



20050421-0037551

Pages: 39 F: \$357.00

04/21/05 10:29:59 AM

T20050031499

Michael E. Kozikowski  
New Castle Recorder MISC

New Castle County Tax  
Parcel No. 06-110.00-040

Document prepared by:

Harry F. Kocher, for the  
Carillon Crossing Council

Return to:

Richard E. Franta, Esquire  
1301 N. Harrison Street  
Suite 102  
Wilmington, DE 19806

**AMENDED AND RESTATED  
CODE OF REGULATIONS  
OF  
CARILLON CROSSING**

Amending and restating the Code of Regulations of Carillon Crossing established and adopted on April 1, 1998, and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Book 2421, Page 144, *et seq.*

# Table of Contents

## Code of Regulations

	<u>Page</u>
<b><u>I Plan of Unit Ownership</u></b> .....	1
1. Identification .....	1
2. Applicability of Code of Regulations.....	1
3. Office .....	2
4. Definitions .....	2
5. Title to Units .....	2
<b><u>II Association of Owners</u></b> .....	3
1. Composition .....	3
2. Place of Meeting .....	3
3. Annual Meeting .....	3
4. Special Meeting .....	3
5. Roster of Unit Owners .....	3
6. Notice of Meetings .....	3
7. Adjourned Meetings .....	4
8. Voting .....	4
9. Proxies .....	4
10. Order of Business .....	4
11. Inspector of Election .....	5
12. Majority of Owners .....	5
13. Quorum .....	5
14. Conduct of Meeting .....	5
<b><u>III Council</u></b> .....	6
1. Number and Qualification .....	6
2. Powers and Duties .....	6
3. Managing Agent .....	7
4. Election and Term of Office .....	7
5. Removal of Members of Council .....	8
6. Vacancies .....	8
7. Compensation .....	8
8. Regular Meetings .....	8
9. Special Meetings .....	8
10. Quorum .....	8
11. Action Without Meeting .....	9
12. Conduct of Meetings .....	9
13. Director and Officer Liability Insurance .....	9
14. Committees .....	9
<b><u>IV Liability and Indemnification of Officers and</u></b> <b><u>Council Members</u></b> .....	10
1. Liability and Indemnification of Officers and Council Members .....	10

Table of Contents  
Continued

<b><u>V</u></b>	<b><u>Officers</u></b>	<b>11</b>
1.	Designation	11
2.	Election of Officers	11
3.	Removal of Officers	11
4.	President	11
5.	Vice President	11
6.	Secretary	11
7.	Treasurer	11
8.	Agreements, Contracts, Deeds, Checks, Etc.	12
9.	Compensation of Officers	12
<b><u>VI</u></b>	<b><u>Operation of the Property</u></b>	<b>13</b>
1.	Determination of Common Expenses and Assessments Against Owners	13
2.	Payment of Common Expenses	15
3.	Collection of Assessments	15
4.	Statement of Common Expenses	15
5.	Reserves Buy-In	16
<b><u>VII</u></b>	<b><u>Physical Management</u></b>	<b>17</b>
1.	Management and Common Expenses	17
2.	Association of Owners as Attorney-in-Fact	18
3.	Owner's Responsibilities	18
4.	Windows and Doors	19
5.	Manner of Repair and Replacement	19
6.	Additions Alterations or Improvements by Owners	19
7.	Right of Access	20
8.	Rules and Regulations	20
9.	Electricity	20
10.	Parking Spaces	20
11.	Limitation of Liability	20
<b><u>VIII</u></b>	<b><u>Use Restrictions</u></b>	<b>21</b>
1.	Restricted Residential Use	21
2.	Use of Units and Common Elements	21
3.	Leasing of Units	23
<b><u>IX</u></b>	<b><u>Insurance</u></b>	<b>24</b>
1.	Council Responsibility	24
2.	Types of Insurance	24
<b><u>X</u></b>	<b><u>Repair and Reconstruction After Fire or Other Casualty</u></b>	<b>25</b>
1.	When Repair and Reconstruction are Required	25
2.	Procedure for Reconstruction and Repair	25
3.	Disbursements of Construction Funds	25
4.	When Reconstruction is no Required	26

Table of Contents  
Continued

<b>XI</b>	<b><u>Fiscal Management</u></b>	27
	1. Fiscal Year	27
	2. Principal Office – Change of Same	27
	3. Books and Accounts	27
	4. Inspection of Books	27
	5. Execution of Corporate Documents	27
<b>XII</b>	<b><u>Mortgages</u></b>	28
	1. Notice to the Council	28
	2. Notice of Unpaid Assessments for Common Expenses	28
	3. Notice of Default	28
<b>XIII</b>	<b><u>Compliance and Default</u></b>	29
	1. Relief	29
	2. Lien for Contributions	30
<b>XIV</b>	<b><u>Miscellaneous</u></b>	31
	1. Notices	31
	2. Invalidity	31
	3. Captions	31
	4. Gender	31
	5. Interpretation	31
<b>XV</b>	<b><u>Amendments to Code of Regulations</u></b>	32
	1. Amendments	32
	2. Conflicts	32
<b>XVI</b>	<b><u>Application of Awards</u></b>	33
	1. Condemnation and Other Awards and Sums Recovered	33
<b>XVII</b>	<b><u>Suit By and Against Unit Owners</u></b>	34
	1. Council As Agent	34
	2. Service of Process	34
	3. Waiver of Council	34
	4. Effect of Judgment	34
<b>XVIII</b>	<b><u>Sales and Alienation of Units</u></b>	35
	1. No Severance of Ownership	35
	2. Covered Parking Spaces	35
	3. Lien for Unpaid Assessments	35

**AMENDED AND RESTATED  
CODE OF REGULATIONS  
OF  
CARILLON CROSSING**

Amending and restating the Code of Regulations of Carillon Crossing established and adopted on April 1, 1998, and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Book 2421, Page 144, *et seq.*

**ARTICLE I**

**Plan of Unit Ownership**

Section 1. Identification. The Property located in Brandywine Hundred, New Castle County, Delaware (hereinafter called the "Property"), has been submitted to the provisions of Title 25 of the Delaware Code, Chapter 22, known as the Unit Property Act, by the Declaration dated the 1<sup>st</sup> day of April, 1998, recorded in the Office of the Recorder of Deeds in and for New Castle County at Wilmington simultaneously herewith in Deed Book 2421, Page 108, as amended from time to time, and shall hereinafter be known as "Carillon Crossing" (hereinafter called the "Condominium"), and as shown on the Declaration Plan recorded in the office of the Recorder of Deeds, in and for New Castle County, at Wilmington in Microfilm Record No. 13472 as amended from time to time.

Section 2. Applicability of Code of Regulations. The provisions of this Code of Regulations are applicable to the Property of the Condominium and to the use and occupancy thereof. All present and future Owners, mortgagees, occupants of Units and their employees, and any other person who may use the facilities of the Property in any manner, are subject to this Code of Regulations, the Declaration and the Rules and Regulations. The acceptance of a deed or transfer document of a Unit shall conclusively establish the acceptance and ratification of the Declaration Plan, Code of Regulations, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, by the person so acquiring a Unit and shall constitute as evidence a written agreement by such person to comply with the same.

Declaration Plan, Code of Regulations, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, by the person so acquiring a Unit and shall constitute as evidence a written agreement by such person to comply with the same.

Section 3. Office. The Office of the Condominium and of the Council shall be located at such place as may be designated by the Council.

Section 4. Definitions. Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration or the Unit Property Act, pages 2 thru 8. The definitions include "Association of Owners," "Building or Buildings," "Code of Regulations," "Common Elements," "Common Expenses," "Council," "Covered Parking Space," "Declaration Plan," "Developer," "Land," "Limited Common Elements," "Majority of the Owners," "Managing Agent," "Owner or Unit Owner," "Percentage Interest," "Property," "Rules and Regulations," "Unit," and "Unit Property Act."

Section 5. Title to Units. Title to Units may be taken in the name of a person, or in the names of two persons, as joint tenants, as tenants by the entirety, or in the name of a fiduciary. Carillon Crossing is expressly identified as unit dwellings limited to persons age 55 or older.

## **ARTICLE II**

### **Association of Owners**

Section 1. Composition. All of the Owners of Units in the Condominium, acting as a group in accordance with the Unit Property Act, the Declaration, and this Code of Regulations shall constitute the "Association of Owners" (sometimes referred to as the "Association") of Carillon Crossing. Except where the Unit Property Act, the Declaration, and this Code of Regulations expressly provides for direct Association action by vote or otherwise, the Association shall administer the Condominium through the Council as more particularly set forth in the Unit Property Act, the Declaration, and this Code of Regulations (including without limitation of Articles III and VII hereof).

Section 2. Place of Meeting. Each meeting of the Association of Owners shall be held at a suitable place and facility within the State of Delaware, selected by the Council on the basis of its reasonable convenience for the Unit Owners.

Section 3. Annual Meetings. The annual meeting of the Association of Owners shall be held in the month of March of each year, at a date, time and place designated in the written notice of meeting which the Council shall cause to be delivered to the Unit Owners. At such annual meeting, the Unit Owners shall conduct all duly noticed business and any other appropriate business to come before the Association, including the election of one or more individuals to serve as members of the Council in order to keep the Council fully constituted for the upcoming year. The election of Council members shall be conducted in accordance with the requirements of Article III of this Code of Regulations.

