

BY - LAWS  
OF  
SANDY BEACH PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

OFFICERS

SECTION 1. REGISTERED OFFICE. The registered Office and Registered agent of this corporation shall be established by the Board of directors with membership approval.

SECTION 2. The corporation may have other offices in the Millsboro/Dagsboro area as the Board of Directors may, from time to time, appoint, or the business of the corporation may require.

ARTICLE II

MEMBERSHIP

SECTION 1. MEMBERSHIP MANDATORY. Membership in the Sandy Beach Property Owners Association, Inc; is mandatory to all qualifying persons, and is effective upon taking title to property in Sandy Beach.

SECTION 2. QUALIFICATIONS OF MEMBERSHIP. The membership of the Association shall be open to property owners of Sandy Beach as shown on the records of the Association. No person or corporation taking title as security for payment, or the performance of any obligation, shall thereby become entitled to membership.

Such ownership shall be the only qualification for membership in the Association.

SECTION 3. RIGHT, PRIVILEGES AND OBLIGATIONS. Members shall be granted all rights and privileges, and be subject to all obligations, contained within the Declaration of Land Use Restrictions, Protective covenants, and Building Standards for Sandy Beach.

ARTICLE III

VOTING

SECTION 1. VOTING RIGHTS. Members entitled to vote in this Association shall be limited to members who are owners of record of property within Sandy Beach.

**SECTION 2. VOTING POWER.** The voting power of members shall be limited to one vote per household. A member may own more than one lot or property within Sandy Beach, but still would be entitled to just one vote.

When a property is owned by more than one person, the voting power arising therefrom shall be joint. The right of such voting shall be exercised only by the joint action of all owners of record.

**SECTION 3. PROXY.** No proxy may be voted after one year from this date. Each item under consideration for a vote shall require a separate proxy.

#### ARTIVLE IV

#### MEETINGS OF MEMBERS

**SECTION 1. ANNUAL MEETINGS.** Annual meetings of members for the election of directors, and for such other business as may be stated in the notice of the meeting, shall be held at such place in the Millsboro/Dagsboro area as the Board of Directors, by resolution, shall determine. Time and date will also be determined by the Board. In the event the Board of Directors fails to so determine the time, date and place of meeting, the annual meeting shall be at the registered office of the corporation in the Millsboro/Dagsboro on July 1 of each year to coincide with the fiscal year

At each annual meeting the members entitled to vote shall elect a Board of Directors. They may transact and vote on such other corporate business as shall be stated in the notice of the meeting.

**Handling of ballots:** Each vote must be returned in the envelope provided. The ballot need not be signed. This will insure its privacy. The same conditions would apply to any meetings of the Association.

Sealed ballots are to be opened and counted at the annual meeting by a teller committee, appointed from the membership present, by the Board of Directors. Final vote on any issue under consideration shall be taken at the annual meeting. The teller committee will count the ballots at this meeting. The appointment of the committee shall take place at the annual meeting.

**SECTION 2. OTHER MEETINGS.** In addition to the annual meeting, meetings of members for any purpose may be held at such time and place within the Millsboro/Dagsboro area as shall be stated in the notice of the meeting

These meetings may be called by the President or Secretary of the Board of Directors, or by resolution of the directors, or by a petition signed by 35% of the members authorized to vote. Notice for such meeting shall be given to the membership not less than twenty (20) days prior to the designated date of the meeting in writing.

The same rules would apply to Voting, as indicated under Section 1 of this Article, entitled "Annual Meetings".

**SECTION 3. VOTING.** Each member entitled to vote in accordance with the terms of the Certificate of Incorporation and the provisions of these By-Laws shall be entitled to one vote, in person or by proxy. Upon demand of any member, the vote for directors, and the vote upon any question before the meeting, shall be by ballot.

All elections for directors shall be decided by majority vote of all eligible members. All other questions may be addressed on the floor by any member present, but voting would be deferred to either a special meeting or the next annual meeting.

A complete list of the members entitled to vote shall also be produced and kept at the time and place of the meeting during the whole time thereof. This may be inspected by any member who is present.

