

Heritage Village Condominium Association Rental Rules and Rental Administration Fee: Resolution 2020 – 2

WHEREAS, The Heritage Village condominium community (the “Community”) is an exceptional family-oriented community whose owners choose to purchase their home and to live here to enjoy the safe and quality beach area living opportunity offered by the Community;

WHEREAS, the Amended and Restated Declaration of Condominium-Heritage Village Condominium (the “Declaration”), the Amended and Restated Code of Regulations of Heritage Village Condominium (the “Code”), and the Rules and Regulations of the Heritage Village Condominium Association, Inc. (the “Association”) which bind all owners; their family, friends, guests and invitees, were promulgated to ensure that all residents and their visitors enjoy their experience while living in or visiting Heritage Village (the “Condominium”);

WHEREAS, the Board of Directors of the Heritage Village Condominium Association, Inc. (the “Board”) is concerned about the uncompensated burdens and costs placed upon the Community and the Association stemming from rented Units;

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WHEREAS, the Board recognizes that rentals of Residential Units are a money-making business activity of the Unit Owner, and such Owner obtains income from that rental activity;

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WHEREAS, the Board and the Managing Agent have been spending an increasing amount of time, money and resources of the Condominium on the activities of renters in the Community;

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WHEREAS, after consideration and study, discussion and review, which included a review by the Association’s legal counsel, the Board has concluded that it is desirable to adopt certain additional Rules and Regulations on renting in the Community;

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WHEREAS, the Board is permitted to adopt Rules and Regulations, pursuant to the Declaration and Delaware law, including the provisions of the Delaware Unit Property Act and the Delaware Uniform Common Interest Ownership Act; and

WHEREAS, the Board has concluded that the proposed Rules and Regulations regarding rental of units in the Community is essential to prevent imminent, irreparable harm to the Association’s common elements, is necessary to maintain the ongoing viability and value of the Association to all of the Unit Owners’ units, is important to prevent a waste of the limited resources of the Association and the Owners of Units and is required to ensure that the Community remains a great place to live and relax; and

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WHEREAS, under Article X, Section 10.15 of the Declaration, which is binding upon each and every Residential Unit Owner, leasing of Residential Units is specifically made subject to the terms of the Declaration, the Bylaws and the Rules and Regulations of the Association.

NOW THEREFORE, BE IT RESOLVED THAT the Board adopts the following additional Rules and Regulations to the previously adopted Rules and Regulations.

“RENTAL RULES”

1. These Rental Rules shall be applicable to all members who (i) lease a Residential Unit, (ii) rent a Residential Unit, (iii) allow the use and occupancy of a Residential Unit by anyone, including a member’s immediate family, in exchange for money or other consideration or remuneration paid to or for the benefit of the member, (iv) enter into agreements for “lodging,” or (v) allow the use and occupancy of the Residential Unit by anyone other than the record owner of the Lot and his or her immediate family as part of an exchange, timeshare, swapping or other similar program, including Travel Advantage Network (collectively, “Leasing Activities”). Leasing Activities shall be treated as leasing or renting, as those terms are used under these Rental Rules.

2. By engaging in Leasing Activities for a Residential Unit in Heritage Village (the “Condominium”), all Owners of Units and any tenant of such Unit acknowledge and agree that:

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(a) An annual administrative fee in the amount of \$500.00 per Residential Unit shall be paid by the Unit Owner, and due at the same time as the January assessment is due. (For any new tenancy starting after January 1 of any year (or upon implementation of this Rule), the full amount of the administrative fee shall be paid upon receipt of the rent, and **no** rebate of any portion of the fee will be given for any tenancy ending before the end of any year).

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(b) The following shall be delivered to the managing agent of the Association within five (5) days of the execution of a lease for the Residential Unit: (i) a copy of the signed lease, (ii) a signed certification of the tenant stating that copies of the Amended and Restated Declaration of Condominium-Heritage Village Condominium (the “Declaration”), the Amended and Restated Code of Regulations of Heritage Village Condominium (the “Code”), and the Rules and Regulations of the Heritage Village Condominium Association, Inc. (the “Association”) were received and (iii) adequate proof of insurance to cover the business of renting the Unit, with proof that the Association has been named as an additional insured;

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(c) These Rental Rules are applicable to and binding upon the Owners of such Unit and any tenant, family member, guest or permitted occupant of such tenant (collectively, the “Tenant”);

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(d) All obligations of the Unit Owners under the Rental Rules and the Rules and Regulations of the Association (collectively, the “Rules”) are applicable to and binding upon the Tenant of such Unit; and

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(e) The Association has the independent right to enforce the Rules, the terms of the lease agreement and/or the Delaware Residential Landlord Tenant Code (the “Residential Code”) as against the actual tenant(s) of the Unit and/or the Owners of such Unit.

3. The Tenant of the Unit acknowledges and agrees that the terms of the Rules, including the Rental Rules are incorporated into the lease agreement for any lease agreement for a Unit in the Condominium, whether such lease agreement is new or is continuing, and whether such lease agreement conforms to the obligations of the Declaration, the Code and the Rules.