Section 4. Special Meeting. It shall be the duty of the President to call a special meeting of the Association of Owners as directed by resolution of the Council or upon a petition signed by Unit Owners representing at least thirty percent (30%) of the total votes of the Unit Owners having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as specifically stated in the notice.

Section 5. Roster of Unit Owners. The Secretary shall maintain a current roster of the Unit Owners, with a current address and telephone number for each Owner, as well as the name, address, and telephone number of a family member, attorney-in-fact, or other responsible persons to contact in the event of an emergency. It shall be the responsibility of each Unit Owner to inform the Secretary in writing of any new or changed roster information relating to said Owner's unit.

Section 6. Notice of Meetings. It shall be the duty of the Secretary to mail or otherwise deliver a notice of each annual and special meeting of the Association of Owners, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner at his address as it appears on the roster of the Unit Owners maintained by the Secretary, or if no such address appears, at his last known place of address or at his Unit, at least ten (10) but no more than ninety (90) days prior to such meeting. Notice by either such method shall be

considered as notice served and proof of such notice shall be made by the affidavit of the person giving such notice. Attendance by a Unit Owner at any annual or special meeting shall be a waiver of notice by him of the time, place and purpose thereof. Notice of any annual or special meeting of the Unit Owners may also be waived by any Unit Owner either prior to, at, or after any such meeting.

**Section 7. Adjourned Meetings.** If any meeting of Unit Owners cannot be organized because a quorum has not attended, the Unit Owners who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called at which rescheduled meeting, any voting will be determined by majority of those present.

**Section 8. Voting.** At every meeting of the Association of Owners, voting shall be on a percentage basis and the percentage of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. The votes of the Unit Owners representing a majority of the Unit Owners present and voting, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Unit Property Act or of the Declaration or of this Code a different vote is required, in which case such express provision shall govern and control. The vote for any Unit which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any Owner of such Unit is noted at such meeting. The vote appurtenant to any Unit which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Unit Owner shall be eligible to vote either in person or by proxy, or to be elected to the Council who is shown on the books or management accounts of the Association of Owners to be more than thirty (30) days delinquent in any payment due the Association of Owners or its assigns.

**Section 9. Proxies.** A Unit Owner may appoint any other Unit Owner or the Managing Agent as his proxy. In no case may any Unit Owner cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in a form approved by the Council at or before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the Unit Owner; provided, however, that no proxy is effective for a period in excess of one hundred eighty (180) days.

**Section 10. Order of Business.** The order of business at all annual meetings of the Association of Owners shall be as follows:

- A. Roll call and certification of proxies;
- B. Proof of notice of meeting or waiver of notice;
- C. Acceptance or correction of minutes of preceding meetings, if any;
- D. Reports of officers, if any;
- E. Reports of Council, if any;



1/30/07 H. Kocher

## Voting For Council Members

Original Code Recorded 4/2/98

Section 4. Election and Term of Office. The term of the Council Members initially named by the Developer shall expire when their successors have been elected at the first annual meeting of Unit Owners and are duly qualified. The election of Council Members shall be by ballot, unless balloting is dispensed with by the unanimous consent of the Unit Owners present at any meeting in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the Association of Owners, the term of office of the three (3) candidates receiving the greatest number of votes shall be fixed for three (3) years.

At the expiration of the initial term of office of each respective Member of Council, his successor shall be elected or appointed as set forth above to serve a term of three (3) years. In the alternative, the Owners may, by resolution duly made and adopted by the first annual meeting of Unit Owners, or at any subsequent annual meeting, resolve to fix the term for each Member elected at any such meeting at one (1) year. The Members of Council shall hold office until their successors have been elected or appointed as set forth above and hold their first regular meeting.

Revised Code Recorded 4/21/05

Section 9. Proxies. A Unit Owner may appoint any other Unit Owner or the Managing Agent as his proxy. In no case may any Unit Owner cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in a form approved by the Council at or before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the Unit Owner; provided, however, that no proxy is effective for a period in excess of one hundred eighty (180) days.

Section 4. Election and Term of Office. The election of Council Members shall be by ballot, unless balloting is dispensed with by the unanimous consent of the Unit Owners present at any meeting in person or by proxy. There shall be no cumulative voting. The term of office for a Council Member shall be fixed for three (3) consecutive years.

Voting for Council Members (Cont.)Webster's New Collegiate Dictionary

Cumulative Voting: a system of voting for corporate directors in which each shareholder is entitled to a number of votes equal to the number of shares he holds multiplied by the number of directors to be elected and has the right to divide his votes among candidates in any way he chooses

- F. Reports of committees, if any;
- G. Election or appointment of inspectors of election (when so required);
- H. Election of Officers;
- I. Unfinished business;
- J. New business;
- K. Adjournment

In the case of special meetings, items A through E shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

Section 11. Inspector of Election. The Council may, in advance of any annual or special meeting of the Unit Owners, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting of Unit Owners shall appoint such inspectors of election. No officer or Member of the Council and no candidate for Council shall act as an inspector of election at any meeting of the Unit Owners if one of the purposes of such meeting is to elect Members of the Council.

Section 12. Majority of Owners. As used in this Code of Regulations, the term "majority of Owners" shall mean those Owners having more than fifty percent (50%) of the aggregate Percentage Interest of all Owners.

Section 13. Quorum. Except as otherwise provided in this Code of Regulations, the presence in person or by proxy of a majority of the Owners shall constitute a quorum at all meetings of the Association of Owners.

Section 14. Conduct of Meeting. The President shall preside over all meetings of the Association of Owners, and the Secretary or an appointed individual shall keep the minutes of the meeting and record in a minute book all resolutions adopted in the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Association of Owners when not in conflict with the Declaration, this Code of Regulations or the Unit Property Act.

## ARTICLE III

### Council

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Council elected by the Owners. The Council shall be composed of three (3) to (5) persons, each of whom shall be a member of the Association or otherwise qualified under the Unit Property Act.

Section 2. Powers and Duties. The Council shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Unit Property Act or by this Code of Regulations directed to be exercised and done by the Association of Owners. The Council shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of this Condominium provided such Rules and Regulations shall not be in conflict with the Unit Property Act, the Declaration or this Code of Regulations. The Council shall delegate to one of its Members the authority to act on behalf of the Council on all matters relating to the duties of the Managing Agent, if any, which may arise between meetings of the Council. In addition to the duties imposed by this Code of Regulations or by any resolution of the Association of Owners that may hereafter be adopted, the Council shall have the power to, and be responsible for, the following:

A. Preparation of an annual budget, in which there shall be established the obligation of each Owner to the Common Expenses.

B. Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the time period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Council, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installments to be due and payable in advance on the first day of each month for said month.

C. Providing for the operation, care, upkeep, maintenance, and surveillance of all of the Common Elements and services of the Condominium.

D. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, and providing services for the Property and, where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common Property of the Owners.

E. Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.

F. Making and amending Rules and Regulations respecting the use of the Property.

G. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

H. Making, or contracting for the making of, repairs, additions and improvement to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the other provisions of this Code of Regulations, after damage or destruction by fire or other casualty.

I. Enforcing by legal means the provisions of the Declaration, this Code of Regulations and the Rules and Regulations for the use of the Property adopted by it and bringing any proceeding which may be instituted on behalf of the Owners.

J. Obtaining and carrying insurance against casualties and liabilities, as provided in Article IX of this Code of Regulations, and pay the premium cost thereof.

K. Paying the cost of all services rendered to the Condominium and not billed to Owners of individual Units.

L. Keeping books with detailed accounts in chronological order containing the receipts and expenditures affecting the Property, and the administrations of the Condominium, and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners, first mortgagees of Units, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Council for the general knowledge of the Owners and such mortgagees. All books and records shall be kept in accordance with good and accepted accounting practices.

M. Notifying the mortgagee of any Unit of any default by the Owner of such Unit whenever requested in writing by such mortgagee to send such notice.

N. To do such other things and acts not inconsistent with the Unit Property Act and with the Declaration which it may be authorized to do by a resolution of the Association of Owners.

O. Entering into or satisfying management contracts for the operation, maintenance or management of the Property, the cost of which will be a Common Expense.

Section 3. Managing Agent. The Council may delegate to the Managing Agent, by written Agreement and/or by resolution(s) duly adopted at Council meeting(s), some or all of Council's authority to act with respect to certain matters, particularly those of an administrative nature. However, the Council cannot delegate its duties and responsibilities under the Unit Property Act, the Declaration, or this Code of Regulations. The Council may delegate to the Managing Agent all of the powers and duties granted to the Council by this Code of Regulations, provided such delegation shall be in writing reflecting the consent of the Council

Section 4. Election and Term of Office. The election of Council Members shall be by ballot, unless balloting is dispensed with by the unanimous consent of the Unit Owners present at any meeting in person or by proxy. There shall be no cumulative voting. The term of office for a Council Member shall be fixed for three (3) consecutive years.

*SUBJECT TO RESIGNATION.*

Section 5. Removal of Members of Council. At an annual meeting of Unit Owners, or at any special meeting duly called for such purpose, any Member of Council may be removed with or without cause by the affirmative vote of a majority of the Unit Owners, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Member whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. The term of any Member who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due the Association of Owners or its assigns may be terminated by resolution of the remaining Members of Council, and the remaining Members shall appoint his successor as provided in this Article.

