

**THE ENGLISH VILLAGE CONDOMINIUM
AMENDED AND RESTATED CODE OF REGULATIONS
EFFECTIVE: March 1, 2024**

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ARTICLE I

IDENTIFICATION OF PROPERTY

This code of Regulations governs administration and management of THE ENGLISH VILLAGE CONDOMINIUM, located on Kenton Road (Kent County Road #104) near Dover, Delaware, a condominium project submitted to the provisions of Title 25, Chapter 22 of the Delaware Code, known as the Unit Property Act, by Declaration dated the 27th day of March, 1973, and recorded in the Office of the Recorder of Deeds, in and for Kent County, in Deed Record M, Volume 28, Page 1. A detailed plan of the project appears in a Declaration Plan prepared by Donald T. Nahrgang and Associates, Inc., architect, dated the 27th day of March, 1973 and recorded in the aforesaid Office of the Recorder of Deeds, in Kent County.

ARTICLE II

MEETINGS: NOTICE THEREOF: WAIVER

1. Meetings of Unit Owners

(a) Annual Meeting. An annual meeting of the unit owners shall take place in March of each year, at such generally convenient time and location as may be specified by the President

of the Council in a written notice mailed, emailed, or delivered to each unit owner no sooner than thirty days before, and no later than fourteen days before, the date of the meeting. For purposes of this paragraph, and unless otherwise specified, the “notice” requirement set out in subsequent provisions of this Code of Regulations, shall be as follows: (i) Notice by mail shall be deemed complete upon deposit in the U.S. mail with proper postage attached addressed to the unit owner at the last mailing address provided to the Council Secretary by the unit owner; (ii) notice by email shall be deemed complete upon sending such notice to the last email address provided to the Council Secretary authorized in writing (which can be by email) by the unit owner for the delivery of notice; (iii) notice by “delivery” shall be deemed complete upon personal delivery to the unit owner or leaving a copy at the front door of the last physical address provided to the Council Secretary by the unit owner. It is the responsibility of each unit owner to provide the Council Secretary with current contact information.

The purpose of the annual meeting shall be to elect members of the Council and to transact such other business as may then come before the unit owners.

(b) Special Meetings: Special meetings of the unit owners shall be promptly called by the President of the Council whenever the Council so directs; or by any member of the Council who is presented with a petition signed by unit owners representing an aggregate of twenty per cent (20%) of the total unit owner vote entitled to be cast. Notice of any such meeting shall be provided to each unit owner no sooner than thirty days before, and no later than fourteen days before, the date of the meeting, except that special meetings called under circumstances designated in good faith by the Council as constituting an emergency may be held as soon after the delivery of notice as the Council shall decide. The notice shall specify a generally convenient date, time and location of the meeting, and shall state with particularity the business to be transacted. No special meeting

shall be called except for the purpose of transacting a particular item or items of business. No business shall be transacted except that specified in the notice. For purposes of this paragraph, and unless otherwise specified, the term “voting power” set out in subsequent provisions of this Code of Regulations, shall mean the total percentage interest in the common elements assigned to each unit by the English Village Condominium Declaration.

2. Meetings of Council

(a) Annual Meeting: An annual meeting of the newly-elected Council members shall take place immediately after the annual meeting of the unit owners. The first item of business at such meeting shall, be the election of officers among and by the newly elected Council members. This election shall be conducted by the incumbent President. Thereafter, the Council members shall set dates for the regular meetings of Council, consider a budget for the coming year, and transact such other business as may then come before the Council.

(b) Special Meeting: Special meetings of Council members shall be called whenever the President deems appropriate, or whenever he is presented with the written request of three other Council members. All council members shall receive notice specifying a generally convenient date, time and location of the meeting, and shall state the business to be transacted. No business shall be transacted except that specified in the notice unless all Council members either are present or subsequently waive the necessity for notice. No special meeting shall be called by petition until after the first annual meeting has been held.

(c) Regular Meetings: Regular meetings of the Council shall take place at intervals of two months or less. The date, time and location of such meetings shall be set at the annual meeting of the Council by a majority agreement of the members; provided however that the President may change the date, time, and/or place of the meeting if necessary to facilitate obtaining a quorum or

for other legitimate purpose. Notice of regular meetings shall be provided to members of Council no sooner than thirty (30) days before, and no later than fourteen (14) days before, the date of each meeting unless the rescheduling of the meeting occurs less than (14) days prior to the rescheduled meeting in which case notice thereof shall be provided as soon after the rescheduling as possible. The purpose of the regular meetings shall be the transaction of such business as may come before the Council

3. Waiver of Notice of Any Meeting of Unit Owners or Council; Robert's Rules

(a) Attendance at any meeting by a unit owner or Council member who has not been, given notice thereof shall constitute a waiver of the necessity for such notice.

