

Tax Parcel Numbers: Various 10-046.00-001 *et seq*

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***CERTIFICATE OF AMENDMENT TO  
ENABLING DECLARATION ESTABLISHING A PLAN FOR  
CONDOMINIUM OWNERSHIP  
OF  
VILLA BELMONT CONDOMINIUM APARTMENTS***

Made this 3<sup>rd</sup> day of August 2007, by the Council of The Villa Belmont Condominium Apartments.

KNOW ALL BY THESE PRESENTS, that, pursuant to a vote of the Unit Owners of the Villa Belmont Condominium Apartments, conducted pursuant to Article 2 J of the Villa Belmont Code of Regulations, following a meeting of the Association of Unit Owners on October 2, 2006, at which a quorum was present and at which a draft form of the amendatory resolution was discussed, and following a month of balloting by mail during February, 2007, a resolution amending the Enabling Declaration Establishing a Plan for Condominium Ownership of Villa Belmont Condominium Apartments (the “Declaration”) was passed and the Declaration dated March 2, 1984, and of record at the Office of the Recorder of Deeds in and for New Castle County, Delaware, in Deed Record K, Volume 126, Page 23, is hereby amended as follows:

**Article 23 (“Leases of Units”) of the Enabling Declaration of the Villa Belmont Condominium Apartments is hereby amended by the addition of the phrase, “Subject to the provisions set forth in Paragraphs A through C of this Article,” ahead of the first sentence of the Article, and by the addition of the following new Paragraphs, A through C with their attendant Subparagraphs:**

“A. Subject to the limitations and conditions hereinafter provided, no more than eighty-two (82) units of Villa Belmont Condominium Apartments – regardless of unit size of proportionate interest in the common elements of the condominium -- shall be subject, at the same time, to a lease, a written or verbal rental agreement of any description, or to a tenancy by persons other than the Unit Owner(s) or said owner’s spouse (such leases, tenancies, etc. hereinafter referred to as “Rental Agreements,” and units subject to rental agreements being referred to as “rental units”). No Unit Owner shall enter into a Rental Agreement for a unit unless said owner’s unit has received the Council’s prior written certification that it is a

“Permitted Rental Unit” in compliance with these provisions.

The following units are rental units at the time of the Council’s adoption of the amendatory Resolution:

56103	60102	64101	68103	72103	76103	80101	84102
56105	60105	64103	68105	72108	76105	80104	84103
56108	60108	64109	68201	72204	76112	80107	84104
56208	60110	64110	68204	72207	76203	80206	84108
56305	60201	64202	68206	72301	76204	80207	84110
56308	60204	64203	68302	72304	76205	80208	84112
56309	60205	64207	68304	72305	76206	80210	84204
56310	60208	64208	68310	72306	76208	80211	84206
56312	60210			72307	76306	80212	84207
	60211			72309	76308	80303	84211
	60307			72310		80304	84304
	60308					80310	84306
	60310						84307
							84310

and shall be referred to as “Existing Rental Units.” The aforesaid Existing Rental Units shall be the initial Permitted Rental Units, subject to the remaining terms and conditions set forth herein. Every record owner of a Villa Belmont Unit at the time of the recordation of the Certificate of Amendment evidencing these amendments (referred to as a “Present Owner”), and the first transferee of any legal interest in a Villa Belmont Unit from any such Present Owner, shall have the absolute right to have his/her Unit designated a Permitted Rental Unit, regardless of the number of other Permitted Rental Units at Villa Belmont at the time, provided that Permitted Rental Unit status has not previously been lost for that Unit due to that Unit Owner’s non-payment of common expense assessments or the tenant’s violation of Villa Belmont Rules and Regulations as hereinafter provided, and subject to the following limitation on the number of units which one owner may own at any one time: No Unit Owner shall own, directly or indirectly, in trust, as a majority owner of an entity, or otherwise, more than three (3) Villa Belmont Units at the same time.

