new Unit Owners as of the date of settlement for such Unit.

(4) Additional Assessment.

The Board of Directors (or the Golf Course Director and the Residential Directors, as the case may be) may levy additional assessments as provided in Article 6 of the Declaration.

(5) Payment of Assessment.

Annual Assessments are payable quarterly as set forth in Section 6C(2), above. Other Assessments shall be payable by such other method of payment as the Board of Directors may determine from time to time.

(6) Purposes of Assessment.

All moneys collected hereunder shall be used for

the purposes designated herein.

(7) Failure to Determine Assessment.

If the Board of Directors shall fail to fix new Assessments for Common Expenses or Limited Common Expenses for the subsequent fiscal year before the expiration of any fiscal year, the Unit Owners shall continue to pay the same sums they were paying in the fiscal year just ended as if such sums were the new assessments, and such failure to fix new assessments shall not constitute a waiver, modification or release of any Unit Owners' obligations. If the Board of Directors shall fix and change the assessment at a later date, such new assessment shall be treated as if it were an additional assessment under Section 6C(4) hereof.

(8) No Waiver of Assessment.

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

D. Maintenance and Repair of Units and Common Expenses.

(1) Repair by Unit Owner.

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

(2) Unit Repair by the Board of Directors.

(a) If the maintenance required in Section 6D(1) hereof shall not have been done by the Unit Owner responsible for such maintenance, and if the Board of Directors shall, in its discretion, decide that such maintenance is reasonably necessary for public safety, for protection of other Units or the Common Elements or Limited Common Elements, or for the preservation of the appearance and value of the Submitted Property, the Board of Directors shall give such Unit Owner written notice thereof, and if the Unit Owner shall not have completed such maintenance promptly after delivery of such notice, the Board of Directors may enter the affected Unit and perform such maintenance and pay for

it from the Common Expense fund.

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

(3) Common Elements and Limited Common Elements Expenses of Unit Owners.

Any expenditures which the Board of Directors shall be required to make for the upkeep, maintenance, repair, painting or replacement of all or any part of the Common Elements or Limited Common Elements because of any injury thereto or abuse or misuse thereof by one or more Unit Owners or the tenants, guests, invitees or licensees of one or more Unit Owners, or resulting from damage to a particular Unit or Limited Common Elements shall be made from the Common Expense or Limited Common Expense fund and shall be paid as a special assessment (as provided in Section 6D(4) hereof) by the Unit Owner or Owners responsible for such injury, abuse or misuse or whose tenants, guests, invitees or licensees caused such injury or misuse or whose Unit was the subject of such damage.

(4) Special Assessments.

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

(5) No Abatement of Assessments for Common Expenses.

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

E. Defaults in Payment of Assessments.

(1) Personal Debt Reducible to Judgment.

All sums assessed by the Board of Directors



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

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

Upon the voluntary sale, conveyance or any other voluntary transfer of a Unit or any interest therein (except for a transfer to a Permitted Mortgagee upon foreclosure sale or by deed or assignment in lieu of foreclosure), the grantee thereof shall be jointly and severally liable with the grantor thereof for all unpaid assessments for Common Expenses which are a charge against the Unit as of the date of the sale or conveyance, but such joint and several liability shall be without prejudice to such grantee's right to recover from such grantor the amount of any such unpaid assessments which such grantee may have paid, and until any such assessments are paid, they shall continue to be a charge against the Unit which may be enforced in the manner set forth in Section 2234 of the Act and in this Code. Any person who shall have entered into a written agreement to purchase a Unit shall be entitled to obtain from the Treasurer a written statement of the amount of unpaid assessments charged against the Unit and if such statement is not correct as of the date it is rendered, neither the purchaser nor the Unit shall be liable for the payment of more than the unpaid assessments shown thereon, but the seller of such Unit shall remain liable for such excess. Any such implied or excess amount which cannot be promptly collected from the former Unit Owner may be reassessed by the Board of Directors as a Common Expense to be collected from all of the Unit Owners, including the purchaser, his successors and assigns.

F. Repair or Reconstruction; Eminent Domain.

(1) Damage or Destruction.