(b) Any unit owner or Council member may waive the necessity for notice of any meeting before or after the occurrence of such meeting.

(c) All meetings shall be conducted *generally* according to Robert's Rules of Order; provided that a majority vote of those physically present at a meeting may require compliance with those Rules as to any specific matter before the body.

ARTICLE III

QUORUM: EFFECTIVE VOTE: PROXIES: ORDER OF BUSINESS

1. Requisites for a Quorum for Meetings of Unit Owners or Council

(a) Unit Owners: The presence in person or by written and signed proxy of any number of unit owners who hold in the aggregate thirty percent (30%) of the total voting power shall constitute a quorum for the transaction of business by the unit owners. A quorum, once obtained, shall not be broken by the exit of any unit owners and the proxy ballots they were holding during the meeting.

(b) Council: The presence in person of a majority of Council members shall constitute a quorum for the transaction of business by the Council. At any meeting of Council, up to one member can attend by telephone, and up to two members can attend by “Zoom” (or similar internet program), and be counted towards a quorum, provided that all members can speak to and hear one another throughout the entire meeting. A quorum once thus established shall not be broken by disconnection of the remote participant(s), but in the event that disconnection appears to have been inadvertent, reasonable efforts shall be made to re-establish the connection before proceeding with the meeting.

(c) Failure to Obtain Quorum: If any meeting of unit owners or Council members cannot be convened because a quorum has failed to attend, the meeting may be adjourned to a time not less than twenty-four hours from the time for which it was originally called, and thereafter may be adjourned for successive periods of no less than twenty-four hours until a quorum is obtained; provided however that if a quorum cannot be obtained after two successive attempts subsequent to the originally-scheduled meeting, the normal quorum requirement shall be reduced to twenty percent (20%) for a meeting of unit owners and to three council members for Council meetings.

2. Vote Necessary For Resolution

(a) Unit Owners’ Meeting: Except as otherwise specifically provided in the Declaration or elsewhere in these Regulations, the vote of a majority of the voting power present in person or by proxy at a unit owner’s meeting where a quorum has been established shall be sufficient to adopt any duly proposed resolution of the unit owners. The voting power represented by each unit shall be cast as a single unit. Votes of units standing in the name of the Council are not entitled to be cast.

(b) Council Meeting: The vote of a majority of the Council members present and voting at a Council meeting at which a quorum of Council is present shall be sufficient for the transaction of business by the Council.

3. Proxies

Unit owners may be represented and vote at any meeting by proxy. Proxies must be in writing and signed by the entity giving the proxy on a form prescribed by the Secretary of the Council and filed with such Secretary prior to or at the commencement of the meeting at which the proxy is to be used. No proxy shall be for greater duration than one year. Any proxy may be a general proxy, authorizing the proxy holder to vote on any matter coming before the meeting, or a limited proxy, authorizing the holder to vote “for” or “against” any particular matter(s) coming before the meeting.

4. Order of Business

The order of business at all meetings insofar as pertinent or necessary shall be as follows:

- Roll call; with each unit owner or proxy holder identifying the unit present (so that the percentages of each unit’s assigned interest in the common elements can be determined for purposes of quorum and voting;
- Proof of notice of meeting or waiver of notice;
- Reading of minutes of preceding meeting;
- Reports of officers;
- Reports of committees;
- Removal of members or officers of Council;
- Election of inspectors of election; (only if motion to do so)
- Election of Council Members
- Unfinished business;
- New business.

ARTICLE IV

ELECTION OF COUCIL MEMBERS; TERM AND LIABILITY

1. Number and Qualification of Members

There shall be a maximum of nine and a minimum of five members of Council who shall be unit owners and residents of the State of Delaware and who shall be bondable, and, except as otherwise herein-provided, from different buildings, with each building entitled to representation on Council by one of its unit-owners. A candidate for Council shall submit a signed Statement of Candidacy to the Secretary of Council, at or prior to the annual meeting of unit owners. Nominations from the floor at the annual meeting will be accepted, provided that such. nominee must be present and state his/her willingness to run for office.

2. Term of Office; Forfeiture of or Removal From Office

(a) Term: The term of office for each council member above shall be for one year, commencing on the date he/she assumes office; provided that the term of any member of council elected to the Council by fill a vacancy on the Council shall be the remainder of the original Councilmember's term

(b) Forfeiture of or Removal From Office: Any member of Council shall forfeit his/her office: (i) upon failure to attend two consecutive Council meetings or four cumulative Council meetings held during his/her term of office; provided however that any failure to attend a meeting may be excused by a majority vote of the disinterested members of Council for just cause shown; (ii) upon the written petition of a majority of the unit owners of the building represented on Council by that Councilmember (counting each unit in the building as one vote); (iii) upon the written petition or vote of at least fifty-one percent (51%) of the total percentage of all unit owners' interests in the common elements as set out in the Declaration; or (iv) by a two-thirds vote of the voting power

present in person or by proxy at any meeting of the unit owners where a quorum is present.3.