Section 6. Vacancies. Vacancies in Council caused by any reason other than the removal of a Member by a vote of the Association of Owners shall be filled by a vote of a majority of the remaining Members of the Council at a special meeting of the Council held for that purpose promptly after the occurrence of any such vacancy, even though the Members present at such meeting may constitute less than a quorum, and each person so elected shall be a Member of the Council for the remainder of the term of the Member so removed and until a successor shall be elected at the next meeting of the Association of Owners.

Section 7. Compensation. No compensation shall be paid to Members for their services as Members of Council. No remuneration shall be paid to any Member who is also a Unit Owner for services performed by him for the Association of Owners in any capacity unless a resolution authorizing such remuneration shall have been adopted by the Council before such services are undertaken. Members may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Members of Council.

Section 8. Regular Meetings. Regular meetings of Council may be held as determined by a majority of the Members, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Council shall be given to each Member at least six (6) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Council may be called by the President on three (3) days' notice to each Member. Notice shall state the time, place and purpose of the meeting. Special meetings of the Council shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Members of Council. Any business may be transacted at such meeting.

Section 10. Quorum. At all meetings of the Council a majority of the Members shall constitute a quorum for the transaction of business, and the acts of the majority of the Members present at any meeting at which a quorum is present shall be the acts of the Council. If at any meeting of the Council there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Members of the Council may participate in a meeting of the Council by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 11. Action Without Meeting. Any action by the Council required or permitted to be taken at any meeting may be taken without a meeting if a majority of the Members of the Council shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Council.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Council and the Secretary or an appointed individual shall keep a minute book of the Council recording therein all resolutions adopted by the Council and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order shall govern the conduct of the meetings of the Council when not in conflict with the Declaration, this Code of Regulations or the Unit Property Act. Meetings shall be held at a suitable place within the State of Delaware as designated by the Council.

Section 13. Director and Officer Liability Insurance. The Council shall maintain, to the extent that it is available and reasonably affordable in the sole judgment of Council, director and officer liability insurance for all Council members and officers of the Condominium. The Council shall maintain, to the extent that it is available, fidelity bonds for all Council members, the officers of the Association, and employees or contractors of the Association (including the Managing Agent, if any), to protect the Association from dishonest acts by Council members, officers, employees, and contractors. The premiums for such insurance shall constitute a Common Expense.

Section 14. Committees. The Council may establish and staff committees to assist the Council as directed. Committee assignments may include the conducting of studies and the planning and execution of functions. Committees may be composed of any individuals deemed qualified by the Council, and may but need not be Council members or Association members.

## **ARTICLE IV**

### **Liability and Indemnification of Officers and Council Members**

**Section 1. Liability and Indemnification of Officers and Council Members.** The Association of Owners shall indemnify every officer and Member of the Council against any and all expenses including counsel fees, reasonably incurred by or imposed upon any officer or Member in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Council) to which he may be made a party by reason of being or having been an officer or Member of the Council, whether or not such person is an officer or Member of the Council at the time such expenses are incurred. The officers and 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 officers and Members of the Council shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association of Owners or the Condominium (except to the extent that such officers or Members may also be Owners of Condominium Units) and the Association of Owners shall indemnify and forever hold each such officer and Member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be in addition to and not exclusive of any other rights to which any officer or Member of the Council, or former officer or Member of the Council may be entitled.

It is intended that the liability of any Owner shall be limited to such proportion of the total liability thereunder as his Unit Percentage Interest bears to the Percentage Interests of all of the Owners. Every agreement made by the Council or by the Managing Agent on behalf of the Owners shall provide that the Members of the Council, or the Managing Agent, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Owners.



## ARTICLE V

### Officers

Section 1. Designation. The principal officers of the Association of Owners shall be determined and elected by the Council as provided by the Unit Property Act, State of Delaware. The Council may designate officers and committees as in their judgment may be necessary. Dual offices may be filled by the same person as well as more than one person can hold the same office (i.e. two or more Vice Presidents).

7 Section 2. Election of Officers. The officers of the Association of Owners shall be elected annually by the Council at the organizational meeting of each new Council and shall hold office at the pleasure of the Council. Any vacancy shall be filled by the Council at a regular meeting or a special meeting called for such purpose.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Council, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Council, or at any special meeting of the Council called for such purpose.

Section 4. President. The President shall be the chief executive of the Condominium. He shall preside at all meetings of the Association of Owners and of the Council. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the General Corporation Law of the State of Delaware, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform the duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Council shall appoint some other member of the Council to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Council or by the President.

Section 6. Secretary. The Secretary, or any individual so designated shall keep the minutes of all meetings of the Association of Owners and of the Council; shall have charge of such books and papers as the Council may direct; and shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the General Corporation Law of the State of Delaware.

Section 7. Treasurer. The Treasurer shall have the responsibility for the Association of Owners to keep or supervise the keeping of full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all financial data. Included shall be the deposit of all monies and other valuable effects in the name of the Carillon Crossing Association of Owners in such depositories designated by the Council. In general,

perform all the duties incident to the office of Treasurer of a stock corporation organized under the General Corporation Law of the State of Delaware. All records shall be available for inspection by Unit Owners during regular business hours.

**Section 8.     Agreements, Contracts, Deeds, Checks, Etc.** All agreements, contracts, deeds, leases, checks and all other instruments of the Association of Owners or Condominium for expenditures or obligations shall be executed by any two officers of the Association of Owners or by such other person or persons as may be designated by the Council.

**Section 9.     Compensation of Officers.** No officer shall receive any compensation from the Association of Owners for acting as such.

## ARTICLE VI

### Operation of the Property

#### Section 1. Determination of Common Expenses and Assessments Against Owners.

A. Preparation and Approval of Budget. Each year on or before the last day of November, the Council shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Council to maintain, repair and replace and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Unit Property Act, the Declaration, this Code of Regulations or a resolution of the Association of Owners and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Owners of all related services. Such budget shall also include such amounts as the Council considers necessary to provide a general reserve for contingences, as well as for repair, replacement and extraordinary maintenance. The Council shall send to each owner, or otherwise make available, a copy of the budget, in a reasonable itemized form which sets forth the amount of the Common Expenses payable by each Owner, on or before the annual meeting preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each owner's contribution for the Common Expenses of the Condominium.

B. Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Council shall be assessed against each Owner in proportion to his respective Percentage Interest, and shall be a lien against each Owner's Unit as of the first day of the fiscal year to which such budget applies. If the Council deems it advisable, the assessment made against each Unit Owner for each fiscal year shall set forth separately such Unit Owner's share of the amount of the total assessment allocated to normal and recurring expenses of administration, management, operation and repair, and the amount of the total assessment allocated to each category of reserves included in the budget. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Owner shall be obligated to pay to the Council or the Managing Agent (as determined by the Council), one-twelfth (1/12) of the assessment for such fiscal year made pursuant to the foregoing provisions; provided however, if the Council so determines, assessments may be collected quarterly in which event each Owner shall be obligated to pay to the Council or the Managing Agent (as determined by the Council) one-fourth (1/4) of the assessment for such fiscal year on the first day of the fiscal year, and one-fourth (1/4) on the first day of the fourth, seventh and tenth month of such fiscal year. Within Sixty (60) days, after the end of each fiscal year, the Council shall supply to all Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Council for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. If the Council deems it advisable, any amount accumulated in excess of the amount required for actual expenses and reserves shall either be credited according to the Percentage Interest for each Unit to the next monthly installments due from Unit Owners under the current fiscal year's budget, until exhausted, or refunded to each Unit Owner. Any net

RESERVE

shortage shall, if the Council deems it advisable, be added according to each Owner's Percentage Interest to the installments due in the succeeding six (6) months after the rendering of the accounting.

C. Funds. The Council shall build up and maintain reasonable funds for operating expenses and reserves. All funds accumulated for reserves shall be kept in a separate bank or brokerage account, segregated from the general operating funds. If the funds are inadequate for any reason, including non-payment of any Owner's assessment, the Council may at any time levy a further assessment, which shall be assessed against the Owners according to their respective Percentage Interests, and which may be payable in a lump sum or in installments as the Council may determine. The Council shall serve notice of any such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, any such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly (or quarterly, if payments are required by the Council to be made quarterly) payment which is due more than ten (10) days after the delivery of mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly (or quarterly) amount or, if the additional assessment is not payable in installment, the amount of such assessment.

D. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Council to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of an owner's obligation to pay his allocable share of the Common Expenses herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the monthly (or quarterly) payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

E. Accounts. Except as otherwise provided, all sums collected by the Council with respect to assessments against the Owners may be commingled into a single fund, but shall be held for each Owner in accordance with his Percentage Interest.

F. Taxation. Each Unit and its Proportionate Interest in the Common Elements and Land shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the Building of which the Unit is a part or of the Property, and each Unit Owner shall be solely responsible for the payment of all taxes, municipal claims and charges assessed against his Unit and Proportionate Interest in both the Common Elements and the Land. In the event that any taxing authority having jurisdiction over the Property shall impose a real estate tax on the Property as a whole, responsibility for payment thereof shall be allocated as follows:

(1) Payment of the total tax bill shall be the responsibility of the Unit Owners of the Units, each such Unit Owner to pay that proportion of the tax that his Percentage Interest bears to the total Percentage Interests of Unit Owners of Units.