(a) Repair. Except as otherwise provided by law or herein, damage to or destruction of a Building or other Submitted Property shall be promptly repaired and restored by the Board of Directors, using the proceeds of insurance held by the Board of Directors or the Insurance Trustee for that purpose. If the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repair or restoration of the Common Elements, and the balance to the cost of repair or restoration of Units on a pro-rata basis in accordance

with the affected Unit Owner's proportionate interests. Unit Owners directly affected thereby shall be liable for assessment for any deficiency in such proceeds in proportion to their respective proportionate undivided interests in the Common Elements, except that if and to the extent that such deficiency exists solely by reason of an improvement or improvements to one or more Units, beyond the condition of such Unit(s) as of the effective date of these Regulations, such deficiency shall be assessed against the Owner(s) of such Unit(s) in proportion to the value of their respective improvements. Any excess of insurance proceeds over actual costs of such repair and restoration shall be held by the Board of Directors in the Common Expense fund as a reserve for future repairs or restoration to any of the Submitted Property. The Board of Directors shall be responsible for accomplishing the full repair or reconstruction of the damaged Submitted Property, which shall be paid out of the Common Expense fund and assessed as above provided. Unit Owner 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 Board of Directors shall be responsible for restoring the Submitted 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 that he desires, to restore it beyond such condition. If any changes are made in the basic construction of any restored Building, the Units therein, or the Common Elements, the Board of Directors shall record an amended Declaration Plan encompassing such changes.

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

(i) there is substantial total destruction of a Building or other Submitted Property, the existence of which condition shall be conclusively determined by a unanimous vote of the Board of Directors members rendered within thirty (30) days after the occurrence of such destruction; and

(ii) at least seventy-five percent (75%) in voting interest of the Unit Owners directly affected thereby (it being understood that all Unit Owners in the Condominium are directly affected by the substantial total destruction of any Building) within sixty (60) days after receipt of at least three (3) contractors' bids for restoration (which bids shall be promptly obtained by the Board of Directors with any costs associated therewith to be paid as a Common Expense), duly resolve not to proceed with repair or restoration; then and in those events, the salvage value of the Submitted Property, or the destroyed building or other portion of the Submitted Property shall be subject to partition at the suit of any Unit Owner of the Submitted Property directly affected thereby, in which event the net proceeds of sale, together with the net proceeds, if any, of insurance policies held by the Board of Directors or the Insurance Trustee, shall be considered as one fund and shall be divided among all the Unit Owners directly affected thereby in proportion to their respective undivided ownership of the Common Elements, after discharging, out of the respective shares of such Unit Owners, to the extent sufficient for the purposes, all liens against the Units of such Unit Owners.

(2) Procedure Upon Partial Termination.

Upon any partial termination, the Act and the

Declaration shall cease to apply to the Building or other portion of the Submitted Property affected thereby, and the aggregate proportionate undivided interests of all Unit Owners whose units are not directly affected thereby shall be adjusted to the nearest one-hundredths of one percent, so as to allocate among them proportionately to their respective interests the aggregate of the interests of all the Unit Owners directly affected thereby so as to produce adjusted proportionate interests aggregating 100.00%.

(3) Eminent Domain.

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

G. No Structural or Exterior Changes by Owners.

No Unit Owner shall make any structural change in or to his Unit or any part of the Common Elements or Limited Common Elements, or paint, decorate, change or alter any exterior portion of his Unit or any portion of the Common Elements or Limited Common Elements, except as may be provided for in the Declaration Plan, without in each case obtaining the prior written permission of the Board of Directors. **This subsection shall not apply to the Golf Course Unit Owner.**

H. Enforcement.

Each Unit Owner shall comply with the provisions of the Declaration, these Regulations, and the Community Rules and Regulations, as the same may be lawfully amended from time to time, with the covenants, conditions and restrictions set forth in any one or more of the Declaration, the Declaration Plan and the Deed to his Unit, and with such decisions as may be rendered pursuant to such documents. Failure so to comply shall be grounds for an action for the recovery of damages or for injunctive relief, or both, maintainable by any member of the Board of Directors on behalf of the Association or the Unit Owners, or, in proper case, by an aggrieved Unit Owner or by any person who holds a mortgage lien upon a Unit and is an aggrieved party as a result of such noncompliance.

SECTION 7

NON-LIABILITY OF MANAGEMENT

A. Limitation of Board of Directors' Liability.

The Board of Directors and its members in their capacity as Board of Directors members and/or officers (1) shall not be liable for the failure of any service to be obtained and paid for by the Association hereunder, or for injury or damage to persons or Submitted Property caused by the elements or by another Unit Owner or person on the Submitted Property, or resulting from