(1) Except as expressly provided to the contrary in the preceding paragraph, a Permitted Rental Unit shall lose its status as such when and if the legal or beneficial ownership of the Permitted Rental Unit changes, voluntarily or involuntarily, by sale, gift, foreclosure,

execution or otherwise, except for: (i) a conveyance between the Unit Owner and his/her spouse, (ii) a conveyance between the Unit Owner and his/her parent or lineal descendant and the spouse of such parent or lineal descendant; (iii) a conveyance between the Unit Owner and a trust where the beneficiaries are and remain solely the grantor and/or the grantor's spouse, parent, lineal descendant or the spouse of such parent or lineal descendant; and (iv) a transfer by will or intestate succession. Permitted Rental Unit status may be terminated by action of the Council if the Unit Owner becomes three months delinquent in the payment of any common expense or other assessment lawfully imposed by the Council on that unit, and the delinquency is not cured within thirty (30) days after the Council's mailing written notification of said delinquency to the Unit Owner. Permitted Rental Unit status also may be terminated by action of Council if the Unit Owner violates Paragraph C of this Article, or if the tenant occupying the Permitted Rental Unit is in material violation of the Rules and Regulations of Villa Belmont Condominiums, and such violation persists, is repeated, or remains uncured for a period sixty (60) days after the Council's mailing of notification of the violation to both the Unit Owner and the tenant.

(2) At any time and to the extent that the number of Permitted Rental Units constitute less than eighty-two (82) units at Villa Belmont Condominiums, Unit Owner may submit to the Council by delivery to the Association secretary, a written request (i) advising the Council that the owner's unit is unoccupied or will become so within no more than six weeks from the date of the request, (ii) informing the Council that the Unit Owner wishes to rent the unit, and (iii) requesting that the unit be designated a Permitted Rental Unit. Written requests will be addressed by the Council in the order received by the Association secretary. If multiple written requests are received at the same time and not all requests can be granted, preference will be afforded the request of the Unit Owner who has owned his/her unit the longest time.

(3) Notwithstanding the above-recited limitations, upon the written petition of a Unit Owner stating the reasons for the owner's request, the Council shall have the power to grant Permitted Rental Unit status, on such terms and conditions that the Council may impose in its sole and absolute discretion, but for no longer than two (2) years, to a Unit Owner who is forced to move from his/her unit for reasons outside said owner's reasonable control, such as a job transfer, a health crisis, or a temporary disability. To facilitate its consideration of such hardship petitions, The Council may require the petitioner to produce whatever verification or evidence of the hardship condition that the Council determines in its sole and absolute discretion that it requires to act on the petitioning owner's request.

(4) Any Rental Agreement for a unit which has not first been certified in writing by the Council as being a Permitted Rental Unit shall be void and subject to cancellation by Council. Any Unit Owner who enters into a Rental Agreement for a unit which has not first been certified in writing by the Council as being a Permitted Rental Unit shall be subject to (i) an assessment by the Council against said Unit Owner's unit in the sum of FIVE HUNDRED (\$500.00) DOLLARS, per month for each calendar month, or any portion thereof during which the Unit Owner remains in violation of these provisions (the purpose of the assessment being to defray the Council's expense of enforcing these provisions), which assessment shall be invoiced along with the Unit Owner's monthly common expense assessment, and shall be lienable and collectable by the Council in the same manner as monthly common expense assessments, and (ii) an action in equity by the Council on behalf of the Association for the cancellation of the Rental

Agreement, and to enjoin that Unit Owner's continuing or future violation of the Declaration or Code of Regulations. It is acknowledged by the Unit Owners subject to this Declaration that, in the event of a violation of these provisions relating to the limitation of rental units, the Council would have no adequate remedy at law, and would be entitled to injunctive relief (including mandatory injunctive relief as appropriate) to redress the violation. The Unit Owner against whom any such relief is obtained shall remit the Council, when invoiced, the attorney fees and other costs reasonably incurred by the Council in obtaining such relief, and the Council may petition to have an award of such fees and costs included in the adjudicating court's decree, and the Council shall be entitled to judgment in that sum.

B. Mandatory Lease Provisions. From the date of the recordation of the Certificate of Amendment placing this Amendment of public record, no Unit Owner or agent for any Unit Owner shall rent or lease a Unit to any tenant for any term, or renew any lease or tenancy, except pursuant to a rental agreement or lease containing (by addendum or otherwise) the following provisions which shall not be overridden or negated by any other provision:

'Tenant covenants and agrees to use the leased premises solely for residential purposes. The names of all persons, other than occasional guests, who will occupy the leased premises, are \_\_\_\_\_ and no other person(s) shall occupy the premises without the prior written consent of Landlord. Tenant and Landlord are jointly responsible for keeping the Council advised of the names(s) of, and contact information for, all persons occupying a leased unit.'

