

BY-LAWS

ARTICLE I

Name and Location

The name of the corporation is KEENWICK WEST PROPERTY OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at the Keenwick West address of the incumbent Secretary. Meetings of Officers, Board of Directors and members may be held at such places within the State of Delaware, County of Sussex, as may be designated by the Board of Directors.

ARTICLE II

Definitions

Unless the context denotes otherwise, the following terms are defined as follows:

Section 1. The term "Association" shall mean and refer to the Keenwick West Property Owners Association, Inc., its successors and assigns.

Section 2. The term "properties" shall mean and refer to that certain real property described in that certain plot of record in the Office of the Recorder of Deeds, in and for Sussex County in Plot Book 8, at page 181, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. The term "lot" shall mean and refer to any plot of land shown upon any plot of the properties, as such is recorded in the Office of the Recorder of Deeds in and for Sussex County, in Plot Book 8, at page 181. NO COMMON AREAS. 1980-82 Roads turned over to State.

Section 4. The term "member" shall mean and refer to every person or entity who owns a lot and is therefore subject to the assessments provided by Article XI.

Section 5. The term "owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, excluding those having such interest merely as security for the performance of any obligation.

Section 6. The term "Declaration" shall mean and refer to the Deed/Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Office of the Recorder of Deeds, in and for Sussex County at Georgetown, Delaware.

Section 7. The term "assessment period" shall mean a calendar year.

## ARTICLE III

### Membership

Section 1. Only lot owners are members of the Keenwick West Property Owners Association, Inc. Membership shall be appurtenant to and may not be separated from the ownership of any lot, which is therefore subject to the assessments provided by Article XI.

Section 2. Members shall be all lot owners who shall be entitled to one (1) vote for each lot. When more than one 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.

Section 3. Suspension of Membership. The Board of Directors may suspend any person from membership in the Association/Corporation during any period of time when such person is in default of any of his/her obligations under the Declaration (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.

## ARTICLE IV

### Officers and Duties

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors; a secretary and a treasurer, and other officers as the Board may, from time to time by resolution, create.

Section 2. No officer is permitted to appoint a proxie to perform his/her duties.

Section 3. Election of Officers. The election of officers shall take place at the Fall Annual Meeting.

Section 4. Term. The officers of this Association shall be elected annually by the membership and each shall hold office for two (2) years, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 5. Special Appointments. The Board may appoint other officers as the affairs of the Association may require, each of whom shall hold office for a period, have the authority, and perform any duties as the Board may, from time to time, determine.

Section 6. Resignation and Removal. Any officer may be removed from office with cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Vacancies. A vacancy in any office but president may be filled in the manner prescribed for regular election. The officer elected to the vacancy shall serve for the remainder of the term of the officer replaced.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of the latter's absence, inability or refusal to act, and shall exercise and discharge any other duties as may be required by the Board. In the case of a vacancy in the Office of the President, the Vice President shall fill the vacancy.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring the seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform any other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual statement of income and expenditures to be presented to the membership at their Fall Annual Meeting, and deliver a copy of each to the members. When the person retires from the office, he/she has 30 days to pass the books, etc. to the new Treasurer.

## ARTICLE V

### Board of Directors

Section 1. Number. The affairs of this Association shall be managed by the Board of nine (9) Directors, who must be members of the Association. The Board of nine (9) Directors shall consist of five (5) Directors, the President, Vice President, Secretary and Treasurer elected in accordance with Article VIII. In addition, the outgoing President shall serve on the Board in accordance with Section 6 of this Article.

Section 2. Election. At each Fall Meeting the members shall elect the Directors whose terms have expired - three (3) in the even years and two (2) in the odd years, each serving for two (2) years.

Section 3. Resignation and Removal. Any Director, elected as a Director, may be requested to resign, with cause, by the Board of Directors. Members shall have the right to vote for the removal of a Director, with cause, in accordance with Section 4, Fifteenth Article, Certificate of Incorporation. In the event of death, resignation or removal of a Director, the vacancy may be filled in the manner prescribed for regular elections. The Director elected to the vacancy shall serve for the remainder of the term of the Director replaced.

Section 4. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action Taken Without a Meeting.

(a) Non-Emergency Action. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the effect as though taken at a meeting of the Directors.

(b) Emergency Action. In an emergency situation facing the community, e.g., snow, storm, hurricane, etc., the Board shall have the right to take appropriate action by obtaining the approval of a majority of the Directors who can reasonably be reached during such emergency. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. The outgoing President shall automatically serve on the Board of Directors for one year. He/she will enter into discussions but will not have the right to vote on the issues discussed.

## ARTICLE VI

### Board of Directors

#### Power and Duties

Section 1. Powers. The Board of Directors shall have power to:

(a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declarations.

(b) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive quarterly meetings of the Board of Directors.

(c) Employ an independent contractor, an architect or engineer to consult with the Architectural Review Committee as they deem appropriate.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting of the members or at any special meeting when the statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote.

