Tax Map & Parcel Nos.: 3-34 19.00

22.00-23.00, 33.00-137.00, 174.00-194.00,

230.00-233.00, 236.00-239.00, and

256.00-264.00

Prepared By and Return to:

Seth L. Thompson, Esquire

Parkowski Guerke & Swayze, P.A.

19354C Miller Rd.

Rehoboth Beach, DE 19971

AMENDED AND RESTATED BY-LAWS of the

REHOBOTH BEACH YACHT & COUNTRY CLUB

HOMES ASSOCIATION

**ARTICLE I - NAME**

The name of the corporation shall be REHOBOTH BEACH YACHT & COUNTRY CLUB HOMES ASSOCIATION, comprised of the above-noted parcels, including lots on West Side Drive and White Oak Road, Rehoboth Beach, DE 19971, hereinafter referred to as the “Association.” The Association’s Restrictions, Conditions and Covenants, as they may be modified from time to time (hereinafter collectively referred to as the “Restrictive Covenants”) are recorded in the Office of the Recorder of Deeds commencing on Deed Book 5250, page 71.

**ARTICLE II – PURPOSES OF THE ASSOCIATION**

Section 1. To foster and advance matters deemed to be in the best interests of the Association.

Section 2. To assist in establishing and maintaining high community standards.

Section 3. To seek enforcement of the Association’s Restrictive Covenants and to take whatever action is necessary and advisable in these respects.

Section 4. To establish means of implementing and enforcing these By-Laws.

**ARTICLE III - MEMBERSHIP**

Section 1. Membership (hereinafter referred to as “member” or “membership”) shall be restricted to fee simple ownership of record, in Sussex County Recorder of Deeds’ Office of one lot located in the development, hereinafter referred to as the “Development.” The Development is defined as including Blocks 14, 18, 19, 20 and. 21 Rehoboth Beach Yacht and Country Club as shown on a plot of record in the Office of the Recorder of Deeds in Plot Book 5, page 32, and the ten additional lots added to the Development, shown as Section “D”, on a Survey Plot & Waterways of Rehoboth Beach Yacht & Country Club at Plot Book 9, Pages 32 and 33, recorded in the Office of the Recorder of Deeds on January 24, 1975.

Section 2. The owners of each lot shall be automatically deemed to be members of the Association and each lot shall be entitled to one vote regardless of how title may be held or how many lots may be owned by one person, partnership, or corporation or other form of legal entity, subject to Section 4 of this Article. Only one member per lot may vote on business of the Association.

Section 3. Membership entitles all family members of each lot owner to enjoy all facilities of the Association. Family members shall be limited to (a) persons related by blood or marriage to one or more of the owners of a lot and (b) guests of such owners.

Section 4. Any membership being three (3) months in arrears in the payment of the annuallot assessment or any other indebtedness to the Association shall automatically stand suspended and forfeit all rights and privileges to the use of common facilities and areas owned by the Association, except ingress and egress to the member’s property. Membership will automatically be reinstated upon payment of the annual dues, penalty, and any prior assessment or other indebtedness due the Association by the delinquent property owners.

Section 5. The Association will maintain a membership register which shall be made current at least once a year and which shall contain the full mailing address of the primary residency of each owner of each lot as well as each such owner’s preferred phone number and email addresses that shall be provided to the Association and updated to maintain currency by each such owner.

**ARTICLE IV – MEETINGS OF MEMBERS**

Section 1. The Annual Meeting of Members for election of Directors shall be held in June of each year. At this meeting the Members shall elect, by plurality vote, a Board of Directors. Other items of business may be transacted as needed. Timely notice will be provided as to the exact date, time and location at least (10) ten days prior to the meeting.

Section 2. 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 a vote of a majority of the Directors, or at the request, in writing, of Members of the Association owning a majority in number of the lots in the Development.

Section 3. All meetings of the Members for the election of Directors and all other meetings of the Members shall be held at such place or places within or without the State of Delaware as may from time to time be fixed by the Board of Directors.