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

(3) In the event of repossessions or default of ownership and the possession in a unit by the Association, any expenses incurred by the Council pursuant to this Paragraph shall be charged as a Common Expense of the Property.

**Section 2. Payment of Common Expenses.** All Owners shall be obligated to pay the Common Expenses assessed by the Council pursuant to the provisions of Section 1 of this Article VI. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the selling Owner the amounts paid by the purchaser therefor; provided, however that any such purchaser shall be entitled to a statement from the Council or Managing Agent setting forth the amount of the unpaid assessments against the selling Owner and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid assessments in excess of the amount therein set forth; and provided, further, that if a mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of a first mortgage such purchaser, its successors and assigns, shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale shall be collectible from all Owners, including the purchaser of the foreclosure sale, in proportion to their respective Percentage Interests.

**Section 3. Collection of Assessments.** The Council shall take prompt action to collect any assessments for Common Expenses due from any Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

**A. Acceleration of Assessments Upon Default in Payment.** In the event that the monthly or any special assessment of any Unit Owner remains unpaid, regardless of the amount, 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 during the remainder of the fiscal year, 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 plus interest and attorneys' fees.

**B. Costs and Expenses of Collection: Attorney Fees: Settlement.** Every Unit Owner, against whom legal action is taken to collect an assessment or enforce any covenant, condition, obligation, or restriction 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 best interest of the Condominium.

**Section 4. Statement of Common Expenses.** The Council shall promptly provide any Owner so requesting the same in writing, with a written statement of all unpaid assessments for Common Expenses due from such Owner.

**Section 5.     Reserves Buy-In.** At the time of purchase of a Unit by a new Owner, the new Owner must make payment equal to two (2) months of the then Condominium unit fee. This payment shall be in addition to any Condominium unit fee then due and shall be added to the reserves.

## **ARTICLE VII**

### **Physical Management**

**Section 1. Management and Common Expenses.** As provided in Section 2, Article III hereof, the Council shall manage, operate and maintain the Condominium and, for the benefit of the Units and the Unit Owners, shall enforce the provisions hereof and shall pay out of the Common Expense fund herein elsewhere provided for the cost of managing, operating and maintaining the Condominium, including without limitation, the following:

A. The cost of providing water, gas, sewer, garbage and trash collection, electrical and other necessary utility services for the Common Elements; and

B. The cost of fire and extended liability insurance on the Condominium and the cost of such other insurance as the Council may effect; and

C. The cost of providing such legal and accounting services as may be considered necessary by the Council for the operation of the Condominium; and

D. The cost of repairs, maintenance, service and replacement of the Common Elements of the Condominium, including, without limitations the cost of painting, maintaining, replacing, repairing and landscaping of the Common Elements and such furnishings and equipment for the Common Elements as the Council shall determine are necessary and proper; provided, however, that nothing herein contained shall require the Association of Owners to repair, replace or otherwise maintain any Unit or any fixtures, appliances, equipment or the like located therein; and

E. The cost of maintenance or repair of all exterior walls and exterior surfaces (including the painting of the exterior surface of the front door opening onto the corridor), the roof, party walls and all other portions of the Units which contribute to the support of any Building, such as the outside walls of a Building and all fixtures on the exterior thereof, the boundary walls of Units, floor slabs, floor joists and attached ceilings, corridor and Unit party walls, but excluding, however, maintenance of any surfaces, items and materials within the title lines, as included in the definition of "Unit."

✓ F. The cost of repair (but not including furniture, furnishings or other personal property supplied or installed by Owners) in Units where damage resulting from gas, electricity, water, snow, or ice which may leak or flow from any portion of the Common Elements or from any water pipe.

G. The cost of maintenance or repair of the sanitary and storm sewer systems and appurtenances, all water and plumbing facilities and systems that are deemed Common Elements, including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of such utility services into two or more Units, but excluding therefrom all plumbing, fixtures, systems and parts thereof which are enjoyed by only a single Unit and are located solely within the boundary of an individual Unit or which are excluded from the definition of "Common Elements" and included in the definition of "Unit."

H. The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association of Owners is required to secure or

pay for by law, or otherwise, or which in the discretion of the Council shall be necessary or proper for the operation of the Condominium; provided, however, that if any of the aforementioned are provided or paid for the specific benefit of a particular Unit or Units, the cost thereof shall be specially assessed to the Owner or Owners thereof.

I. The cost of maintenance or repair of any Unit in the event such maintenance or repair is reasonably necessary in the discretion of the Council to protect the Common Elements or to preserve the appearance or value of the Condominium, or is otherwise in the interest of the general welfare of all of the Unit Owners; provided, however, that, except in cases involving emergencies or manifest risk of damage to safety of person or Property, no such maintenance or repair shall be undertaken without a resolution by the Council and not without reasonable written notice to the Owner of the Unit proposed to be maintained and, provided further, that the cost thereof shall be assessed against the Unit for which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then Owner of said Unit at which time the assessment shall become due and payable and a continuing obligation of said Unit Owner in all respects as provided in Article VI of this Code of Regulations.

J. Any amounts necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Council, constitute a lien against any of the Common Elements rather than the interest of the Owner of any individual Unit.

K. The costs associated with any shared maintenance or services agreement with any adjoining landowner(s).

L. The cost of providing to units shared water and gas as well as any other utilities when individual unit meters are not available.

**Section 2. Association of Owners as Attorney-in-Fact.** The Association of Owners is hereby irrevocably appointed as attorney-in-fact for the Owners of all of the Units in the Condominium, and for each of them, to manage, control and deal with the interests of such Unit Owners in the Common Elements of the Condominium so as to permit the Association of Owners to fulfill all of its powers, functions and duties under the provisions of the Unit Property Act, the Declaration and this Code of Regulations, and to exercise all of its rights thereunder and to deal with the Condominium upon its destruction and the proceeds of any insurance indemnity, as herein elsewhere provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any Unit shall constitute an irrevocable appointment of the Association of Owners as attorney-in-fact as aforesaid. The Association of Owners shall have the unilateral right to require the execution by any Owner or Owners of a separate Power of Attorney appointing the Association of Owners as attorney-in-fact as aforesaid, suitable for recordation should the Association of Owners so desire. Said Power of Attorney shall contain powers substantially in accordance with those set forth herein. Documents to be executed by The Association of Owners shall be executed on behalf of the Association by the President or Vice President and attested by the Secretary.

**Section 3. Owner's Responsibilities.** Except for the portions of his Unit required to be maintained, repaired and replaced by the Council, each Owner shall be responsible for the



maintenance, repair and replacement, at his own expense, of the following: any interior walls, interior ceiling and floors, carpets, personal property, fixtures, equipment systems and utilities, including any heating, hot water heater and air-conditioning unit, including the air conditioning compressor and those parts of the plumbing system which are contained in the definition of "Unit." Each Owner shall keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair and in clean and sanitary condition, and shall do all redecorating painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Owner shall be responsible for all damages to any and all other Units or to the Common Elements resulting from his failure to make any of the repairs required to be made by him by this Section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Council or the Managing Agent any defect or need for repairs for which the Council is responsible. Each Unit Owner shall be financially responsible, to the extent of any deductible applicable to the Association's Master Insurance Policy, for damage to property anywhere on the Property caused by water, smoke or fire originating within said Owner's Unit, regardless of whether or not the water, smoke or fire was caused by any fault on the part of the Unit Owner. Each Unit Owner is urged to obtain "HO-6" or equivalent insurance coverage to protect him from the assessment of this liability.

**Section 4. Windows and Doors.** The exterior surface of all door glass and window glass and all window frames and assemblies and all doors, door frames, door sills, hinges and trim are included in the title lines of a Unit. The Owner of any Unit shall, at his own expense, clean both the interior and exterior surfaces of all windows of such Unit and shall, at his own expense, clean and maintain the interior surface of all entry doors of the Unit. Notwithstanding the provisions of this Section, the Council may resolve to clean the exterior surface of all windows in the Condominium at Common Expense in accordance with a schedule to be determined by the Council.

**Section 5. Manner of Repair and Replacement.** All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Council.

**Section 6. Additions, Alterations or Improvements by Owners.** No Unit Owner shall make any structural addition, structural alteration or structural improvement in or to his Unit or to any Limited Common Property without the prior written consent thereto of the Council. The Council shall be obligated to answer any written request by an Owner for approval of proposed structural addition, structural alteration, or structural improvement in such Owner's Unit or any Limited Common Property within sixty (60) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Council to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit or any Limited Common Property shall be executed by the Council only, without incurring any liability on the part of the Council or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to Property arising therefrom.

**Section 7. Right of Access.** An Owner shall and hereby does grant a right of access, which right shall be an easement, to his Unit to the Council or Managing Agent, or any other person authorized by the Council or the Managing Agent, or any group of the foregoing, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in his Unit or elsewhere in the Property, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency such right of entry shall be immediate, whether the Owner is present at the time or not.

**Section 8. Rules and Regulations.** Rules and Regulations concerning the operation and use of the Common Elements may be promulgated and amended by the Council, provided that such Rules and Regulations are not contrary to or inconsistent with the Unit Property Act, the Declaration or this Code of Regulations. Copies of the Rules and Regulations shall be furnished by the Council to each Owner prior to the time when the same shall become effective.