Vacancies

In the event of a vacancy on Council, the unit owners from the building not represented on Council shall submit the name(s) of the proposed candidate(s) from that building to the Secretary of the Council, together with a Statement of Candidacy signed by said candidate(s). A candidate shall become a member of Council by majority of vote of the remaining Council-members. Anything herein to the contrary notwithstanding, in the event the unit owners from the building which is not represented on Council fail to present a proposed candidate and signed Statement of Candidacy from a unit owner in that building within thirty (30) days after written notice of the existence of such vacancy on Council is provided to the unit owners in such building, the remaining members of Council may solicit potential qualified candidates from any building and may, by majority vote of the remaining Council, elect therefrom a candidate to serve on Council for the remainder of that Council seat's term of office.

4. Election Procedure

Election of Council members shall take place each year at the annual meeting of the unit owners. No one shall be elected to the Council against his consent, or without having first filed a written and signed statement of his/her candidacy with the Secretary of the Council, or by nomination from the floor at the annual owners meeting (provided the nominee is present). A member shall be elected to Council by a majority the total voting power present in person or by proxy at the annual unit owners' meeting at which a quorum is present., If no candidate for a given seat on the Council obtains such a majority on the first ballot, then the candidate receiving the least portion of the vote shall be eliminated and a second ballot shall be taken. This procedure shall be repeated as often as required to obtain a majority vote. The voting shall be by written and secret

ballot, supervised by the Council Secretary, or, upon motion duly approved by a majority of those unit-owners present in person or by proxy, three election inspectors elected by the unit owners present in person or by proxy at the annual meeting. For purposes of the motion to appoint election inspectors and the vote(s) to elect them, each unit present in person or represented by proxy shall count as only one vote and not according to their respective percentage interest in the common elements.

5. Liability and Compensation of the Council Members

(a) Liability of Council Members: The members of the Council shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The condominium association and unit owners shall indemnify and hold harmless each of the Council's members against all contractual liability to others arising out of contracts made by the Council on - behalf of the association and the unit owners unless any such contract shall have been made in bad faith or knowingly and willfully contrary to the provisions of the Declaration or of these Regulations. The liability of any unit owner arising out of the aforesaid indemnity in favor of the members of the Council shall be limited to such proportion of the total liability thereunder as his interests in the common elements bears to the interests of all the unit owners in the common elements.

(b) Compensation of Council Members: No member of Council shall be paid any compensation for his/her services in such capacity, except as may be provided by the vote of the unit owners at their annual meeting. Members of Council may be reimbursed for their documented and reasonable expenses incurred in the performance of their office.

6. Bond

All Council members and employees shall, upon taking office or commencing employment, be bonded in an amount and to the extent necessary to provide the unit owners, occupants and mortgagees with adequate protection.

ARTICLE V

ELECTIONS AND KINDS OF OFFICERS

The Council shall elect each year at its annual meeting, from among its members, a President, a Vice-President, a Secretary, and a Treasurer. The offices of Secretary and Treasurer may be filled simultaneously by one and the same person. An officer shall be elected by a majority vote of the Council

ARTICLE VI

TERM, DUTIES, COMPENSATION OF OFFICERS

1. Terms; Removal and Vacancies

Each officer shall serve for a term of one year, subject to the Council's right to remove any member from office, after he has had an opportunity to be heard at any meeting of the council called for that purpose. Vacancies shall be filled at a meeting of the Council called for that purpose and held as soon as practicable after the vacancy has occurred.

2. Duties of Officers

(a) President: The President shall preside at all meetings of the unit owners and at all meetings of the Council. He shall have the powers and duties generally associated with the Office of the President of an association of individuals, including but not limited to the power to appoint committees from to time among Council members and any unit owners willing to assist in the conduct of the Project's affairs. The President with the consent of Council, shall hire, supervise, discharge and be ultimately responsible to the unit owners for the performance of persons

employed by the Council for management, maintenance, accounting or any other purpose. He shall oversee all arrangements for water service, gas, electricity, trash disposal, insurance, security, maintenance, repairs, reconstruction, and all other contracts relating to the common elements or to the project as a whole.

(b) Vice-President: The Vice-President shall be responsible for such specific matters as delegated to him/her by majority vote of the Council, shall act as President of the Council in the absence of the President, and shall perform such other duties as generally associated with the office of Vice-President in an association of individuals.