Section 4. A complete list of Members whether or not entitled to vote, arranged in the order which corresponds to their street address in the Development, e.g., Member(s) owning the lot at 1 West Side Drive would be listed first, and so on; the same would be true for Member(s) owning the lot at 1 White Oak Road, and so on, and the number of votes which each such Member may cast if any, shall be prepared by the Secretary and shall be open to the examination of any Member for ten (10) days prior thereto, and during the whole time of the election. The list shall contain, as provided to the Association, the name(s) of the lot owner(s), their Development addresses, and their permanent mailing addresses only. The list may be provided upon a Member’s request to the Secretary.

Section 5. Each Member entitled to vote shall, at every meeting of the Members, be entitled to vote in person or by proxy, signed and dated by such Member, but no proxy shall be voted on after the Membership meeting for which the proxy was given unless the proxy provides for a longer period; provided, however, that the proxy shall not be effective after one year from the date of the proxy. Such right to vote shall be subject to the right of the Board of Directors to close the Membership Register, or to fix a record date for determining Members. If the Board of Directors shall not have exercised such right, no person claiming to own any given lot in the Development shall be entitled to cast any vote for such lots at any election of Directors if the title thereto shall have been transferred into such person upon the public records in and for Sussex County, at Georgetown, Delaware, within twenty (20) days next preceding such election.

Section 6. Notice of all meetings of the Members of the Association shall be via electronic transmission unless a Member specifically does not have the ability to receive notice in this manner. In that case, notice shall be provided by U.S. Mail. Notice shall be provided at least ten (10) days prior to the meeting. In the case that the Secretary becomes aware that two consecutive electronic transmissions have not been delivered, then the consent to electronic transmissions is deemed revoked.

Section 7. Members of the Association owning a majority, in number, of the lots in the Development shall constitute a quorum, but the owners of a smaller number of such lots may adjourn any meeting of Members, from time to time, without further notice until a quorum is secured.

**ARTICLE V – DIRECTORS**

Section 1. The property, business and affairs of the Association shall be managed and controlled by its Board of Directors, which shall have a minimum of seven (7) members and a maximum of nine (9) members. A quorum for Board action would require a minimum of five (5) or 60% of Directors then sitting, whichever is greater.

Section 2. All Directors must be Members of the Association regardless of whether another Director is an owner of the same lot. Whenever any such Director shall cease to be a Member of the Association, his or her office shall be vacated thereby.

Section 3. The Member who is the current Chair of the ARC (Architectural Review Committee) must also be a Director.

Section 4. The Directors shall hold office until the adjournment of the next Annual Meeting of the Association at which successor Directors have been elected and qualified. The Directors shall be elected by the Members, except that if there be a vacancy on the Board, by reason of death, loss of membership in the Association, resignation, or otherwise, the remaining Directors, though comprising less than a quorum of such Directors, shall have the authority, in their discretion, to appoint a Member to fill the vacancy for the unexpired term, by a majority vote of the remaining Directors. If a lack of quorum prevented the membership from electing or re-electing new Directors, the then current Directors shall continue to hold office until the adjournment of the following Annual Meeting of the Association, and continuing. The newly elected Directors shall be deemed to hold office immediately upon the adjournment of the Annual Meeting at which the Directors were elected or re-elected. The outgoing Board of Directors and Officers shall ensure a smooth and timely transition between the outgoing Board and the incoming Board by taking all reasonable steps including, but not limited to, transferring to the incoming Board the rights to and possession of all Association assets, including but not limited to, official paper and electronic files, seals, user ID’s and related passwords, P.O. Box and safe deposit keys, reports, and papers, as well as by otherwise fully cooperating in transitioning banking, accounting, tax, postal, and safe deposit, etc. signing authorities, and forwarding all post-election Association-related correspondence and inquiries to the incoming Board.

Section 5. Indemnification.