**Section 9. Electricity.** Electricity shall be supplied by the public utility company serving the area, and each Owner shall be required to pay the bills for electricity consumed or used in his Unit. If reasonably feasible, the electricity serving the Common Elements shall be separately metered, and the Council shall pay all bills for electricity consumed in such portions of the Common Elements as a Common Expense.

**Section 10. Parking Spaces.** Parking shall be governed per the Rules or Regulations adopted by the Council. The cost of maintenance and repair of all parking areas shall be a Common Expense.

**Section 11. Limitation of Liability.** The Association of Owners and the Council shall not be liable for any failure of water supply or other services to be obtained by the Association of Owners and the Council or paid for out of the Common Expense funds. The Association of Owners and the Council shall not be liable to the Owner of any Unit for loss or damage by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution of abatement of Common Expense assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or to any Unit, or from any action taken by the Association of Owners or the Council to comply with any law or ordinance or with the other or directive of any municipal or other governmental authority.



20110225-0011110

Pages: 3 F: \$65.00

02/25/11 02:45:14 PM

T20110006143

Michael E. Kozikowski  
New Castle Recorder MISC

Tax Parcel No. 06-110.00-040,  
and all "C" suffix numbers thereunder  
(Being all units of the Carillon  
Crossing Condominium)

Prepared by and Returnable to:

Richard E. Franta, Esquire  
1301 N. Harrison Street, Suite 102  
Wilmington, DE 19806

**CERTIFICATE OF AMENDMENT TO RESTATED  
CODE OF REGULATIONS  
OF  
CARILLON CROSSING**

Made this 14<sup>th</sup> day of February, 2011, by the Council of CARILLON CROSSING, pursuant to Article XV, Section 1, of the AMENDED AND RESTATED CODE OF REGULATIONS OF CARILLON CROSSING (the "Code of Regulations"), dated April 13, 2005, and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, as Instrument No. 20050421-0037551, to memorialize the action of the Council of Carillon Crossing taken at its meeting of October 21, 2009, pursuant to 25 Del. C. Section 2207 to amend the said Code of Regulations, by adopting the following changes which become of full force and effect upon the recordation of this Certificate of Amendment:

1. Article VIII, Section 1, is hereby stricken in its entirety and, in place thereof, the following replacement Section 1 is adopted (with all former references to a "Services Agreement" removed):

**"Section 1. Restricted Residential Use. Each unit shall be used and occupied exclusively for residential purposes as a single family dwelling. Use of any Unit for any overt business or profession is expressly prohibited; except that any Unit or Units may be shown to prospective purchasers and ancillary retirement living services may be provided to Unit Owners without violating this restriction. No Unit shall be occupied by more than three (3) persons. BECAUSE THE PURPOSE OF THE PROPERTY IS TO BE A RETIREMENT COMMUNITY, IT IS DEEMED IN THE BEST INTEREST OF THE PROPERTY AND THE UNIT OWNERS TO GUARANTEE THAT THE OWNERS AND OCCUPANTS OF THE UNITS SHALL BE ONLY**

**PERSONS DESIRING TO OBTAIN THE BENEFITS, SERVICES AND LIFESTYLE OF SUCH A COMMUNITY. NO UNIT MAY BE OCCUPIED BY ANY PERSON UNDER FIFTY-FIVE (55) YEARS OF AGE; BUT ANY UNIT MAY, FOR THE PURPOSES OF ACCOMMODATING GUESTS, BE OCCUPIED TEMPORARILY AND FOR A SHORT TIME (NOT TO EXCEED SIXTY (60) DAYS) BY MORE THAN THE DESIGNATED NUMBER OF PERSONS AND NOT FIFTY-FIVE (55) YEARS OF AGE UNLESS OTHERWISE PERMITTED BY THE COUNCIL DUE TO HARDSHIP OR SPECIAL CIRCUMSTANCES. WITHOUT WAIVING ANY OTHER RIGHT OR REMEDY IT OR THEY MAY HAVE, THE COUNCIL OR ANY UNIT OWNER(S) SHALL HAVE THE RIGHT TO ENFORCE THE FOREGOING PROVISIONS BY WAY OF INJUNCTIVE RELIEF.**

2. Article II, Section 9, is amended by striking the last sentence of said Section 9, and substituting the following replacement sentence:

**"A proxy shall apply only to a scheduled meeting date plus adjournments."**

3. As thus amended, the Amended and Restated Code of Regulations, as previously amended, remains in full force and effect.

IN WITNESS WHEREOF, the Council of Carillon Crossing has caused its name to be set by its President, DONALD R. MORRISON, duly attested by its Secretary, SANDRA S. PAUL, under Seal, the 15th day of February, 2011.

Sealed and Delivered  
In the Presence of:

CARILLON CROSSING CONDOMINIUM COUNCIL


mid Nth

By: Donald R. Morrison  
President

mid Nth

Attest: Sandra J. Paul  
Secretary

Tax Parcel No. 06-110.00-040,  
and all "C" suffix numbers thereunder  
(Being all units of the Carillon  
Crossing Condominium)

  
**20091103-0070304**  
Pages: 3 F: \$65.00  
11/03/09 01:08:12 PM  
T20090038207  
Michael E. Kozikowski  
New Castle Recorder MISC

Prepared by and Returnable to:

Richard E. Franta, Esquire  
1301 N. Harrison Street,  
Suite 102  
Wilmington, DE 19806

**CERTIFICATE OF AMENDMENT TO RESTATED  
CODE OF REGULATIONS  
OF  
CARILLON CROSSING**

Made this 21st day of October, 2009, by the Council of CARILLON CROSSING, pursuant to Article XV, Section 1, of the AMENDED AND RESTATED CODE OF REGULATIONS OF CARILLON CROSSING (the "Code of Regulations"), dated April 13, 2005, and recorded in the Office of the Recorder of Deeds in and for New Castle County, Delaware, as Instrument No. 20050421-0037551, to memorialize the action of the Council of Carillon Crossing taken at its meeting of June 19, 2008, pursuant to 25 Del. C. Section 2207 to amend the said Code of Regulations, by adopting the following changes:

Article VIII, Section 2 E, is hereby stricken in their entirety and, in place thereof, the following replacement Section 2 E is adopted and becomes of full force and effect upon the recordation of this Certificate of Amendment:

**"E. Except as expressly permitted in the following sentence of this paragraph, the maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, except for one in-house cat per "New Owner" (defined as an individual taking ownership of a Unit after the Certificate of this Amendment is recorded); and the feeding or attracting of pigeons, squirrels, or other wildlife is prohibited throughout the Condominium Property, both within the Units and upon**

**the Common Elements. The foregoing notwithstanding, (1) any Owner that establishes to the reasonable satisfaction of the Council that he requires the use of a "seeing eye-dog" or other recognized type of "working dog", may maintain said dog as permitted by law; and (2) any in-house cat owned by a "New Owner", which is registered with the Council or its Managing Agent, may be allowed to live out its life in the Owner's Unit, subject to the Unit Owner's compliance with all Rules and Regulations promulgated by the Council regarding pets, and subject to the power of Council to require the immediate removal from the Condominium of any pet that is maintained in violation of said Rules and Regulations, in violation of this Code of Regulation, or is reasonably determined by the Council in its sole discretion to pose an unreasonable risk of injury, infection or annoyance to other Owners and occupants of the Condominium. Upon written application by a Unit Owner and for good cause and special circumstances shown, the Council shall have the power to issue a written waiver of any of the foregoing provisions relating to pets. Guest pets are allowed for a period not to exceed an accumulated total of fourteen (14) days in a six month period. Council may permit an extension due to special circumstances. Council permission must be petitioned. Pets shall not be permitted upon the general Common Elements of the Condominium unless accompanied by an adult, and unless they are carried or leashed. All waste left by any such pet upon the Common Elements shall be cleaned up and suitably disposed of by the pet's owner. Any Unit Owner who allows a pet on any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Association of Owners and each of the Unit Owners free and harmless of any loss, claim or liability of any kind or character whatever, arising by reason of allowing such pet within the Condominium. All pets shall be registered and inoculated as required by law. The Council shall have the right to order any person whose pet is a nuisance, including without limitation, exhibiting threatening behavior or excessive barking, to remove such pet from the premises, and the Council shall have the exclusive authority to declare any pet a nuisance."**

As thus amended, the Amended and Restated Code of Regulations remains in full force and effect.

IN WITNESS WHEREOF, the Council of Carillon Crossing has caused its name to be set by its \_\_\_\_\_ President, Donald R. Morrison duly attested by its \_\_\_\_\_ under Seal, the 24<sup>th</sup> day of October, 2009.