(c) Secretary: The Secretary shall keep or cause to be kept minutes of all meetings of the unit owners and of the Council. He/she shall receive and send out correspondence and notices on behalf of the Council. He/she shall have charge of such books, papers, documents as the Council may direct; and shall in general perform all the duties incident to the office of Secretary of an association of individuals.

(d) Treasurer:

(i) Custodian of Association's finances, books of account: The Treasurer shall have custody of all cash, securities, checkbooks, and other personal property (or evidence thereof) owned by the Association and/or jointly owned by the unit owners. The Treasurer shall also have custody of and shall maintain accurate books of account.

(ii) Annual Budget: Within thirty days after the unit owner's annual meeting, the Treasurer, with the assistance of the past- Treasurer, shall prepare a detailed estimate of the project's expenses for the coming year and present

the same to the Council for its adoption of a budget at the next ensuing meeting of Council.

A copy of the budget as approved by the Council shall be promptly provided to every unit owner, together with notice of a meeting of unit owners to approve the budget (such meeting to be held not less than fourteen (14) days after such notice) in the same manner as notice of the annual owners' meeting as provided in Article II, Section 1(a). The proposed budget shall be ratified and accepted unless a majority of all the unit owners' total voting power votes to reject the proposed budget. If not so rejected, the proposed budget is ratified whether a quorum is present or not. If the proposed budget is rejected, the budget last in effect shall continue in effect until a new budget is proposed by Council and not rejected by the unit owners in the same manner as provided herein.

- (iii) Annual Audit: The Treasurer shall cause an audit to be made at the end of each budget year of the Condominium financial transactions and status. Such audit shall be conducted by a professional accountant. The results of such annual audit shall be filed with the Council within sixty (60) days following the end of each fiscal year and notice of such filing shall be provided to each unit owner stating that the audit results are available for inspection by any unit owner upon request. Audit results shall be posted on the Association's website if any.
- (iv) Special or Additional Assessments: In the event the Council determines that it is necessary or advisable to increase the amount of the monthly

assessment or to impose an additional or special assessment for expenses not included or accurately forecast in the previously-approved budget, the Treasurer shall prepare an explanation of same for prompt delivery to the Secretary. Within five (5) days of receipt of the Treasurer's explanation, the Secretary shall provide notice thereof to each unit owner, in the same manner as notice of the annual owners' meeting as provided in Article II, Section 1(a), together with notice of a meeting of unit owners to approve such additional or special assessment, such meeting to be held not less than fourteen (14) days after such notice, The proposed additional or special assessment shall be ratified and accepted unless a majority of all the unit owners' total voting power votes to reject it. If not so rejected, the proposed additional or special assessment is ratified whether a quorum is present or not. If the proposed additional or special assessment is rejected, the Council may at any time resubmit the proposal in the same manner as provided herein.

- (v) Collection of Assessments: The Treasurer shall give the Secretary all information required to inform each unit owner of the monthly and any additional or special assessments due. The Treasurer shall be responsible for collecting all assessments from the unit owners, and all other income, rents, or proceeds due to the Council for the common benefit of the unit owners. The Treasurer shall deposit and keep funds so collected in such account or accounts as the Council may direct. No withdrawals shall be made from said accounts except on the signatures of both the Treasurer and

the President; provided, however, that whenever necessary, withdrawals may be made on the signatures of any two Council members.

In the President's and Vice President's absence, the Treasurer shall act as the President Pro Tem at any duly convened meeting.

3. Delegation of Duties; Compensation of Officers:

(a) Delegation of Duties: The performance of, but not the responsibility for, any officer's duties may be delegated by the Council, if the officer so requests, to any suitable person employed by the Council.

(b) Compensation of Officers: No officer shall be paid any compensation for his service in such capacity, except as may be provided for by vote of the unit owners at their annual meeting; provided that officers may be reimbursed for documented and reasonable expenses incurred by them in the performance of their duties.

ARTICLE VII

WORK ON COMMON ELEMENTS AND UNITS

1. Common Elements – Upkeep Procedures

(a) Common Elements: Repair, maintenance and replacement of the common elements shall be undertaken only by employees or agents of the Council and at the Council's direction.

No unit owner or occupant shall paint or otherwise adorn any of the common elements; place fans, air conditioning units or other devices or signs in any exterior window; permit any wires to be installed for telephone, television, radio, ornamental lights, or other purpose along the face or through the interior of any common element, or install any antenna outside the unit, without first receiving written permission of the Council, which permission, if given, may at any time thereafter on ten (10) days written notice be withdrawn.