Tenant acknowledges that Tenant has received a photocopy of the Code of Regulations and the Rules and Regulations for the Condominium, has reviewed the Code of Regulations and the Rules and Regulations, and agrees to abide by them. Tenant's violation of any of the provisions of said documents shall constitute a breach of this Lease, which, if uncured within seven (7) days (or such longer minimum notice as may be required by the Landlord-Tenant Code) after Tenant's receipt of written notice of such violation, or if repeated, shall entitle either Landlord or the Council to commence a summary proceeding for possession. Landlord and Tenant acknowledge that the Council shall have an independent right to enforce this Lease in the event of Tenant's violation of any terms of this paragraph. Landlord irrevocably names and appoints the Council as Landlord's non-exclusive agent to assert in court Landlord's rights under this Lease when and if the Council shall elect to do so.'

1. Damages for Non-Inclusion of Mandatory Lease Provisions. In the event that the Council shall determine that a tenant, subtenant or lease assignee occupying a Unit is not subject to the mandatory lease provisions set forth in Section (A), above, due to the failure of the Unit Owner or the agent for the Unit Owner to include such provisions in that tenant's rental agreement or lease in violation of this Article, and in the event that the Unit Owner fails to (i) secure promptly the inclusion of the mandatory provision in an amended rental agreement or lease or (ii) take the actions which the Council shall request with respect to a tenant determined

by the Council to be in violation of the provisions which should have been included in that tenant's lease pursuant to this Article, said Unit Owner shall pay to the Council when invoiced, liquidated damages (not a penalty) in the amount of FIVE HUNDRED (\$500.00) DOLLARS per month for each calendar month, or any portion thereof during which the Unit Owner remains in violation of these provisions, as an additional assessment which shall be lienable and collectable by the Council in the same manner as monthly common expense assessments.

2. Lease Enforcement by the Council. The Council shall send a photocopy of all correspondence with a tenant to the Owner of the rented or leased Unit at said Unit Owner's last known address, by certified mail return receipt requested. The Council shall notify said Unit Owner in the same manner of any failure of the tenant to cure a breach of the rental agreement or lease actionable by the Council together with the Council's demand that the Unit Owner immediately commence and diligently pursue an action to secure the eviction of the tenant. The Unit Owner shall keep the Council advised in writing of actions taken by said Owner to secure the eviction of the tenant and, in the event that the Council, in its sole and absolute discretion, shall deem said actions to have been insufficient in effect or in promptness, the Council or its professional manager may institute appropriate action against the tenant in the Council's and/or the Unit Owner's name and, the Unit Owner shall pay, when invoiced, the Council the fees and other costs reasonably incurred by or on behalf of the Council in said proceeding.

C. Transient or Short Term Rentals Prohibited. From the date of the recordation of the Certificate of Amendment placing this Amendment of public record, no Unit Owner, individually or by agent, shall enter into more than two (2) 'Rental Transactions' for any unit in any calendar year without the prior written approval of the Council. A 'Rental Transaction' shall include, by way of illustration and not by way of limitation, the execution of a lease for a unit, the renting of a unit, the approval of the subleasing of a Unit, the approval of the assignment of a lease or sublease for a unit, or permitting a tenant, subtenant or assignee of a tenant or subtenant to occupy a unit, for any portion of the current calendar year, regardless of whether or not any of the foregoing transactions are verbal or reduced to writing. One purpose of this Section is to reduce the security problems, which would accompany any frequent turnover of tenants at the Condominium. Any Rental Transaction in violation of this Paragraph shall be void and subject to cancellation by the Council. Any Unit Owner who enters into a Rental Transaction in violation of the terms of this Paragraph shall be subject to (i) an immediate assessment by the Council against said Unit Owner's unit in the sum of ONE THOUSAND, FIVE HUNDRED (\$1,500.00) DOLLARS which shall be lienable and collectable by the Council in the same manner as monthly common expense assessments to defray the Council's expense of enforcing these provisions, and (ii) an action in equity by the Council on behalf of the Association for the cancellation of the Rental Transaction, and to enjoin that Unit Owner's continuing or future violation of this Declaration or the Code of Regulations. It is acknowledged by the Unit Owners subject to this Declaration that, in the event of a violation of these provisions relating to the limitation of rental units, the Council would have no adequate remedy at law, and would be entitled to injunctive relief (including mandatory injunctive relief as appropriate) to redress the violation. The Unit Owner against whom any such relief is obtained shall remit the Council, when invoiced, the attorney fees and other costs reasonably incurred by the Council in obtaining such relief, and the Council may petition to have an award of such fees and costs included in the adjudicating court's decree, and the Council shall be entitled to judgment in that sum."