Sealed and Delivered  
In the Presence of:

CARILLON CROSSING CONDOMINIUM COUNCIL

Eric H. Olsen

By: Donald R. Morrison  
President

Jandra S. Paul

Attest: \_\_\_\_\_

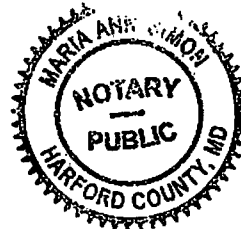
STATE OF DELAWARE )  
                                  )  
NEW CASTLE COUNTY )

ss:

Be it Remembered, that on this 21<sup>st</sup> day of October, 2009, personally came before me, the Subscriber, a Notary Public of the State and County, aforesaid, Donald R. Morrison, Current President of the Carillon Crossing Condominium Council, party to this Instrument, known personally to me to be such, and acknowledged, this Instrument to be \_\_\_\_\_ act and deed and the act and deed of said Condominium Council, that the signature of the \_\_\_\_\_ President is in \_\_\_\_\_ own proper handwriting, and that \_\_\_\_\_ act to sealing, executing and acknowledging and delivering this Instrument was duly authorized by action of the Condominium Council on June 19, 2008, which action was not changed by action of the Association of Owners as provided in the Delaware Unit Property Act and under Article XV, Section 1, of the Carillon Crossing Code of Regulations.

Maria Ann Simon  
Notary Public

My Commission Expires 10/1/2012



## **ARTICLE VIII**

### **Use Restrictions**

**Section 1.     Restricted Residential Use.** Each Unit shall be used and occupied exclusively for residential purposes as a single family dwelling. Use of any Unit for any overt business or profession is expressly prohibited; except that any Unit or Units may be shown to prospective purchasers and ancillary retirement living services may be provided to Unit Owners without violating this restriction. No Unit shall be occupied by more than three (3) persons. BECAUSE THE PURPOSE OF THE PROPERTY IS TO BE A RETIREMENT COMMUNITY, IT IS DEEMED IN THE BEST INTEREST OF THE PROPERTY AND THE UNIT OWNERS TO GUARANTEE THAT THE OWNERS AND OCCUPANTS OF THE UNITS SHALL BE ONLY PERSONS DESIRING TO OBTAIN THE BENEFITS, SERVICES AND LIFESTYLE OF SUCH A COMMUNITY. THEREFORE, NO UNIT MAY BE OWNED OR OCCUPIED BY ANY PERSON NOT A PARTY TO A "SERVICES AGREEMENT" WITH THE ASSIGNS OF NEWTON SENIOR LIVING, LLC. NO UNIT MAY BE OCCUPIED BY ANY PERSON UNDER FIFTY-FIVE (55) YEARS OF AGE; BUT ANY UNIT MAY, FOR THE PURPOSES OF ACCOMMODATING GUESTS, BE OCCUPIED TEMPORARILY AND FOR A SHORT TIME (NOT TO EXCEED SIXTY (60) DAYS) BY MORE THAN THE DESIGNATED NUMBER OF PERSONS AND BY PERSONS NOT A PARTY TO A SERVICES AGREEMENT AND NOT FIFTY-FIVE (55) YEARS OF AGE UNLESS OTHERWISE PERMITTED BY THE COUNCIL DUE TO HARDSHIP OR SPECIAL CIRCUMSTANCES. WITHOUT WAIVING ANY OTHER RIGHT OR REMEDY IT OR THEY MAY HAVE, THE COUNCIL OR ANY UNIT OWNER(S) SHALL HAVE THE RIGHT TO ENFORCE THE FOREGOING PROVISIONS BY WAY OF INJUNCTIVE RELIEF.

**Section 2.     Use of Units and Common Elements.** Occupancy of each Unit and use of the Common Elements shall be subject to the following restrictions:

A.     No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which (1) will result in the cancellation (or material increase in the premium) of insurance on the Property; (2) would be in violation of any statute, ordinance, regulation, court order, or injunction; or (3) would constitute waste.

B.     No unlawful, hazardous, or offensive activity, use or thing shall be permitted on any portion of the Property by any Unit Owner. Each Unit Owner shall be responsible for keeping his Unit free of any thing, activity or condition which results in or imminently threatens what the Council determines to be an unreasonable level of offensive odor, noise, or vibration, or an unreasonable risk of explosion, fire, smoke, water damage, contamination (including by hazardous substances or mold), or pest infestation. Each Unit Owner shall be responsible for compliance by himself, his family, his guests with (1) all applicable statutes, ordinances regulations, court orders, (2) the requirements of the Carillon Crossing Declaration and (3) this Code of Regulations and all Rules of Conduct promulgated pursuant hereto.

C.     There shall be no obstruction of the Common Elements. Except for the parking of automobiles in accordance with the Declaration, this Code of Regulations and the Rules and Regulations, and except for the safe storage of personal property in areas expressly designated



therefor, no Unit Owner shall store any of his personal property on any portion of the Common Elements.

D. No structural alteration of, addition to, or removal of any portion of any Unit or the Common Elements shall be commenced or conducted except in strict accordance with the provisions of this Code of Regulations.

E. Except as expressly permitted in the following sentence of this Paragraph, the maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number; and the feeding or attracting of pigeons, squirrels, or other wildlife are prohibited throughout the Condominium Property, both within the Units and upon the Common Elements. The foregoing notwithstanding, (1) any Owner that establishes to the reasonable satisfaction of the Council that he requires the use of a "seeing-eye" or other recognized type of "working dog," may maintain said dog as permitted by law; and (2) any dog, cat or caged bird owned by a Unit Owner, residing in said Owner's Unit continuously since December 1, 2004, and which pet is registered with the Council or its Managing Agent, may continue to maintain that pet until it is deceased, subject to the Unit Owner's compliance with all Rules and Regulations promulgated by the Council regarding pets, and subject to the power of Council to require the immediate removal from the Condominium of any pet that is maintained in violation of said Rules and Regulations, in violation of this Code of Regulation, or is reasonably determined by the Council in its sole discretion to pose an unreasonable risk of injury, infection or annoyance to other Owners and occupants of the Condominium. Upon written application by a Unit Owner and for good cause and special circumstances shown, the Council shall have the power to issue a written waiver of any of the foregoing provisions relating to pets. Guest pets are allowed for a period not to exceed an accumulated total of fourteen (14) days in a six month period. Council may permit an extension due to special circumstances. Council permission must be petitioned. Pets shall not be permitted upon the general Common Elements of the Condominium unless accompanied by an adult and unless they are carried or leashed. All waste left by any such pet upon the Common Elements shall be cleaned up and suitably disposed of by the pet's owner. Any Unit Owner who allows a pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Association of Owners, each of the Unit Owners free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of allowing such pet within the Condominium. All pets shall be registered and inoculated as required by law. The Council shall have the right to order any person whose pet is a nuisance, including, without limitation, exhibiting threatening behavior or excessive barking, to remove such pet from the premises and the Council, shall have the exclusive authority to declare any pet a nuisance.

F. Except for such signs as may be posted by the Association of Owners for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or the Common Elements without the prior consent in writing of the Council and under such conditions as they may establish.

G. No junk vehicle or other vehicle on which current registration plates are not displayed or which has one or more flat tires, trailer, truck, camper, camp truck, house trailer, boat or the like shall be kept upon any of the general Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the Common Elements or within or upon any Unit.

H. As herein described elsewhere and in the Declaration provided, no part of the Common Elements shall be used for commercial activities of any character.

I. No accumulation or storage of litter or trash of any kind shall be permitted within any Unit or upon any of the Common Elements. All refuse shall be deposited with care in trash receptacles designated for such purpose. No trash or garbage containers shall be deposited, kept or stored on any Common Element except as authorized by Council in designated trash collection areas.

J. No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any Unit or any of the Common Elements unless authorized by Council.

K. No cooking or preparation of food shall be permitted upon any portion of the Common Elements, except with the consent of the Council.

L. No unlawful use shall be made of any Unit or any portion of the Common Elements and all laws, zoning or other ordinances, regulation of governmental and other municipal bodies and the like shall be observed at all times.

M. No Unit Owner shall engage or direct any employee of the Association of Owners or the Managing Agent on any private business of the Unit Owner during the hours such employee is employed by the Association of Owners or the Managing Agent nor shall any member direct, supervise or in any manner attempt to assert control over any such employee.

N. There shall be no violation of any rules for the use of the Common Elements or other "house rules" which may from time to time be adopted by the Council and promulgated among the Unit Owners by them in writing, and the Council is hereby and elsewhere in this Code of Regulations authorized to adopt and promulgate such rules.

Section 3. Leasing of Units. No Unit (or any part thereof) shall be leased for any period.

## **ARTICLE IX**

### **Insurance**

Section 1. Council Responsibility. The Council has the authority to purchase and is required to obtain as well as maintain insurance written in the name of and the proceeds thereof payable to Carillon Crossing Association of Owners as trustee for each Owner at 2.083 percent per unit. This insurance shall be governed by the following provisions:

A. All policies of insurance shall be written with a company licensed or authorized by law to do business in the state of Delaware and holding a rating of "A" (or equivalent) or better by Best's Insurance Guide, if such is economically feasible.

B. The exclusive authority to negotiate losses and to execute and deliver releases under insurance policies shall be vested in the Council.

C. Premiums upon all insurance policies purchased by the Council shall be deemed to be a Common Expense.

D. The Council, at the request of any Owner or at the request of the mortgagee of any Unit, shall promptly obtain and forward to such Owner or mortgagee (1) an endorsement to any policies showing the interest of such Unit Owner or mortgagee; (2) certificates of insurance relating to any policies; and (3) copies of any policies, duly certified by the insurer or its duly authorized agent.

E. Each Owner shall have the right, at his own expense, to obtain additional insurance for his own benefit and to obtain insurance coverage upon his personal Property and for his personal liability.