(b) Common Elements Within A Unit: Any need or suspected need for repair, maintenance, or replacement of any common element from within a unit shall be promptly brought to the attention of the Council by the owner or occupant of that unit. Failure to provide the Council with timely notice may subject the unit owner and/or occupant to a claim for damages for the additional costs incurred as a result of such unreasonable delay. The employees or agents of the Council shall have the unhindered right to enter, leave and move about in the unit, as frequently and to whatever extent necessary to accomplish the required work.

(c) Emergency Work: Emergency work within a unit may be accomplished by the Council or its agents at any time and without advance notice. All other work on common elements within a unit shall be accomplished at such time or times as the Council, after ascertaining the desires of the unit owners and occupants and with due regard for their convenience, may specify by written notice delivered to the unit involved at least thirty (30) days in advance.

(d) Property Manager; Contracts for Maintenance, Replacement, Repair, or Reconstruction; Competitive Bid Requirement for Contracts Over \$3,000. The Council may hire and delegate to a full or part-time Property Manager employed for such purpose, all or any part of its and/or its officers' duties and powers with respect to upkeep of the common elements and the administration of the Council/Association's affairs, but may not delegate its responsibilities therefore. Council may from time-to-time contract with any firm, person or corporation for the performance of any maintenance, replacement, repair or reconstruction. For one-time expenditures of over Three Thousand Dollars (\$3,000.00), at least two (2) competitive bids will be obtained and presented for Council consideration and approval.

(c) Remedies In Event Council Fails to Maintain the Common Elements. In the event that Council fails to maintain the project in accordance with its duties hereunder, any unit owner,

occupant, or institutional first mortgagee shall have the right to compel the specific performance of the Council in a Court of Equity. Should the Council fail to make emergency repairs to any common element within twenty-four hours of receiving notice of the need therefor, any unit owner, occupant or institutional, first mortgagee affected may cause the same to be made and seek reimbursement from the Council in a Court of Law. All doubts shall be resolved by the Court in favor of the Council's actions or inaction if undertaken in good faith. A reasonable allowance for attorney's fees shall be awarded to whichever side prevails in a lawsuit based on this provision.

2. Common Elements – Upkeep and Costs

(a) Payment From Assessments & Reserve Funds; Costs in Approved Budget; Costs Not In Approved Budget; Power to Borrow Funds To Prevent Waste or Emergency:

The costs of materials, labor, services, supplies and any other expenses incurred to repair, maintain, replace or reconstruct the common elements and/or for operating expenses of the Association (e.g. professional property manager, insurance, outside auditors, office equipment and expenses) shall be paid by the Treasurer from assessments collected, and reserves created or funds received, for such purpose. Costs and expenses forecast in the approved budget may be paid without further authorization of the Council. All other costs and expenses must be separately authorized by majority vote of the Council. The Council shall have the power to borrow funds for maintenance, repairs, or replacements if necessary to prevent waste or meet an emergency. Otherwise, the Council shall first seek the authorization of the unit owners in order to borrow as provided in Section (5) of this Article; but no lender shall be required to demand more or look behind the Council's representation that the borrowing of a given amount for a given purpose is authorized.

(b) Reimbursement To Unit Owner(s) for Damage To Unit Occurring During Course of Repairs, Maintenance, or Replacement of Common Elements: Any damage to a unit owner's or occupant's personal property or unit which occurs in the course of repairs, maintenance or replacement of the common elements by the Council shall be reported to the Council as soon as discovered. If satisfied that the damage was so caused, and not as the result of any carelessness on the part of the unit owner or occupant, the Council, the responsible contractor, or the Council's insurer shall make a reasonable reimbursement therefor.

(c) Repairs, Maintenance, or Replacement of Common Elements Necessitated by Acts of Owner, Occupant, or Invitee: Any maintenance, replacement or repair to the common elements made necessary by an act or acts of a unit owner, occupant, or invitee other than such as occur in the course of normal, careful usage resulting in ordinary wear and tear, shall be assessed solely to the unit owner involved.

3. Work on Units by Unit Owners

(a) Unit Owner's Duty To Maintain and Repair Unit at Unit Owner's Expense Where Failure To Do So May Cause Damage to Common Elements or to Any Portion of Any Other Unit; Unit Owner's Strict Liability:

Each unit owner must promptly, at his own expense, perform all maintenance and repair work within his unit, exclusive of common elements, which if not performed would or might reasonably cause damage to any portion of the common elements or to any portion of any other unit including the contents thereof. Each unit owner shall be strictly liable for damage and personal injury caused by his failure to so perform.

(b) Costs of Repairs, Maintenance & Replacement in any Unit (Exclusive of Common Elements Within a Unit) Are Responsibility of Owner: All repairs, maintenance, and replacements

required in connection with any unit exclusive of common elements shall be the responsibility of that unit's owner.