electricity, water, rain, dust or sand which may leak or flow from the outside or from any parts of the Building, or from any of its pipes, drains, conduits, appliances or equipment, or from any other place, unless caused by willful misconduct or gross negligence of the Board of Directors; (b) shall not be liable to the Unit Owners as a result of the performance of the Board of Directors members' duties for any mistake or judgment, negligence or otherwise, except for the Board of Directors members' own 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, check, contract, deed, lease, mortgage, instrument or transaction entered into by them on behalf of the Board of Directors or Association in the performance of the Board members' duties; (d) shall not be liable to a Unit Owner, or such Unit Owner's tenants or guests for loss or damage caused by theft of or damage to personal Submitted Property left by such Unit Owner or his tenants or guests in any Unit or in or on the Common Elements, except for the Board of Directors members' own willful misconduct or gross negligence; (e) 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 or for them, except for the Board of Directors members' own willful misconduct or gross negligence in the performance of their duties; and (f) shall have no personal liability arising out of the use, misuse or condition of the Submitted Property, or which might in any other way be assessed against or imputed to the Board of Directors members as a result or by virtue of their performance of their duties, except for the Board of Directors members' own willful misconduct or gross negligence.

B. Indemnification of Board of Directors Members.

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

C. Liabilities of Individual Unit Owners.

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

D. Language Concerning Liability in Agreements.

Every agreement, contract, deed, lease, mortgage or other written instrument or document or other transaction entered into by the Board of Directors on behalf of the Association shall provide expressly or by reference to this Section 7D that the Board of Directors 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 with respect thereto or to the subject matter thereof shall be asserted against the Board of Directors, which shall act on behalf of the Unit Owners with respect thereto, and that any liability thereunder or in respect of the subject matter thereof shall be borne by those who are Unit Owners at the time such liability is assessed by the Board of Directors as a Common Expenses pursuant to Section 6B hereof, as the same may hereafter be amended, for such assessment each such Unit Owner shall be liable only severally to the extent of his proportionate interest in the Submitted Property as herein provided.

E. Notice of Suit and Opportunity to Defend.

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

SECTION 8

INSURANCE

The Board of Directors on behalf of the Association shall maintain at all times insurance of the type, containing the clauses, and in at least the amounts provided in the Declaration, and any additional types of insurance which the Board of Directors shall deem necessary or desirable. All insurance shall be obtained in accordance with the following provisions:

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

(2) Exclusive authority to adjust losses under policies hereafter in force on the Submitted Property shall be vested in the Board of Directors or its authorized representative.

(3) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Unit Owners or

their mortgagees.

(4) Each Unit Owner may obtain additional insurance on his own Unit and his personal Submitted Property and for his own liability at his own expense; provided, however, that (1) such policies shall contain waivers of subrogation, and (2) no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of the Association, may realize under any insurance policy which the Board of Directors may have in force on the Submitted Property at any particular time.

(5) Each Unit Owner shall be required to notify the Board of Directors of all improvements made by him to his Unit, the value of which is in excess of Two Thousand Dollars (\$2,000.00), in the event the Board of Directors elects to provide insurance for the Unit Owners betterments to the Units.

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

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

(8) Provided it is readily available, the Board of Directors shall secure insurance policies covering the Submitted Property that will provide for the following:

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

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

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

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

(9) The periodic and annual insurance reviews conducted by the Board of Directors shall include an appraisal of the improvements in the Project by a real estate appraiser

acceptable to the insurance carrier or carriers writing the Association's hazard insurance policy or policies.

## SECTION 9

### MORTGAGES

#### A. Restrictions.

A Unit Owner may not voluntarily encumber or subject his Unit to any lien, other than the lien of (1) a first mortgage, and a second mortgage created at the time of the purchase of such Unit, to a bank, trust company, bank and trust company, savings bank, savings and loan association, insurance company, pension fund, real estate investment trust, mortgage service company, or like institutional investor, (2) a purchase money mortgage to Declarant, or (3) such other mortgage as may be approved by the Board of Directors.

#### B. Permitted Mortgages.

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

(2) Each holder of a Permitted Mortgage shall be entitled from and after the date of any written request therefor, until such request is canceled or withdrawn, to receive from the Board of Directors a written statement of any delinquent assessments and of any other defaults by the Owner of the Unit which is subject to such mortgage, and copies of any notices of default sent to such Unit Owner.