Section 2. Types of Insurance. The Council shall be required to obtain the following types of insurance:

A. Special Form coverage insuring the Property (including all of the Units, but not including furniture, furnishings or other personal property supplied or installed by Owners), covering at least one hundred percent (100%) of the insurable replacement value. Special form coverage is the broadest form of coverage available and covers all items except flood, earthquakes, nuclear accidents, war, terrorism, and wear and tear.

B. Commercial general liability coverage including Directors and Officers (Committee members are considered to be Officers). Limits for coverage shall be as Council deems desirable.

C. Such other insurance as Council deems desirable.

## **ARTICLE X**

### **Repair and Reconstruction After Fire or Other Casualty**

**Section 1. When Repair and Reconstruction are Required.** In the event of damage to or destruction of a Building as a result of fire, or other casualty (unless there is substantially total destruction of the entire Condominium and if seventy-five percent (75%) of the Owners duly resolve, at a meeting called within ninety (90) days after the occurrence of the casualty, not to proceed with repair or restoration), the Council shall arrange for and supervise the prompt repair and restoration of the Building (including any damaged Units and any floor coverings or any kitchen or bathroom fixtures initially installed therein by the Developer, and replacements thereof installed by the Owners, but not including any other furniture, furnishings, fixtures or equipment installed by the Owners in the Units).

#### **Section 2. Procedure for Reconstruction and Repair.**

**A. Cost Estimates.** Immediately after a fire or other casualty causing damage to a Unit, the Council shall obtain reliable and detailed estimates of the cost of repairing and restoring the Unit (including any damaged fixtures initially installed by the Developer, but not including any other furniture, furnishings, fixtures or equipment installed by the Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Council determines to be necessary.

**B. Assessments.** If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Council, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Owners in proportion to their respective Percentage Interests, in sufficient amount to provide payment of such costs.

**C. Plans and Specifications.** Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Property was originally constructed.

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

#### **Section 3. Disbursements of Construction Funds.**

**A. Construction Fund.** The net proceeds of insurance collected on account of a casualty and the funds collected by the Council from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. If the net proceeds of insurance collected on account of a casualty is Twenty Five Thousand Dollars (\$25,000.00) or more, then the funds collected by the Council from assessments against the Owners may be

deposited by the Council with an Insurance Trustee designated by the Council, and the entire construction fund shall be disbursed by the Insurance Trustee; otherwise the construction fund shall be deposited or disbursed by the Council.

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

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

D. Common Elements. When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing the Common Elements and the balance to the cost of repairing the Units in the shares set forth above.

E. Certificates. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary of the Association of Owners certifying (1) whether the damaged Property is required to be reconstructed and repaired; (2) the name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Owners; and (3) all other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 4. When Reconstruction is not Required. If there is substantially total destruction of the entire Condominium, and if seventy-five percent (75%) of the Owners duly resolve, at a meeting called within ninety (90) days after the occurrence of the casualty, not to proceed with repair or reconstruction, then and in that event, the salvage value of the substantially destroyed Condominium shall be subject to a suit for partition at the suit of any Owner, in which event the net proceeds of the sale, together with the proceeds of insurance policies held by the Council, shall be considered as one fund and shall be divided among the Owners in proportion with their Percentage Interests after discharging out of the respective shares of such Owners to the extent sufficient for the purposes all liens against the Units of such Owners.

## **ARTICLE XI**

### **Fiscal Management**

Section 1. Fiscal Year. The fiscal year of the Association of Owners shall begin on the first day of January and shall be subject to change by the Council should the practice of the Association of Owners subsequently dictate.

Section 2. Principal Office – Change of Same. The principal office of the Association of Owners shall be as set forth in Article I of this Code of Regulations. The Council, by appropriate resolution, shall have the authority to change the location of the principal office of the Association of Owners from time to time provided, however, that no such change shall become effective until a certificate evidencing such change shall have been made by the Secretary or an Assistant Secretary of the Association of Owners and recorded, in the name of the Association of Owners, among the Land Records for the jurisdiction where the Declaration is originally recorded.

Section 3. Books and Accounts. Books and accounts of the Association of Owners shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association of Owners and its administration and shall specify the maintenance and repair expenses of the Common Elements of the Condominium, services provided with respect to the same and any other expenses incurred by the Association of Owners.

Section 4. Inspection of Books. The books and accounts of the Association of Owners, vouchers accrediting the entries made thereupon and all other records maintained by the Association of Owners shall be available for examination by the Unit Owners and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interest and after reasonable notice.

Section 5. Execution of Corporate Documents. All notes and contracts shall be executed on behalf of the Association of Owners per provisions of Article V, Section 8, of this Code of Regulations.

## **ARTICLE XII**

### **Mortgages**

Section 1. Notice to the Council. An Owner who mortgages his Unit shall notify the Council of the name and address of his mortgagee.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Council, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Unit.

Section 3. Notice of Default. The Council, when giving notice to an Owner of a default in paying an assessment for Common Expenses or any other default, may send a copy of such notice to each holder of a mortgage covering such Owner's Unit whose name and address has theretofore been furnished to the Council.

**ARTICLE XIII**  
**Compliance and Default**

Section 1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, this Code of Regulations, and the Rules and Regulations, and any amendments of the same. A default by an Owner shall entitle the Association of Owners, acting through its Council or through the Managing Agent, to the following relief:

A. Legal Proceedings. Failure to comply with any of the terms of the Declaration, this Code of Regulations, and the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in the Code of Regulations, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association of Owners, the Council, the Managing Agent, or, if appropriate, by any aggrieved Owner.

B. Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness of any member of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Council. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

C. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

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

E. Interest. In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him which continues for a period in excess of thirty (30) days from date of invoice of any Common Expense, such Owner shall be obligated to pay interest on amounts due at the highest rate permitted by law (but in no event greater than eighteen percent (18%) per annum) from the due date thereof; unless such interest is waived by the Council.

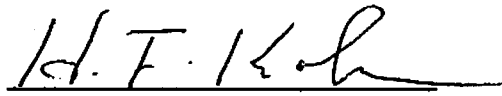


Date: 6/22/05

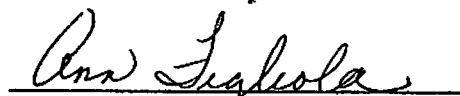
Carillon Crossing Rule and Regulation  
Interest/Late Payment Penalty

- E.** Interest. In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him which continues for a period in excess of thirty (30) days from date of invoice of any Common Expense, such Owner shall be obligated to pay interest of 18% per annum from the due date thereof; unless such interest is waived by the Council.
- F** Late Payment Penalty. In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him by due date thereof, such Owner shall be obligated to pay a late fee of \$25.

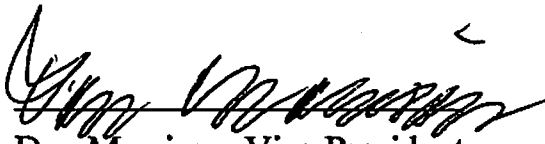
CCAO Council



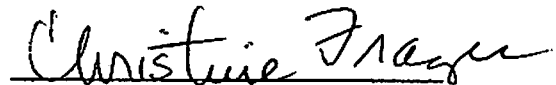
Harry Kocher, President



Ann Figliola, Vice President



Don Morrison, Vice President



Christine Frazer, Secretary

F. Late Payment Penalty. In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him by due date thereof, such Owner shall be obligated to pay a late fee as established by the Council. In no event shall the late fee be greater than ten percent (10%) of the amount in default.

G. Abatement and Enjoinment of Violations by Owners. The violation of any rule or regulation adopted by the Council, or the breach of any regulation contained herein, or the breach of any provision of the Declaration, shall give the Council the right, in addition to any other rights pursuant to law or set forth in this Code of Regulations: (1) to enter the Unit in which or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Council shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

## Section 2. Lien for Contributions.

A. The total annual contribution of each Owner for the Common Expenses pursuant to Article VI of this Code of Regulations is hereby declared to be a lien levied against the Unit of such Owner, which lien shall be effective as of the first day of each fiscal year of the Condominium. The Council, or the Managing Agent, may file or record such other or further notice of lien, or such other further document as may be required by the then laws of the State of Delaware to confirm the establishment of such lien.

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

C. The lien for contribution may be foreclosed in the manner provided by the laws of the State of Delaware by suit brought in the name of the Council, or the Managing Agent, acting on behalf of the Association of Owners. During the pendency of such suit, the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the State of Delaware.

D. Suit to recover a money judgment for unpaid Contributions shall be maintainable by the Council on behalf of the Association of Owners without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment. All sums assessed against a Unit Owner for Common Expenses shall constitute a personal liability of the Unit Owner so assessed.

E. The lien for contributions shall be subordinate to liens of any first mortgagee.

## **ARTICLE XIV**

### **Miscellaneous**

Section 1. Notices. All notices, demands, bills, statements or the communications under this Code of Regulations shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first-class United States mail, postage prepaid, (A) if to an owner, at the address which the Owner shall designate in writing and filed with the Secretary, or if no such address is designated, at the address of the Unit of such Owner, or (B) if to the Association of Owners, the Council or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section. Any notice by mail shall be deemed received and duly given on the third (3<sup>rd</sup>) day after the deposit of said notice in the United States mails as aforesaid.