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) As more fully provided herein, and in the Deed/Declaration to:

(1) Recommend the amount of the annual assessment for each lot as hereinafter provided in Article XI for the forthcoming assessment period.

(2) Send written notice of each annual assessment to each lot owner subject thereto by January 15th of that annual assessment period.

(3) Payment of the assessment is due by March 1st of each annual assessment period.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate stating whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, it shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) Cause all officers having fiscal responsibilities to be bonded, as it may deem appropriate.

Section 3. No Board Member is permitted to appoint a proxy to carry out his/her duties.

Section 4. It shall be the duty of the Board of Directors to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of the complaints as it deems appropriate or refer them to any other committee, directors or officers of the Association as is further concerned with the matter presented.

## ARTICLE VII

### Meeting of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly with the place, day and hour established by the Board. Directors and members shall be notified prior to the first meeting of all of the scheduled meetings.

Section 2. Special meetings. Special meetings of the Board of Directors shall be held when called by the President or by any two (2) directors.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## ARTICLE VIII

### Nomination and Election of Officers, Board of Directors and Architectural Review Committee

Section 1. Nomination. Nomination for election of Officers, Board of Directors and Architectural Review Committee shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Spring Meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or three members of the Association, who are not running for office. The Chairperson shall be appointed by the President at the Spring Meeting, to serve from the close of such meeting until the close of the Fall Meeting. The Nominating Committee shall make as many nominations as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled. The nominations MUST be made from members. The President and Treasurer shall be elected in the even years and the Vice-President and Secretary shall be elected in the odd years.

Section 2. Persons serving as Officers, Directors or members of the Architectural Review Committee may not live in the same house.

Section 3. Elections. Elections shall be by written ballot at the Fall Annual Meeting. At the election, members may cast, or their written proxies may be cast; in respect to each vacancy, as many votes as they are entitled (lots owned) to exercise under the provisions of the Deed/Declaration and Certificate of Incorporation. The nominees receiving the largest number of votes shall be elected. Cumulative voting is not permitted. All proxies must be given or sent to the Secretary prior to the counting of the ballots.

## ARTICLE IX

### Committees

Section 1. The Nominating Committee shall nominate an Architectural Review Committee, as provided in the Declaration, and as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

Section 2. No committee member is permitted to appoint proxies to perform his/her duties.

## ARTICLE X

### Meetings of Members

Section 1. The Spring and Fall meetings shall be the official meetings of the Keenwick West Property Owners Association, Inc.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of one-fourth (1/4) of the members entitled to vote under the provisions of the Deed/Declaration and Certificate of Incorporation.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of the notice, postage paid, at least twenty (20) days before the meeting to each member entitled to vote. The notice will be addressed to the member's address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. A quorum shall be constituted by the presence of one-tenth (1/10) of all members entitled to vote in person or by written proxy for any action except as otherwise provided in the Deed/Declaration, Certificate of Incorporation or these By-Laws. If a quorum is not present or represented at any meeting, the members entitled to vote at that meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meeting of members, each member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her lot.

## ARTICLE XI

### Assessments

Section 1. Creation of the Personal Obligation of Assessments. By membership in the Corporation, each member is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements. The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the improvement and maintenance of services, facilities and properties to the benefit of members and for the costs of operating the Association.

Section 3. Basis of Annual Assessments. An annual budget committee consisting of a chairperson who shall be a member of the Board of Directors and two (2) or three (3) members of the Association shall recommend a budget for the forthcoming assessment period to the Board of Directors. Within the proposed budget, they shall also recommend a uniform mandatory maintenance/assessment fee and the voluntary community activities fee. The chairperson shall be appointed by the President at the Spring Meeting. Based on recommendations of the Annual Budget Committee and its own consideration, the Board of Directors shall present to the members an annual budget for the forthcoming assessment period, at least thirty (30) days in advance of the Fall Meeting. Based on this budget and other pertinent factors, the Board will recommend an annual assessment for the forthcoming year. Consent of a majority of members entitled to vote in person or by written proxy at the Fall Meeting will fix the annual assessment for the forthcoming assessment period. A quorum will be constituted by meeting the requirement of Article X (Meetings of Members), Section 4 (Quorum). If disapproved by a majority of members entitled to vote, the annual assessment for the forthcoming assessment period shall be that amount fixed for the latest assessment period plus a five percent (5%) increase.

Section 4. Maximum of Annual Maintenance/Assessment Fee. Each lot shall be subject to an annual assessment of not more than one hundred (\$100.00). The Association may change the maximum of the annual assessment provided that any change shall have the consent of two-thirds (2/3) of the members entitled to vote in person, or by proxy, at a meeting called for this purpose. Written notice shall be sent to all members at least twenty (20) days in advance and shall set forth the purpose of the meeting.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement. The assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice shall be sent to all members at least twenty (20) days in advance of the meeting and shall set forth the purpose of the meeting.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. At the first meeting called, as provided in Sections 4 and 5 hereof, a quorum will be constituted with eighty percent (80%) of the members entitled to vote in person or by written proxy. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No subsequent meeting shall be held more than twenty (20) days following the preceding meeting.

