

EDGEWATER ESTATES PROPERTY OWNERS ASSOCIATION, INC.

BYLAWS

BY-LAWS

The principal office of the Association shall be at P.O. Box 146, Lewes, Delaware, 19958 and the resident agent in charge thereof shall be the Edgewater Estates Property Owners Association, Inc..

1. CORPORATE SEAL. The corporate seal shall have inscribed thereon the name of the Edgewater Estates Property Owners Association, the year of its incorporation and the words "Incorporated, Delaware."
2. MEMBERS. Every owner of a lot shall be a member of the Association
3. MEETINGS OF MEMBERS. The annual meeting of members shall be held on the *third Saturday in October of each year at 10:00 AM, at which meeting they shall elect by ballot, by plurality vote, two (2) members to the Board of Directors and may transact such other business as may come before the meeting. * Change was approved at the Annual Mtg., July 2002.
 - a. Special meetings of the members may be called at any time by the President and shall be called by the President or Secretary on the request in writing, or by vote of a majority of the Directors, or at the request in writing of the members representing a majority in number of all of the lots in Edgewater Estates entitled to vote.
 - b. All meetings of the membership for the election of Directors shall be held at the Lewes Public Library or, if that location is not available, at any other location in Lewes or Rehoboth Beach designated by the Board of Directors. All other meetings of the membership shall be held at such place or places, within Sussex County, Delaware, as may from time to time be fixed by the Board of Directors or as shall be specified and fixed in the respective notices or waivers of notice thereof.
 - c. A complete list of members entitled to vote, arranged in alphabetical order, and the number of votes each member may cast, shall be prepared by the Secretary and shall be open to the examination of any member during the entire time of the election.
 - d. Each member entitled to vote shall, at every meeting of the membership, be entitled to one vote in person or by proxy signed by him/her, but no proxy shall be voted on after six (6) months from its date.
 - e. Every lot owner shall be entitled to one (1) vote for each lot, and an owner is defined as the record fee simple title holder by deed to any such lot. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote of such lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any lot.
 - f. Notice of all meetings shall be mailed by the Secretary to each member entitled to vote, at his/her last known Post Office address, for annual meetings, ten (10) days and for special meetings ten (10) days prior thereto. Notice of the meeting shall be effective upon mailing, and may be in the form of the Association's newsletter.
 - g. The officers and members of those in attendance of a body, that when duly assembled to legally transact business, shall constitute a quorum.

4. DIRECTORS. The property and business affairs of the Association shall be managed by its Board of Directors, consisting of six (6) members, each of whom shall be elected by votes representing a majority of the lots in Edgewater Estates, whose owners being in attendance and/or proxy votes submitted, for a term of three (3) years. Terms of directors shall be staggered, with two (2) directors to be elected to regular three-year terms at each annual meeting of the Association. Vacancies on the Board may be filled by the Board until the next annual meeting of the Association at which time the remaining term of the vacated seat shall be filled by vote of the members of the Association. All members of the Board of Directors must be members of the Association. Whenever any Director shall cease to be a member of the Association, his/her office shall be vacated thereby.

5. POWERS OF DIRECTORS. The Board of Directors shall have in addition to such powers as are hereinafter expressly conferred on it, all such powers as may be exercised by the Association, subject to the provisions of the Laws of Delaware, the Certificate of Incorporation, Edgewater Estates Restrictive Covenants, and the By-Laws.

a. The Board of Directors shall have power:

To manage the following properties on behalf of the Edgewater Estates Property Owners Association as follows:

- (1) Both entrance ways to Edgewater Estates; one intersecting with State Road No. 265 (Minos Conaway Rd) at Edgewater Drive, and the other intersecting the same State Road No. 265 (Minos Conaway Rd) at Conaway Drive.
 - (2) The boat ramp and associated property located in, Block A, Lot 16, at Oak Court.
 - (3) The outlot property located on Elm Drive, between Lots A-76 and A-n.
- b. To make capital expenditures related to the following:
- (1) Any property owned by the Association or necessary to the conduct of the business of the Association. such expenditure not to exceed \$5000, per project, in any fiscal year.
 - (2) And any other property upon the approval by vote of the majority of the membership of the Association, and shall be authorized to maintenance on the aforesaid properties,
- c. To appoint .contractors and to dismiss them at its discretion, to fix their duties and compensation and to change them from time to time and to require security as it may deem proper.
- d. To confer on any officer of the Association power to select, discharge or suspend such contractors.
- e. To determine by whom and in what manner the Association's bills, notes, receipts, acceptances, endorsements, checks, releases, contracts or other documents shall be signed.
- f. To control, through the Architectural Review Committee as established in the Restrictive Covenants, the buildings, structures, or improvements placed on each lot in Edgewater Estates, in accordance with the restrictions established in the Restrictive Covenants.

6. MEETINGS OF DIRECTORS. After each annual election of Directors, the newly elected Directors may meet for the purpose of organization, the election of officers, and the transaction of other business.