1. Any person made a party, or threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a Director of the Association, shall be entitled to indemnification from the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.
2. To the extent that a present or former Director of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsection a. of this Section, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

c. Unless ordered by a court, a determination that indemnification of the present or former Director is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsection a. of this Section shall be made:

(1) By a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum; or

(2) By a committee of such Directors designated by majority vote of such directors, even though less than a quorum; or

(3) If there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion; or

(4) By the Members of the Association.

d. The Association shall, on a continuous, uninterrupted basis, commencing with the start of fiscal year 2017-2018, maintain in full force and effect, adequate Commercial Liability Coverage, Commercial Property Coverage, Crimes Coverage, and Directors and Officers Liability Coverage, under primary and umbrella insurance policies in an aggregate amount of no less than $4 Million (collectively, the “Association’s Insurance Policies”).  The Board shall not reduce or eliminate any insurance coverage without providing at least 30 days’ advance notice to the members.  To the extent permitted by law, the indemnification obligations of the Association under this provision shall be no greater, in scope of coverage or dollar limits, than that which is afforded under the Association’s Insurance Policies.

**ARTICLE VI - 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 and the By-Laws.

The Board of Directors shall have power:

Section 1. The Board of Directors, subject to the overall direction and approval of the Association’s Membership, shall determine the policies and activities of the Association, propose the budget, approve the payment of bills and authorize disbursements, take counsel with the committees, and have the responsibility for the general management of the Association. In the event that no new budget is approved at the Annual Meeting or Special Meeting of the members, the Board shall continue to operate consistent with the most recent, membership approved prior budget.

Section 2. To appoint officers, agents, clerks, assistants, factors, employees and trustees, and to dismiss them at its discretion, to fix their duties and salaries and to change them from time to time and to require security or bonding as it may deem proper, and to confer on any officer of the Association the power of selecting, discharging or suspending such employees.

Section 3. 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.

Section 4. To approve or disapprove any supplemental or revised plot plan of the Development on behalf of the Association, and to cause the same, when so approved, to be recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware.

Section 5. To control the property owned by the Association as well as the buildings, structures or improvements placed on each lot or given land area in the Development, and to authorize the approval or disapproval of all buildings, structures or improvements to be placed upon any such lot or land area, and to do or cause to be done and perform any and all acts, matters and things which, according to the Restrictive Covenants applicable to the Development, the Association is authorized, empowered, or required to do, perform, or carry out.

Section 6. The intent of this Section is to best ensure that the Membership of the Association as a whole, possesses the first and last authority over the disbursement of the Association’s funds. Henceforth, there shall be two types of accounts held by the Association and administered by the Board: the “Operating Account” and the “Reserve Account.”

1. Operating Account

This account includes funds for the operating expenses of the Association; these funds are generated by the annual dues, interest thereon and any special assessments. The operating expenses are budgeted during the preparation of the annual expense budget and include the projected operating expenses for the Association from July 1 to June 30.

The annual expense budget must be approved by the vote of a majority of a quorum of the lots within the Development represented in person or by proxy at the Annual Meeting or at a duly called Special Meeting of the Membership. The Board is bound to stay within the parameters of the annual expense budget, for which the total actual expense disbursements should not exceed 10% more than the total budgeted expenses. The Board shall not have the authority to disburse Association funds on items that are not specified in the annual expense budget, except as permitted below.

1. Reserve Account

The Reserve Account has been established for future unanticipated emergency expenditures of the Association not contained in the annual expense budget. Except as provided below, no funds shall be disbursed from the Reserve Account unless authorized by the Membership of the Association at a duly called Annual or Special Meeting of the Membership; provided that notice of such meeting and proposed action shall set forth the amounts, or range of amounts, requested to be spent from this account and the Board’s rationale for its proposal. . The By-Laws requirements relating to quorums, proxies and majority voting shall apply to all Membership meetings dealing with the Reserve Account.