(c) No Structural Installation Or Alteration Without Prior Written Council Approval; Council May Require That Structural Installations or Alterations Without Prior Council Approval Be Removed or Changed Back At Unit Owner's Expense:

No unit owner or occupant shall make any structural installation or alteration without approval of Council. A unit owner or occupant desiring to make a structural installation or alteration shall first so notify the Council in writing. He shall furnish the Council with such further information and drawings as may be requested. The Council shall have thirty (30) days from its receipt of the notification within which to deliver to the unit owner involved, its written approval or disapproval. The Council shall be justified in resolving all doubts regarding duress, damage to and safety of the common elements and other units and occupants against the proposed installation or alteration. In the event that an installation or alteration is made, without approval of Council, Council will have the right to require that said installation shall be removed or the alteration to be changed back.

4. Reconstruction Using Insurance or Condemnation Proceeds

(a) Repair or Restoration of Damage or Destruction of Building or Common Elements Covered by Insurance; Payment to Contractors; No Work to Commence or Continue if Condominium (or any Part Thereof) is Validly Subject to Suit For Partition by Reason of Damage or Destruction; Time Limit to File Suit for Partition:

In the event of damage to or destruction of any building or other common element as a result of any casualty against which the Council has obtained insurance, the Council shall arrange for the prompt repair and restoration thereof, including non-supporting partition walls, wall board,

flooring, electrical outlets, lighting fixtures, plumbing fixtures, doors, windows, and heating and air-conditioning units, but only to the extent that the same were considered in determining the replacement value of the building for insurance purposes, or are otherwise covered by the insurance coverage provided. (Carpeting, furniture, appliances, and other furnishings and decorations within the units shall be the responsibility of the unit owners.) The Council shall disburse the insurance proceeds to the contractors engaged in such repair and restoration in appropriate progress payments.

The foregoing provisions are subject to the condition that no such work shall be begun or continued nor shall any disbursements be made if the condominium or any part thereof is validly the subject of any suit in partition by reason of the damage or destruction. Such suit to be effective must be brought within seven (7) days after the occurrence of the damage or destruction, unless the Council in writing extends this time limitation; otherwise, the right to partition shall be conclusively deemed waived.

(b) Damage or Destruction To Any Building Or Common Elements As A Result of Taking Under the Power of Eminent Domain; Council To Arrange Restoration of Remainder & Pay Contractors; Disposition of Excess Compensation Proceeds or Where Only Common Elements Taken:

In the event of damage to or destruction of any building or other common element as a result of a taking under the power of eminent domain, the Council shall, to the extent practical and possible, arrange for the prompt repair and restoration of the remainder thereof, and shall disburse proceeds received as compensation to the contractors engaged in such repair and restoration in appropriate progress payments. Such proceeds as are not needed for repair and restoration shall be divided among the unit owners in the same manner as insurance and salvage proceeds would

be divided after a casualty and /or as the result of a suit for partition; provided however, that where condemnation proceeds are received for the taking of only common elements not involving the taking of any building or portion thereof, the condemnation proceeds may, in Council's absolute discretion, be either divided among the unit owners according to their percentage interests in the common elements (after deducting any delinquent amounts owed to the Association by any such unit owners) or deposited in the Association's accounts to be held and/or used for any present or foreseeable repairs, maintenance, or replacements to the common elements that would otherwise have to be paid from assessments on the unit owners.

5. Borrowing by Council For Non-emergency or Long-Term Capital Improvement Projects

The procedure for the borrowing of funds for non-emergency or long-term capital improvements projects shall be as follows:

(a) The Treasurer and/or Council shall obtain quotes, proposals, and other data pertinent to the proposed project. This information should include preliminary financing plans based upon inputs from potential lenders.

(b) Council shall prepare and present to unit owners for their consideration, a written proposal setting forth the exact nature of the project; why it is needed or wanted; proposed financing arrangements (which may be set forth in general or "not to exceed" terms); and the estimated cost impact on the regular assessment ("Monthly Dues") for each size of unit.

(c) The written proposal shall be accompanied by a ballot. This ballot shall provide the unit owner with voting choices to: (i) approve the proposal, (ii) disapprove the proposal, or (iii) request a special meeting of owners to discuss the proposal. The ballot, signed by the unit owner(s), shall be returned to Council within twenty-one (21) days of delivery to the unit owner(s). Delivery to the unit owners shall be deemed complete upon deposit in the U.S. mail, proper postage

attached, addressed to the unit owners at the last address provided to the Council by each unit owner. The ballot shall prominently state that any ballot not returned within twenty-one (21) days of delivery to the unit owner shall be counted as a “yes” vote in favor of the borrowing.