- a. Regular meetings of the Directors shall be held at least quarterly, and at such other times as may be fixed by resolution of the Board of Directors, the time and place of all such meetings to be at the discretion of the President.
- b. Special meetings of the Directors may be called by the President on three (3) days notice in writing to each Director and shall be called by the President in like manner on the written request of three (3) Directors.
- c. Special meetings of the Directors may be held within Sussex County at such place as is indicated in the notice or waiver of notice, thereof.
- d. A majority of the Directors shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

7. COMPENSATION OF DIRECTORS AND MEMBERS OF COMMITTEES. Directors and members of standing committees shall receive no compensation, but shall be entitled to be reimbursed for routine expenditures made on behalf of the Association.

8. OFFICERS OF THE ASSOCIATION. The officers of the Association shall be a President, three (3) Vice-Presidents, Secretary, and Treasurer. All officers shall be chosen from among the Directors. No person may hold more than one (1) of office.

- a. The officers of the Association shall hold office until their successors are chosen. Any officer chosen or appointed by the Board of Directors may be removed either with or without cause at any time by the affirmative vote of a majority of the whole Board of Directors.
- b. If the office of any officer(s) becomes vacant for any reason, the vacancy shall be filled by the affirmative vote of a majority of the whole Board of Directors.

9. DUTIES OF THE PRESIDENT. The President shall be the chief executive officer of the Association. It shall be his/her duty to preside at all meetings of the membership and Directors; to have general and active management of the business of the Association; to see that all orders and resolutions of the Board of Directors are carried into effect; to execute all contracts, agreements, and other obligations in the name of the Association, and to affix the Association's seal thereto when authorized by the Board.

- a. He/she shall have the general supervision and direction of the other officers of the Association and shall see that their duties are properly performed.
- b. He/she shall report on the operations of the Association for the year to the members at their annual meeting.
- c. He/she shall be ex-officio a member of all committees and shall have the general duties and responsibilities of supervision and management usually vested in the office of the President of an Association. The President or his/her designee shall represent the interests of the Association at public meetings.

He/She shall appoint, at least four (4) months prior to the Annual Meeting, with the concurrence of the Board the chair of the Nominating Committee who shall be a member of the Board or a yearly resident.

10. DUTIES OF VICE PRESIDENTS. Each Vice President shall be vested with all the powers required to perform all the duties of the President in his/her absence or disability and shall perform such other duties as may be prescribed by the Board of Directors.

11. PRESIDENT PRO TEM. In the absence or disability of the President and, the Board may appoint from their own number a President Pro Tern.

12. DUTIES OF SECRETARY. The Secretary shall attend all meetings of the Association and the Board of Directors. He/she shall act as clerk thereof and shall record all of the proceedings of such meetings in a book kept for that purpose. He/she shall give proper notice of meetings of members and Directors and shall perform such other duties as shall be assigned to him/her by the President or the Board of Directors.

13. DUTIES OF TREASURER. The Treasurer shall have custody of the funds and securities of the Association and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

- a. He/she shall keep an account of the membership registered in such manner and subject to such regulations as the Board of Directors may prescribe.
- b. He/she shall give the Association a bond, if required by the Board of Directors, in such sum and in form with security satisfactory to the Board of Directors for the faithful performance of the duties of his/her office and the restoration to the Association, in case of his/her death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession, belonging to the Association. He/she shall perform such other duties as the Board of Directors may from time to time prescribe or require.
- c. The Treasurers' books shall be audited annually, prior to the annual meeting, and at any time a change is made to the office of Treasurer. The Auditor shall be appointed by the President and approved by the Board of Directors.

14. DUTIES OF OFFICERS MAYBE DELEGATED. In case of the absence or disability of any officer of the Association or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate his/her powers or duties to any other officer or to any Director for the time being.

15. MEMBERS OF RECORD. The Association shall be entitled to treat the holder of title as the member in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Delaware.

16. FISCAL YEAR. The fiscal year of the Association shall begin on the first day of *October in each year. *Changed was approved at the Annual Mtg., July 2002.

17. ASSESSMENT. Each lot shall be assessed a certain amount each year to support the Association budget. The amount of the assessment will be proposed at the annual meeting for the vote of the membership.

18. CHECKS FOR MONEY. All checks, drafts or orders for the payment of money shall be signed by any two (2) officers of the Association. No check shall be signed in blank.

19. BOOKS AND RECORDS. The books, accounts and records of the Association except as otherwise required by the laws of the State of Delaware will be kept within the State of Delaware, at such place or places as may from time to time be designated by the By-Laws or by resolution of the Directors.

20. NOTICES. Notice required to be given under the provisions of these By-Laws to any Director, officer or member, shall not be construed to mean personal notice, but may be given in writing by depositing the same in a Post Office or letter box, in a postpaid, sealed wrapper, addressed to such member, officer or Director at such address as appears on the books of the Association, and such notice shall be deemed to be given at the time when the same shall be thus mailed. Any member, officer or Director may waive, in writing, any notice required to be given under these By-Laws, whether before or after the time stated therein.

21. AMENDMENTS OF BY-LAWS. These By-Laws may be amended, altered, repealed or added to at any regular or special meeting called for that purpose by affirmative vote of members present and constituting at least a quorum.