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

(4) Any holder of a permitted Mortgage will, upon request to the Board of Directors, be entitled to:

(a) Inspect the books and records of the Submitted Property, the Board of Directors and/or the Association;

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

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

## SECTION 10

### LEASES

A Residential Unit Owner may lease his Unit, subject to the limitations and restrictions upon the purposes and uses of Units stated in Article 7 of the Declaration. Every lease of a Residential Unit shall expressly incorporate by reference the limitations and restrictions contained in Article 7 of the Declaration, and all applicable provisions of this Code of Regulations and all Community Rules and Regulations adopted by the Board of Directors. Any Residential Unit Owner who leases his Unit pursuant to this limited right and privilege shall, immediately upon granting any such lease, notify the Board of Directors in writing of the Unit designation or number, the name of the lessee, and the term of the lease, in order that the Board of Directors may exercise its responsibilities for the management, maintenance and security of the premises, and the proper enforcement of Unit Owners' and lessees' rights and duties under the Declaration and this Code of Regulations.

## SECTION 11

### TEMPORARY ADJUSTMENTS IN THE PROPORTIONATE UNDIVIDED INTERESTS

During any period when the Board of Directors holds title on behalf of the Association to one or more Units pursuant to Section 6A(4) hereof:

(1) the proportionate undivided interest in the Common Elements of such Unit(s) shall be deemed to be zero and the proportionate undivided interests in the Common Elements of all other Units shall be deemed to be automatically adjusted to the nearest one-tenth of one percent (0.1%), so as to allocate the proportionate undivided interests in the Common Elements for all other Units totaling 100%;

(2) All assessments for Common Expenses and all taxes and municipal claims and charges assessed against such Unit(s) shall be paid by the Board of Directors, and the amounts so paid, together with all other expenses of purchasing, holding, selling, conveying, mortgaging, leasing or otherwise dealing with the Unit shall constitute Common Expenses to be assessed against all other Unit Owners in accordance with such adjusted proportionate undivided interests in the Common Elements.

(3) The voting rights appurtenant to such Unit(s) shall be suspended and may not be exercised or counted for quorum purposes; and

(4) No notice of any meetings of Unit Owners or notices of assessments, budgets or the like need be given in respect of such Unit(s). The Board of Directors shall give all other Unit Owners prompt written notice of (a) each such purchase, and the adjusted proportionate undivided interests in the Common Elements resulting therefrom, and (b) any disposition of the Unit(s) so purchased and the resulting eliminations of such adjustment.



SECTION 12

MISCELLANEOUS

A. Audits.

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

B. No Waiver.

The failure of the Board of Directors to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of the Declaration, these Regulations or the Community Rules and Regulations, or to exercise any right or option herein or therein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, restriction, option or right, but such term, covenant, restriction, option or right shall remain in full force and effect. The receipt by the Board of Directors of any payment of assessments from any Unit Owner, with knowledge of the breach of any covenant hereof or thereof, shall not be deemed a waiver of such breach, and no waiver by the Board of Directors of any provision hereof or thereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors.

C. Interpretation.

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

D. Personal Submitted Property.

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

E. Rules and Regulations.

The Board of Directors may from time to time promulgate Community Rules and Regulations governing the use and operation of

the project facilities and Common Elements. Copies of all such rules and regulations shall be given to all Unit Owners.

F. No Partition.

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

G. Consent.

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

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

H. Amendment.

Except as otherwise provided herein or in the Declaration and/or the Act, the provisions of these Regulations may be amended by the Board of Directors, at any regular or special meeting, provided that the notice of such meeting given pursuant to Section 3B(2)(a) hereof shall set forth the text of any proposed amendment to be voted upon at such meeting. Any such amendment shall be subject to the right of the Unit Owners to change such action by further amendment adopted by vote of seventy five percent (75%) interest of all Unit Owners pursuant to Article 11 of the Declaration. Notwithstanding the foregoing, if such amendment shall make any changes which would have a material effect upon any of the rights, privileges, powers and options of the Declarant (including, by way of illustration and not limitation, the ability of the Declarant to market any Units then owned by Declarant at a commercial reasonable price), such amendment shall require the joinder of Declarant, and if such amendment would affect in any way the holders of any Permitted Mortgages, such amendment shall also require the written approval of the holders of the Permitted Mortgages so affected.

I. Severability.

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any other provision or portion thereof unless such deletion shall destroy the uniform plan for development and operation of the condominium project which the Declaration, the Declaration Plan and these Regulations are intended to create.

J. Effective Date.

These Regulations shall become effective when they, the Declaration and the Declaration Plan have been duly recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware.

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*BALANCE OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW.*

IN WITNESS WHEREOF, the undersigned, constituting all the initial members of the Association and Board of Directors, have hereunto set their hands and seals in such capacity, the day and year first above written.