(d) Council shall then meet and tally the ballots. Each unit's ballot shall count according to the percentage of common elements assigned to that unit by the Declaration.

(e) Within fifteen (15) days of the tally of ballots, Council shall issue a written report of the results to unit owners. This report will include a listing of votes, by unit, for each choice (approve, disapprove, or request a meeting), as well as a listing of units that did not return a ballot and were counted as a “yes” vote. If ballots representing at least 75% of the total voting power (counting both those “yes” ballots returned and ballots not returned as “yes” votes), approve, the Council is authorized to proceed. If ballots representing less than seventy-five percent (75%) but at least twenty-five percent (25%) of total voting power are voted in favor of holding a special meeting of the unit owners, the Council shall promptly schedule such a meeting and provide each unit owner with not less than fourteen (14) days prior notice. A quorum shall consist of the presence, in person or by proxy, of at least fifty-one percent (51%) of the total voting power. At the conclusion of such meeting, the Council shall take a vote from those units present in person or by proxy according to their respective voting power and if a majority of such votes are in favor, the Council shall be authorized to proceed with such proposed borrowing; otherwise, the proposal shall fail. However, Council is authorized to resubmit the proposal, in whole or in part in modified form, at any time.

(f) Where any vote is in favor of a proposed borrowing, Council shall not be bound to strict compliance with the terms of the proposed borrowing as presented to the unit owners for approval but *minor* changes in the terms of the proposed loan occurring after the vote to approve where such

changes are beyond the Council's control, or any changes in the terms of the proposed loan more favorable to the Association, shall not invalidate Council's authority to proceed.

(g) Unit owners may from time-to-time petition Council to consider projects of the nature covered herein. Council is authorized to reject or pursue such projects at its discretion.

ARTICLE VIII

COLLECTION OF COMMON EXPENSES

1. Budget and Assessments in Advance

The Council shall have the power and authority to prepare a budget for each year in advance and to make assessment each month, in advance, for the common expenses projected in such budget. No objection shall be made to any assessment on the basis that the expenses which such assessment is intended to meet have not yet been incurred. The budget and assessments therefor may provide for the creation of reserves to meet unforeseen contingencies or to provide for expenses which may not be incurred until an undetermined time in the future beyond the one-year period during which the budget is in force. Each unit shall be assessed in proportion to the percentage interest in common elements ascribed to that unit in the Declaration.

2. Advance Deposit

The Council may require each unit owner to deposit with the Treasurer an amount to be used for common expenses, which amount shall not exceed the current monthly assessment against the unit. The fund so created shall be used for the purpose of meeting current operating deficiencies caused by the late payment or non-payment of assessments, for prevention of waste or damage in emergencies, or for collateral if emergency borrowing is required to prevent such waste or damage.

3. Manner of Paying Assessment

(a) Assessments shall be paid by check, automated clearing house transaction (“ACH”), online bank transfer, or cash or money order delivered to the Treasurer or Property Manager on or before the first day of each month, and shall be considered delinquent after the tenth day of each month.

(b) Any assessment not paid within ten days after the first day of the month shall be charged a late payment penalty of five percent (5%) which amount shall compound each month it remains unpaid. In addition to a late payment fee for the additional administrative costs of late payments, the Council may charge interest at the maximum legal interest rate.

4. Acceleration of Assessment Upon Default

In the event that the monthly or any special assessment of any unit owner remains unpaid, regardless of the amount which he has on deposit, or in the event that the amount that unit owner has on deposit remains deficient for a period of more than sixty (60) days, the Council shall have the right to call in writing for immediate payment of all sums past due and all assessments scheduled to become due for the three (3) months next following, as if this aggregate amount had originally been due and payable in full. The Council may take any and all steps available within the law to collect the amount due.

5. Effect of Unpaid Assessment

So long as any general or special assessment is due and unpaid, the unit subject to such assessment shall not be sold, subject to a new lease, or encumbered, nor shall any lease thereon be assigned, nor shall any existing lien or encumbrance be extended or increased, except with the Council's written consent, and any rents, common profits or other income rights with respect to such unit shall be deemed assigned to the Council as security. The Council may make written

demand upon any tenant occupying a unit whose owner is delinquent in payment of its assessments to pay that tenant's rents to the Council; and upon that tenant's failure to comply, Council may proceed to collect such amounts from the tenant by writ of attachment. This paragraph shall be subject to such rights, as may be then vested in the institutional first mortgagee of such unit, if any.