Section 2. Invalidity. The invalidity of any part of the Code of Regulations shall not impair or affect in any manner the validity, enforceability or effect of the balance of this Code of Regulations.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Code of Regulations, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in this Code of Regulations shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. Interpretation. The provisions of the Code of Regulations shall be liberally construed in order to effectuate a uniform plan for operation of a retirement living community condominium project as expressed in the Declaration.

This Code of Regulations shall, to all reasonable extent, be deemed to be consistent with and supplementary to the provisions of the Unit Property Act. Any conflict between the Declaration and this code of Regulations shall, if not otherwise resolvable, be resolved in favor of the Declaration. The unconstitutionality, illegality, invalidity or nonconformance with the Unit Property Act of any provisions of this Code of Regulations shall not affect the remaining portions thereof which shall thereupon be deemed of continuing validity, force and effect. Any provisions of this Code of Regulations which may not be directly or indirectly provided for or permitted by the Unit Property Act, but which is not specifically prohibited by the Unit Property Act, or by any other statute or rule of law, shall, if not enforceable under the Unit Property Act, be deemed to be a contractual undertaking and obligation, voluntarily assumed, by each and every Unit Owner, as the entirety of Unit Owners may be constituted from time to time, as such contractual undertaking and obligation shall be in consideration of the said assumption by each and every other Unit Owner, and same may be enforced in the same manner as any other contractual undertaking and obligation. No provision in the Code of Regulations shall be deemed invalid, waived, abrogated or no longer enforceable by reason of the passage of time or of any failure to enforce same, irrespective of the length of time passed or the number of failures of enforcement of one or more such provisions.

## **ARTICLE XV**

### **Amendments to Code of Regulations**

Section 1. Amendments. The Council shall have the sole power to make, alter, amend and repeal this Code of Regulations, subject to the right of a majority of the Unit Owners to change any such actions. The Council will mail to each Unit Owner a copy of each amendment of the Code of Regulations within two weeks after the Council meeting at which the amendment was adopted. For a period of thirty (30) days following the mailing of the notice of amendment to the Unit Owners, the Unit Owners may petition for a special meeting of the Association of Owners to debate the merits of, and possibly rescind or modify the amendment. If no such special meeting of the Association is requested by the Unit Owners in the manner prescribed in this Code of Regulations; if a special meeting of the Association is duly requested and noticed, but a quorum is not achieved; or if at the special meeting of the Association less than a majority of the Unit Owners (as defined in the Unit Property Act; i.e. Unit Owners having in aggregate more than 50% of the percentage interest) votes to change the action of the Council in amending the Code of Regulations, a Certificate of Amendment memorializing the amendment will be executed by the appropriate officers and recorded at the Office of the Recorder of Deeds in and for New Castle County, Delaware. The amendment shall become effective upon recordation. No unrecorded amendment shall be effective.

Section 2. Conflicts. No modification or amendment of this Code of Regulations may be adopted which shall be inconsistent with the provisions of the Unit Property Act. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official Code of Regulations of the Condominium, and all Owners shall be bound to abide by such modification or amendment.

## **ARTICLE XVI**

### **Application of Awards**

**Section 1. Condemnation and Other Awards and Sums Recovered.** In the event that the Council or the Association of Owners shall receive funds pursuant to any condemnation proceeding, lawsuit, or other proceeding or award, the Council may, in its discretion do any, all, or a portion of the following:

A. Use those funds to retire Association debt, restore or augment Association reserve accounts, and/or reconstruct any portion of the Property that needs repair or replacement; or

B. Distribute funds received among the Unit Owners on the basis of the Units' respective Percentage Interests, with each Unit Owner being responsible for compliance with covenants regarding such funds contained in any mortgage which may encumber said Owner's Unit.

## **ARTICLE XVII**

### **Suit By and Against Unit Owners**

Section 1. Council as Agent. The Council, whether acting directly or through an incorporated condominium Unit Owner's Association, shall have the sole and exclusive right, as a Common Expense, to bring, prosecute, settle, arbitrate and defend claims, suits, governmental proceedings and other actions of a legal nature brought by or against all of the Unit Owners or the Council, or which could have been brought by or against all of the Unit Owners or the Council.

Section 2. Service of Process. Any person or entity wishing to bring suit against all of the Unit Owners is authorized to effectuate service thereon by serving the President or Secretary of the Council, provided, however, that the person or entity so making service shall thereby be deemed to consent and agree that the liability of each Unit Owner as to any judgment subsequently rendered against the Unit Owners shall be limited to his Percentage Interest in the Common Elements multiplied times the judgment and further, as to any Unit Owner not a resident of the State of Delaware, that such service shall be sufficient to establish only in rem jurisdiction and not personal jurisdiction, the same as if the Unit of such nonresident had been attached to compel his appearance.

Section 3. Waiver of Council. Council shall, within seven (7) days after being requested to sue or defend by any Unit Owner, either consent to such request in writing or else waive the exclusive right to sue or defend in writing; except that said seven (7) day period may be extended to fourteen (14) days if Council desires to and does call a meeting of the Unit Owners to consider such request. Upon waiver by Council of its exclusive right to sue or defend with respect to any particular situation, any Unit Owner may proceed, alone or with others, to sue or defend on his or their own behalf.

Section 4. Effect of Judgment. Any judgment which is rendered against one or more, but less than all, of the Unit Owners for a liability which is a Common Expense or common liability of the Condominium shall be borne by all of the Unit Owners. This provision shall not limit any right which the Unit Owner or Owners against whom the judgment was rendered may otherwise have against one or more other Unit Owners, or the Council, for indemnification, contribution or other reimbursement or recovery.

## **ARTICLE XVIII**

### **Sales and Alienation of Units**

**Section 1.     No Severance of Ownership.** No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging the title to his Unit without including therein the undivided interest of such Unit in the Common Elements, it being the intention hererof to prevent any severance of such combined Ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests, so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the interests in the Common Elements of any Unit may be sold or transferred, given, devised or otherwise disposed of, except as part of the Unit to which such interests are appurtenant or as part of a sale, transfer, gift, devise or other disposition of such part of the interests in the Common Elements of all Units. Anything herein provided to the contrary notwithstanding, this Section shall not prevent the Conveyance by one Unit Owner, his heirs, executors or administrators, to another Unit Owner, of his right, title and interest in and to the exclusive use of a Covered Parking Place (as described in Article 6 C of the Declaration) by means of the NOTICE OF ASSIGNMENT in the form attached to the Declaration as Exhibit "D."

**Section 2.     Covered Parking Spaces.** Article 6 C of the Declaration contains provisions (A) describing and defining the legal status of Covered Parking Spaces, (B) describing the manner in which the Covered Parking Spaces were declared appurtenant to specific Condominium Units on the Declaration Plan, and (C) prescribing the procedure by which one Unit Owner can transfer to another the exclusive right to utilize a Covered Parking Space appurtenant to his Unit. Those Declaration provisions are incorporated herein by reference as if fully set forth herein, and are binding upon all Unit Owners, their heirs, executors, administrators and assigns. Any attempted transfer of the rights to a Covered Parking Place to a person or entity other than a Unit Owner, and any attempted transfer of a Covered Parking Place without use of a NOTICE OF ASSIGNMENT form substantially like the one prescribed in Schedule "D" of the Declaration shall be void, and will be subject to an action by the Council in the Court of Chancery to secure cancellation of the non-compliant transaction or a declaratory judgment that the non-compliant transaction is void.

**Section 3.     Lien for Unpaid Assessments.** No Unit Owner shall convey, mortgage, hypothecate, sell, give or devise his Unit unless and until (or his guardian or personal representative) shall have paid in full to the Council all unpaid assessments (including Common Expense assessments) due and then payable on account of said Unit. Except as otherwise expressly provided by law, in the Declaration, or in this Code of Regulations to the contrary, any grantee, devisee, mortgagee, or donee, etc. of a Unit shall take subject to the lien of any unpaid assessments and, by acceptance of a deed or other evidence of ownership for the Unit, covenants to pay said assessment, together with any late payment charges and interest accruing thereon.

IN WITNESS WHEREOF, the Council of Carillon Crossing has caused its name to be set by its Vice President, ANN M. FIGLIOLA duly attested by its Secretary under Seal, the 13 day of April, 2005.

Sealed and Delivered  
In the Presence of:

CARILLON CROSSING CONDOMINIUM COUNCIL

Richard E. Franta

By: Ann M. Figliola, V.P.  
Vice President

Richard E. Franta

Attest: Christine Frazer  
Secretary

STATE OF DELAWARE )  
NEW CASTLE COUNTY )

ss:

Be it Remembered, that on this 13<sup>th</sup> day of April, 2005, personally came before me, the Subscriber, a Notary Public of the State and County, aforesaid, ANN M. FIGLIOLA, VICE President of the Carillon Crossing Condominium Council, party to this Instrument, known personally to me to be such, and acknowledged, this Instrument to be her act and deed and the act and deed of said Condominium Council, that the signature of the VICE President is in her own proper handwriting, and that her act to sealing, executing and acknowledging and delivering this Instrument was duly authorized by action of the Condominium Council on March 9, 2005, which action was not changed by action of the Association of Owners as provided in the Delaware Unit Property Act and under Article XV of the Carillon Crossing Code of Regulations.

Richard E. Franta  
Notary Public

RICHARD E. FRANTA  
NOTARY PUBLIC  
STATE OF DELAWARE  
MY COMMISSION EXPIRES MARCH 30, 2008