HERITAGE VILLAGE CONDOMINIUM ASSOCIATION

By: J. Matthew Thompson (SEAL)  
J. Matthew Thompson, Board of Directors

STATE OF ~~DELAWARE~~ <sup>Pennsylvania</sup> :  
COUNTY OF Chester : SS.  
:

BE IT REMEMBERED, That on this 29<sup>th</sup> day of January, A.D., 2007, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, J. Matthew Thompson, party to the foregoing Indenture, known to me personally to be such, and acknowledged said Indenture to be his act and deed and the act and deed of the Heritage Village Condominium Association.

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

Kristin M. Couche  
Notary Public

NOTARIAL SEAL  
Kristin M. Couche, Notary Public  
City of Westchester, Chester County  
My commission expires June 28, 2009

IN WITNESS WHEREOF, the undersigned, constituting all the initial members of the Association and Board of Directors, have hereunto set their hands and seals in such capacity, the day and year first above written.

HERITAGE VILLAGE CONDOMINIUM ASSOCIATION

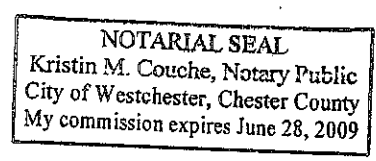
By: Thomas S. Bryant (SEAL)  
Thomas S. Bryant, Board of Directors

STATE OF ~~DELAWARE~~ Pennsylvania :  
COUNTY OF Chester : SS.  
:

BE IT REMEMBERED, That on this 30<sup>th</sup> day of January, A.D., 2007, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, Thomas S. Bryant, party to the foregoing Indenture, known to me personally to be such, and acknowledged said Indenture to be his act and deed and the act and deed of the Heritage Village Condominium Association.

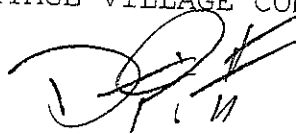
GIVEN under my hand and seal of office, the day and year aforesaid.

Kristin M. Couche  
Notary Public



IN WITNESS WHEREOF, the undersigned, constituting all the initial members of the Association and Board of Directors, have hereunto set their hands and seals in such capacity, the day and year first above written.

HERITAGE VILLAGE CONDOMINIUM ASSOCIATION

By:  (SEAL)  
David H. Pierson, Jr., Board of Directors

STATE OF ~~DELAWARE~~ Pennsylvania :  
COUNTY OF Chester : SS.  
:

BE IT REMEMBERED, That on this 30<sup>th</sup> day of January, A.D., 2007, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, David H. Pierson, Jr., party to the foregoing Indenture, known to me personally to be such, and acknowledged said Indenture to be his/her act and deed and the act and deed of the Heritage Village Condominium Association.

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

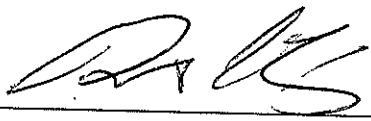
Kristin M. Couche  
Notary Public

NOTARIAL SEAL  
Kristin M. Couche, Notary Public  
City of Westchester, Chester County  
My commission expires June 28, 2009

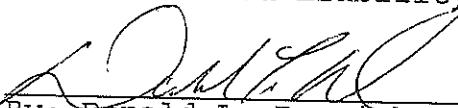


CONSENT OF UNIT OWNER

IN WITNESS WHEREOF, the undersigned, original Declarant and Owner of the Golf Course Unit, also known as Unit GC, Villas at Heritage Condominium, hereby consents to this Amended and Restated Code of Regulations of Condominium.

  
\_\_\_\_\_

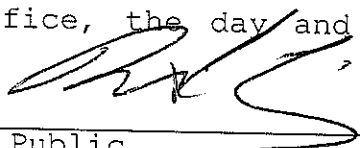
Five D Limited Liability Company

 (SEAL)  
By: Donald L. Derrickson, Manager

STATE OF DELAWARE     )  
                                  )     SS.  
COUNTY OF SUSSEX     )

BE IT REMEMBERED, That on this 25<sup>th</sup> day of JANUARY, A.D., 2006, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, Donald Derrickson, party to the foregoing Indenture, known to me personally to be such, and acknowledged said Indenture to be his act and deed and the act and deed of Five D Limited Liability Company.

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

  
\_\_\_\_\_

Notary Public

F:\CONDO.DOC\VILLAS AT HERITAGE CONDO CODE-Amend & Restate 11-04-05  
ROBERT G. GIBBS  
NOTARIAL OFFICER PURSUANT TO  
29 DEL CODE SECT. 4323  
ATTORNEY AT LAW  
DELAWARE

RECORDER OF DEEDS  
JOHN E. BRADY  
07 FEB - 1 PM 12:32  
SUSSEX COUNTY  
DOC. SURCHARGE PAID