There are two exceptions where the Board shall have the authority, without the prior consent of the Membership, to disburse funds from the Reserve Account. One, if an unanticipated emergency, as defined below, requires expenditures outside the Operating Account, the Board may disburse up to, but not exceeding 15%, of that year’s total annual expense budget. The disbursement may first be drawn from the Operating Account to the extent that funds are available above those required by budgeted annual expenses. If any such surplus does not cover the emergency expenditure, then the shortfall may be drawn from the Reserve Account. Notification only to Membership is required to be made promptly after the Board’s action to make an emergency expenditure as defined below. Two, of the amounts in the Reserve Account, up to 10% of the current year’s total budgeted expense amount shall be earmarked, and may be drawn by the Board, for the enforcement of the Restrictive Covenants.

An emergency expenditure is to be defined as: if any existing land owned by the Association develops a hazard or undesirable condition and remediation is required immediately. Examples include, but are not limited to, the following:

i) Association tree(s) falling on Membership property or properties, or on one of the roads; tree(s) not on Association property falling on one of the roads; provided that the Association seek reimbursement from the pertinent lot owner.

ii) Water line break(s) in the Circle at the entrance to West Side Drive and East Side Drive.

iii) Act of God, vandalism, or vehicle(s) cause full or partial destruction of the landscaping at the Circle, the Association’s fence, or the bulkhead or riprap along the edge of the Association’s parkland.

iv) Lawsuit filed or threatened against the Association or any Director(s) or Officer(s) of the Association.

An emergency expenditure shall not include a disbursement for what would customarily be regarded as a capital improvement except for those to be used to replace landscaping in the Circle, the bulkhead or the riprap.

The recommended guideline for minimum balance of the Reserve Account shall be half the amount of that year’s total annual expense budget. The reserves may exceed this level but should not drop below this level without a Membership meeting being called to approve the Board’s funding plan to return the balance to a level above the recommended minimum.

**ARTICLE VII - MEETINGS OF DIRECTORS**

Section 1. After each annual election of Directors, the newly elected Directors shall meet within thirty (30) days of the election for the purpose of organization, the election of officers, and the transaction of other business, at such place and time as shall be fixed at the Annual Meeting, and, if a majority of the Directors be present at such place and time, no prior notice of such meeting shall be required to be given to the Directors. The place and time of such meeting may also be fixed by written consent of the Directors. Notice of any meeting of the Directors may be given by electronic messaging sent to the address provided by each Director to the Secretary.

Section 2. Regular meetings of the Directors will be held at least every two (2) months between Annual Meetings. Meetings of the Directors may be held in person or via any form of electronic communications that allows each participating Director to speak to every other participating Director, as well as to hear what every other participating Director is saying.

Section 3. Special meetings of the Directors may be called by the President on two days’ notice by electronic messaging to each Director and shall be called by the President in like manner on the written request of three Directors. Special meetings of the Directors may be held within or without the State of Delaware, at such place as is indicated in the notice or waiver of notice thereof; provided, that Special meetings of the Directors may be held in person or via electronic communications that allows each participating Director to speak to every other participating Director, as well as to hear what every other participating Director is saying.

Section 4. 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.

**ARTICLE VIII - EXECUTIVE AND OTHER COMMITTEES**

Section 1. Executive Committee

1. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate an Executive Committee of three members and one or more other committees, each to consist of one or more of the Directors of the Association.
2. The Executive Committee will have no delegated authority. Any recommendations made by the Executive Committee must be approved by the entire Board of Directors.
3. The Executive Committee shall meet at stated times or on notice to all by any of their own member. It shall fix its own rules of procedure. A majority shall constitute a quorum, but the affirmative vote of a majority of the whole Committee shall be necessary in every case.
4. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors.

Section 2. Other Committees

1. Each other committee established by the Board of Directors shall be comprised of at least three members who need not be Directors of the Association and shall serve for a term of one year, commencing on the date of appointment and until their successors are installed unless the President or the Board shall have disbanded the committee sooner. All committee chairpersons shall be appointed by the President and shall be subject of his or her removal. Committee members shall be appointed by the committee chairman, subject to the approval of the President. Each committee will be ultimately responsible to the President and shall make such reports and recommendations as may be appropriate. The duties of such committees shall be within the broad limits of the areas for which they are responsible. More specific duties may be defined in the charge or instruction they receive when they are established and through direction or further instruction from the President or the Vice-President to whose responsibility they may be assigned by the President.
2. Other committees shall be established either as standing committees which exist from year to year or as special committees appointed by the President to perform a specific act or acts as defined at the time of their creation.
3. Reports and recommendations of all committees, whether standing committees or special committees, shall be in writing and a copy filed with the Secretary. The leadership of each committee shall also ensure that Minutes of each committee meeting are recorded by a person attending the meeting and that a copy of such Minutes is promptly filed with the Secretary.