4. Following the adoption of these Rental Rules, if any common expense assessment, special assessment, fee, cost or other charge (the "Assessment"), which has been assessed by the Association is not fully paid by a Unit Owner for a period of sixty (60) days after the due date for such Assessment, or if the Unit Owner fails to supply a copy of the lease agreement to the Association, a copy of the signed certification of the Tenant required herein within or the insurance information also required herein within five (5) days of the execution of the lease for the Unit, if the lease fails to contain the provisions required herein or if the Unit Owner or the lessee of the Unit Owner leases in violation of the provisions forth in Paragraph No. 1 above, then the Unit shall not be subject to rentals.

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The Unit Owner, upon written notice by the Association, shall not permit the rental of the Residential Unit. If the Residential Unit is nonetheless subject to a tenancy, whether new or continuing, in violation of this Rule, then the Association, upon written notice to the Unit Owner and the Tenant(s) of the Unit, may take any or all of the following non-exclusive actions:

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(a) Impose a license fee for use of the Condominium Property equal to the amount of the rent being paid by the Tenant to be treated as an additional assessment under these Rules; or

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(b) Direct that the Tenant of the Residential Unit, or the rental agent, remit all rental payments due under the rental agreement directly to the Association in accordance with the written notification and instructions to that effect delivered to Tenant or the rental agent; or

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(c) Restrict the privilege of the Tenant to use any portion or all of the Condominium Property; or

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(d) Ban and/or remove the Tenant from the Condominium Property (Such Tenant, if such Tenant uses any part of the Condominium Property, shall be deemed a trespasser and subject to criminal arrest); or

(e) Immediately terminate the lease, and seek summary possession of the leased Unit; or

(f) Impose a fine upon the Unit Owner in an amount, fixed by the Board, which will be charged to the Unit Owner each day until the Tenant vacates the Residential Unit.

5. If the Tenant is directed to pay fees or payments to the Association, such amounts become a debt owed by such Tenant to the Association, and such Tenant is personally liable to the Association for the amounts required to be paid to the Association. All payments shall continue to be made as directed in the notification until such time as Tenant is notified to the contrary by the Association. The Tenant of the Residential Unit shall, within five (5) days of receipt of such written notification, deliver to the Association written confirmation that the rent and other fees and payments shall be remitted to the Association.

6. Owners of rented Residential Units shall be personally liable for the failure of a Tenant to comply with all provisions of the Declaration, the Code, the Residential Code and the Rules, including the Rental Rules. The Association shall be entitled to assess against such Unit and/or the Unit Owner any and all fees, costs and expenses incurred by the Association in any way concerning these Rental Rules, including attorneys' fees incurred in connection with any action, in law or in equity, by or against the Unit Owner or the Tenant. A Unit Owner shall indemnify, defend and hold harmless the Association against any claim, demand, action, suit or proceeding brought by such Unit Owner or any Tenant relating to the tenancy, including, without limitation, against any attorneys' fees and any loss or damage sustained or incurred by the Association.

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7. Unless an immediate termination of the tenancy is permitted by these Rules or is otherwise permitted by 25 Del. C. §5513(b), which shall permit the Association to bring an action for summary possession of the Unit, the violation by the Tenant of any of the provisions of the Rules, these Rental Rules, the lease agreement or the Code or any direction or action by the Association taken pursuant to these Rental Rules shall constitute a material breach, which, if uncured within seven (7) days following any written notice of the violation, or if repeated following such seven (7) day period, shall entitle either the Association or the Unit Owner to commence a summary proceeding for possession of the Unit. The Tenant of the Unit, by accepting tenancy in the Unit, acknowledges that the Association shall have the independent right to enforce the terms of this paragraph, including the right to seek a monetary judgment against Tenant for non-payment of the amounts required to be paid by the Tenant or to pursue summary possession of the Residential Unit for the Owner of the Unit for violation of any of the provisions of the Rules, the Rental Rules, the lease agreement, the Code or any direction or action by the Association taken pursuant to the Rental Rules.

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8. By entering into or having a lease for a Unit located in Condominium, the Tenant of such Residential Unit acknowledges and agrees that the Association has standing under the lease agreement as the landlord for all purposes, including for purposes necessary to enforce the terms of these Rental Rules. Specifically, but not exclusively, the Association may avail itself of the statutory remedies available to a landlord for summary possession of the leased Unit, including those pursuant to 25 Del. C. §5502 and 25 Del. C. §5513, and, where appropriate, may proceed pursuant to 25 Del. C. §5115.


9. Notwithstanding any of the foregoing, it is hereby acknowledged that any tenancy for a period of less than one hundred and twenty (120) days does not fall within the provisions of the Residential Code, and permits the Association to immediately remove the tenant from the


Property for violations of the lease, the Declaration, the Code and the Rules, including the Rental Rules. The Tenant of the Unit, by accepting tenancy in the Unit for a term of less than one hundred and twenty (120) days acknowledges that the Association shall have the independent right to enforce the terms of this paragraph.”

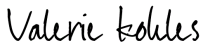
This Resolution is adopted by the Heritage Village Board of Directors this date 11/24/20


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Ronald Scala
President

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William Hamilton
Vice-President

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Derrick Southard
Treasurer

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Valerie Kohles
Secretary

DocuSigned by:

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Richard Balducci
Member at Large