**SECTION 4. QUORUM.** Except as otherwise required by law, by the Certificate of Incorporation, or by these By-Laws, the presence, in person or by proxy, of a majority of the members entitled to vote shall constitute a quorum at all meetings of all members. In case a quorum shall not be present at any meeting, of the voting members present or by proxy, shall have the power to adjourn the meeting from time to time. This may be accomplished without notice other than announcement at the meeting, until the required numbers shall be present. At any such meeting where this is the required representation, any business may be transacted which might have been conducted at the meeting as originally noticed. Only those members entitled to vote at the meeting as originally noticed shall be entitled to vote at any adjournment thereof. A Quorum shall constitute 10% of the voting members present or by proxy.

**SECTION 5. NOTICE OF MEETINGS.** Written notice of the annual meeting stating the place, date and time of the meeting, and general nature of the business to be considered, shall be given to each member entitled to vote. Notice will be given at member's address as it appears on the records of the corporation. This shall be carried out not less than twenty (20) days not more than fifty (50) days before date of meeting. No business, other than that stated in the notice, shall be transacted at any meeting of the members.

## ARTICLE V

### DIRECTORS

**SECTION 1. NUMBER AND TERM.** The number of directors shall be five (5). The directors shall be elected at the annual meeting of the members and each director shall be elected to serve until his successor shall be elected and shall qualify. Directors must be members and owners of record. Directors must be permanent members or reside in Sandy Beach at least 10 months of the fiscal year. Term shall be for three (3) years, except at the first election. At that election, one director shall be elected for one year, two directors shall be elected for two years, and two Directors shall be elected for three years.

**SECTION 2. RESIGNATIONS.** Any director, member of a committee, or other officer may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein. If no time is specified, the resignation shall take effect at the time of its receipt by the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective.

**SECTION 3. VACANCIES.** If any office becomes vacant, the remaining directors in office, by a majority vote, may appoint any qualified person to fill such vacancy. That person shall hold office until the next annual meeting, at which time a successor will be chosen.

**SECTION 4. REMOVAL.** Any director of directors may be removed either for or without cause by a majority vote of all the Association members entitled to vote. This may be done at any membership meeting called for this purpose. The vacancy created at this time may be filled by an affirmative vote of the majority of the members entitled to vote. This may be done at the same meeting.

**SECTION 5. POWERS.** The Board of Directors shall exercise all of the powers of the corporation allowed by the Certificate or Incorporation or by these By- Laws, unless any such power (s) become (s) a violation of (Delaware) State or (Sussex) County Law.

**SECTION 6. MEETINGS.** Regular meetings of the directors shall be held in the Millsboro/Dagsboro area, time and place to be determined by the Board. Notification to the members will be made within thirty (30) days after the annual meeting. The Board shall retain the right to reschedule any monthly meeting when deemed necessary by the Board. Members may attend a board meeting with prior notification to the Board, any member may submit to the Board, ten (10) days in advance, new business about any community problems she/he wishes to have addressed by the Board. Any business must be submitted in writing, dated and signed.

Special meetings of the Board may be called by the President, or by the Secretary, upon written request by any two directors. At least two (2) days notice must be given to each director. The meeting shall be held at any such place as may be determined by the directors, or as shall be stated in the call of the meeting.

**SECTION 7. QUORUM.** A majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained. Notice shall be given to all directors of the date and time of the meeting.

**SECTION 8. COMPENSATION.** Directors shall not receive any stated salary for their services as directors or as members of committees. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefore.

**SECTION 9. ACTION WITHOUT MEETING.** Any action permitted by the By-Laws must be taken upon written consent of a majority of the Board. This action must be filed in the Minutes

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ARTICLE VI

OFFICERS

SECTION 1. OFFICERS. The officers of the corporation shall be a President, Vice-President, Secretary, Treasurer and a fifth board member. All of these officers shall be elected by the Board of Directors and shall hold office until their successors are elected and qualify. The officers of the corporation must be directors. The officers shall be elected at the first meeting of the board after each annual meeting. No more than two offices may be held by the same person

SECTION 2. COMMITTEES. The Board of Directors may appoint special committees for community projects, which will perform functions determined from time to time by the Board of Directors

SECTION 3. PRESIDENT. The president shall be the Chief Executive Officer of the corporation, and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation

The President shall preside at all meeting of the members, if present thereat. In the absence of the President, the Vice-President shall preside and assume all powers and authority of the President. The President shall preside at all meetings of the Board of Directors, and shall have general supervision and control of the business of the corporation. The president shall sign contracts approved by the members and included in the annual budget on behalf of the corporation. In the event of an emergency, the President shall have the authority to sign contracts approved by the Board of Directors. Such emergencies may or may not be funded through the annual budget. An emergency is defined as, but not limited to, an act of God, fire, or damage to community property. The President shall cause the seal to be affixed to any instrument requiring same. When so affixed, the seal shall be attested by the signature of the Secretary or the Treasurer.