5/21/9



Section 7. Change of Ownership. The annual maintenance/assessment fee for any lot shall commence on the conveyance of such lot, prorated for the remaining portion of said year, unless the prior owner has paid the fee for that calendar year. The proration in the annual assessment shall be fixed by the Board of Directors at least thirty (30) days in advance of the commencement of the prorated assessment amount. Written notice of the prorated assessment shall be sent to the owner subject thereof. The due date shall be established by the Board of Directors. The Association shall, upon demand, at any time furnish a certificate in writing signed by an officer of the Association, setting forth whether the annual assessments are current. A reasonable charge may be made by the Board for the issuance of this certificate. The certificate shall be conclusive evidence of the facts stated therein.

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. If the assessments are not paid on the date when due, then the assessment shall become delinquent and shall, together with interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property which shall bind the property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay the assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from the date of delinquency at the current rate of interest per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of the assessment the costs of preparing and filing the complaint in the action, and in the event a judgement is obtained, the judgement shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on the lot. Sale or transfer of any lot shall not effect the assessment lien. However, the sale or transfer of any lot by foreclosure of any first mortgage or any proceedings in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to the Declaration shall be exempt from the assessment charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use.

ARTICLE XII

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

Corporate Seal

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation.

ARTICLE XIV

Amendments

Section 1. Subject to the provisions of Article X, these By-Laws may be amended at a special meeting of the members, by a vote of a majority of a quorum of members present in person or represented by proxy.

Section 2. In the case of any conflict between: (a) the Deed/Declaration and these By-Laws, the Deed/Declaration shall control; and (b) the Certificate of Incorporation and these By-Laws, the Certificate of Incorporation shall control.

ARTICLE XV

Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

ARTICLE XVI

Parliamentary Authority

In all matters not covered by its By-Laws, this Organization shall be governed by Robert's Rules of Order, Revised.

Original - 1970 ACT Corporation  
Amended - 1979 Keenwick West Association  
1980 Keenwick West Property Owners Association, Inc.  
1983 May  
1994 May

July, 1982 - All rights signed over to K.W.P.O.A., Inc. by  
ACT Corporation, Jerry Adkins, President.

These By-Laws are filed in the Court House in Georgetown, Delaware.

Tunnel and Raysor, Lawyers.

## KWPOA By-Laws Review Committee Approved Recommendations

June 2016

The following changes to the Association By-Laws have been approved by the Board, and then by vote at the recent General Meeting by our community members.

Article 3: Section 3 Suspension of Membership (concerning any overdue payments or obligations). We would add:

A delinquent member will be assessed to cover the cost of a lien and legal fees and any other costs associated with collecting the overdue maintenance fees. Additionally, the right to vote is suspended until there is satisfaction of the overdue assessment.

Article 4: Section 4 Term (when exactly does a Board member assume his or her duties). We would clarify by adding:

Term of office will commence at the time of being elected.

Section 8 Duties (d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse funds as directed...we would add 'including, but not limited to the annual approved budget' of the Association. Also, we would delete the sentence: When the person retires from the office, he/she has 30 days to pass the books, etc. to the new Treasurer, because

We would then add : (e) Officers. All records maintained by Officers and Committee Chairs are the property of the KWPOA. Records kept by all departing Officers will be handed over within a 30 day time frame to their successor Officer.

Section 5 (a) Non-Emergency Action...(immediate action deemed appropriate by the Board when there is no meeting pending). The verbiage refers to 'obtaining the written approval of all the Directors. We would add, 'or electronic' approval of all the Directors. And we would change to 'majority' of all the Directors (not all), and ratified at the next Board meeting.

(b) Emergency Action...at the end of the paragraph we would add, 'and ratified at the next board meeting'.

Article 7. Section 3. Quorum. A majority of the number of Directors shall constitute a quorum. We would add the word 'voting' directors shall...

Article 8. Section 1. Nomination...The Nominating Committee shall make as many nomination as...add 'is possible' in its discretion...Current verbiage gives the Committee freedom of choice on how many, or who is running for office.

Article 10. Section 4. Quorum. A quorum shall be constituted by the presence of one-tenth of all members...we would change to '20%'...

Article 11. Section 3. Basis of Annual Assessments. An annual budget committee consisting of a chairperson who shall be a member of the Board of Directors and two or three members...we would change to 'two or more members'.

Later in same paragraph there is a reference to a 30 day advance notice to members of budget. For consistency, we would change to 20 day advance notice. The same as for advance notice of meetings.

Section 6 concerns maintenance fees and assessments and capital improvement assessments. The current verbiage is...'a quorum will be constituted with 80% of the members'...we would change to '67%'.

Section 8. Second paragraph has a reference to a delinquency rate for unpaid assessments based on the current rate. There is no reference for what the rate would be based upon. We would set it at 10%, per annum.

Additional meetings are planned by the By-Laws Review Committee to address any items requiring further clarification/agreement with the existing Covenants.