6. Settlement: Expenses of Collection

Every unit owner against whom legal action is taken to collect any assessment, or enforce any covenant, condition, obligation or restriction set out in the Declaration, Code of Regulations, or Rules of Conduct adopted by the Council shall, if judgment is rendered against him, be liable for all Court costs and for a reasonable attorney's fee, the same as if such costs and fee were part of the original amount due, except that no interest shall be calculated on the costs and fee.

The Council shall have the right to settle any claim against a unit owner, occupant or other person or legal entity for such amount and on such terms as the Council believes to be in the project's best interests.

7. Deposit Credited to New Owner

Any advance deposit held by the Condominium Council for the account of a unit owner who conveys his unit to a new owner shall automatically be deemed assigned to such new owner and shall be credited to the new owner's account, notwithstanding any demand or instruction to the contrary.

**ARTICLE IX
RULES AND REGULATIONS**

1. Rules of Conduct; Financial Penalties for Violation

The Council may from time-to-time promulgate and amend rules governing the use and operation of the project facilities and common elements in general. Such rules may provide a schedule of financial penalties for violations of such rules which financial penalties shall be added to the unit owner's monthly assessment and may be enforced and collected as any other assessment.

2. Council's Right To Enter & Inspect Units

The Council or its designated representative(s) shall have the right to enter any unit: (1) upon not less than twenty-four (24) hours prior notice to the unit owner and occupant(s) upon probable cause to believe that conditions within such unit present a significant and imminent risk of harm to other units or occupants in the building or that the unit is being used or occupied in substantial violation of the Association's use and occupancy restrictions; (2) without prior notice in the event conditions in such unit are actively causing harm to other units or occupants in the building (e.g. fire, smoke, leaking or burst water lines); and (3) upon not less than thirty (30) days prior notice to have each unit inspected once every year to ascertain its condition. Any notice required hereby shall be given to the occupants of a unit by personal delivery or by posting a copy on the entrance door to such unit; notice to the unit owner shall be provided by personal delivery, email, or telephone or text message to the last contact information provided to the Council by the unit owner. Annual inspections shall include all units within any building or units randomly selected by chance from among all units in the condominium.

3. Amendments to Code of Regulations

Subject to the right, power and authority reserved to unit owners, the Council may from time-to-time amend the Code of Regulations.

4. Unit Owner Approval Required For Amendment To Code of Regulations or Rules of Conduct; Procedure

No Amendment to the Code of Regulations shall be recorded, and no amendment to the Code of Regulations or the Rules of Conduct shall become effective, until a copy thereof has been made available for inspection by all unit owners for a period of at least thirty (30) days following delivery of notice to each unit owner. Where any unit is leased, it is the unit owner's obligation to notify the tenants of any amendment to the Code of Regulations or Rules of Conduct which relate to the occupancy of the unit, but no amendment relating to occupancy of a unit shall be enforceable until the expiration of thirty days from the date notice thereof is posted on the front door of each building. A copy of such Amendment shall be posted on the Association's website if any. Any time before or after the effective date of the rule or amendment the unit owners may rescind it by a majority vote of the total voting power. Such vote to rescind shall take place at a special meeting of the unit owners to be held by the Council upon the written demand of unit owners having at least twenty-five percent (25%) of the total voting power. Such special meeting of the unit owners shall be called by the Council upon not less than fourteen (14) days' notice to the unit owners. At least a majority of the total voting power of the entire condominium shall be necessary to rescind any proposed amendment. Rescission shall automatically revive the previous status of the Code of Regulations or Rules of Conduct. The unit owners shall not have the power themselves directly to promulgate or amend any rule or regulation.

ARTICLE X

ACQUISITION OF UNITS BY COUNCIL

(a) Requisite Vote of Owners To Purchase Any Unit Offered For Sale:

Council may, if authorized by unit owner vote of seventy-five percent (75%) or more of the total voting power, acquire by purchase, as a common expense, any unit offered for sale..

(b) Requisite Vote of Owners to Purchase Unit Where Council's Acquisition of the Unit Is Necessary to Protect Association's Lien for Unpaid Assessments:

The Council may, if authorized by a majority vote of the total voting power, acquire by purchase, as a common expense, any unit offered for sale under circumstances making its acquisition necessary in order to protect the Council's lien for unpaid assessments thereon.

(c) Council's Power to Borrow On and Dispose of Units

The Council may, if authorized by the unit owners in accordance with the requisite votes set out above, borrow money to accomplish either of the aforesaid acquisitions. Management and disposition or sale of any unit or units standing in the Council's name may be accomplished by the Council without prior authorization of the unit owners. In the event that any unit standing in the Council's name is sold, the net proceeds of such sale (after paying off any mortgage or other liens and all closing costs) shall be distributed to the unit owners, past and present, in proportion to the amounts they effectively paid through their past assessments in connection with the Association's purchase.