SECTION 4. VICE-PRESIDENT. The Vice-President shall have such powers and perform such duties as shall be assigned to that office by the directors. The Vice-President shall be in charge of all meetings if the President is not in attendance

**SECTION 5. SECRETARY.** The Secretary shall give, or cause to be given, notice of all meetings of members and directors, and all other notices required by law or by these By-Laws. In the event of the Secretary's absence, refusal or neglect so to do, any such notice may be given by any person thereunto directed by the members of the Board. Upon such requisition, the meeting is called as provided in these By-Laws. The Secretary shall record all the proceedings of the meetings of the corporation and of the directors in a book to be kept for that purpose. The Secretary shall perform such other duties as may be assigned by the directors or the President. The Secretary shall have the custody of the seal of the corporation and shall affix the same to all instruments requiring it, when authorized to do so.

**SECTION 6. TREASURER.** The treasurer shall have the custody of the corporate funds and securities, and shall keep a complete and accurate account of all receipts and disbursements in books belonging to the corporation. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the corporation as approved by the annual budget and the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall also disburse the funds of the Corporation as so ordered by the Board of Directors in the event of an emergency, pursuant to Articles VI, Section 3, of these By-Laws.

The Treasurer shall provide true and correct reports at each scheduled meeting of the Board of Directors; the Treasurer shall provide copies of statements from the bank(s) being utilized by the Board of Directors on a timely basis; the Treasurer shall make all pertinent data available for dissemination to all property owners upon request; and the Treasurer shall propose an annual budget to the Board of Directors in a timely fashion so that the Board may reach agreement on a budget proposal to be published in the notification of the annual meeting.

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ARTICLE VII

MISCELLANEOUS

SECTION 1. SEAL. The corporate seal shall be circular in form and shall contain the name of the corporation, the year of its creation, and the words 'CORPORATE SEAL DELAWARE'. Said seal may be used by causing it, or facsimile thereof, to be impressed or affixed or reproduced or otherwise.

SECTION 2. FISCAL YEAR. The fiscal year of the corporation shall be from July 1 to June 30.

SECTION 3. CHECKS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by two of the following corporate officers :President, Secretary or Treasurer.

SECTION 4. NOTICE AND WAIVER OF NOTICE. Whenever any notice is required by these By-Laws to be given, personal notice is not meant unless expressly so stated. Any notice so required shall be deemed to be sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his address as it appears on the records of the corporation. Such notice shall be deemed to have been given on the day of such mailing. Members not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise provided by statute.



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ARTICLE VIII

ASSESSMENTS

SECTION 1. A) Each owner of record of property located within Sandy Beach shall pay to the Association a yearly charge or assessment. This will be presented by the Board of Directors, approved by ballot by a majority of the members entitled to vote at the annual meeting. The assessment will be shown in the approved annual budget. Its purpose a permanent fund to maintain and improve the community property and streets within Sandy Beach.

B) The above stated charge or assessment shall be assessed on each lot of record as shown on the Plat filed in the Office of the Recorder of Deeds, Georgetown, Sussex County, Delaware in Plat Book 8, Page 920. Future alterations in existing property lines notwithstanding, and in cases where an Owner of Record owns more than one lot as shown on the above referenced Plat, such Owner shall be assessed for each lot separately.

ARTICLE IX

AMENDMENTS

These By-Laws may be altered or repealed at any annual meeting of the members, or at any special meeting thereof, if notice of the proposed alteration or repeal is contained in the notice of such meeting, an affirmative vote of a majority of the members entitled to vote is required

Adopted on July 22, 2007

Attested by - Calvin Epperly, President  
Linda Reilly, Vice-President  
Penelope Coon, Secretary  
Robert Bitter, Treasurer  
Duane Quintana, Member