**ARTICLE IX - COMPENSATION OF DIRECTORS AND MEMBERS OF COMMITTEES**

Section 1. Directors and Members of Standing Committees shall receive no compensation for attendance at each regular or special meeting thereof. Compensation shall not include permitted reimbursements. To be eligible for reimbursement, the expense must be under Five Hundred Dollars ($500.00) and authorized by the Board of Directors, including through budget approval. Additionally, the remitting Director or Member of a Standing Committee must receive reimbursement approval, in advance if feasible, from the Board, Executive Committee or President and shall present in a timely manner documentation satisfactory to the Treasurer confirming the expense’s authorization, approval and payment. Further, it is acknowledged that a Director or Member may from time to time wish to donate money or in kind services for the benefit of the community with no expectation of reimbursement.

**ARTICLE X - OFFICERS OF THE CORPORATION**

Section 1. The Officers of the corporation shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other Officers as may from time to time be chosen by the Board of Directors.

Section 2. One person may hold more than one of the offices aforenamed, other than the office of President. Absent exigent circumstances, the person who holds the Office of President shall not hold the position of Chair of any Standing or Special Committee.

Section 3. The officers of the corporation shall hold office until their successors are chosen and qualify. 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. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the affirmative vote of a majority of the remaining Directors.

Section 4. Indemnification.

1. Any person made a party, or threatened to be made a party, to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was an Officer of the Association, shall be entitled to indemnification from the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.
2. To the extent that a present or former Officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsection a. of this Section, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.
3. Unless ordered by a court, a determination that indemnification of the present or former Officer is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsection a. of this Section shall be made:

(1) By a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum; or

(2) By a committee of such Directors designated by majority vote of such directors, even though less than a quorum; or

(3) If there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion; or

(4) By the Members of the Association.

d. The Association shall, on a continuous, uninterrupted basis, commencing with the start of fiscal year 2017-2018, maintain in full force and effect, adequate Commercial Liability Coverage, Commercial Property Coverage, Crimes Coverage, and Directors and Officers Liability Coverage, under primary and umbrella insurance policies in an aggregate amount of no less than $4 Million (collectively, the “Association’s Insurance Policies”).  The Board shall not reduce or eliminate any insurance coverage without providing at least 30 days’ advance notice to the members.  To the extent permitted by law, the indemnification obligations of the Association under this provision shall be no greater, in scope of coverage or dollar limits, than that which is afforded under the Association’s Insurance Policies.

**ARTICLE XI - DUTIES OF THE PRESIDENT**

Section 1. The President shall be the chief executive officer of the Association. It shall be the President’s duty to preside at all meetings of the Members and Directors; to have general and active management of the business and affairs of the Association; to see that all orders and resolutions of the Board of Directors are carried into effect; to execute all contracts, agreements, deeds, bonds, mortgages, and other obligations and instruments, in the name of the corporation, and to affix the corporate seal thereto when authorized by the Board or the Executive Committee.

Section 2. He or she shall have the general supervision and direction of the other officers of the Association and shall see that their duties are properly performed.

Section 3. He or she shall submit a report of the operations of the Association for the year to the Directors at their regular meeting in May of each year and to the Members at their Annual Meeting.

Section 4. He or she shall be ex-officio a member of all standing and special committees and shall have the general duties and powers of supervision and management usually vested in the Office of the President of corporation.

Section 5. The President shall attend meetings of the Directors and shall at all times, act within the scope of authority as defined by the laws of the State of Delaware, these By-Laws and the Board of Directors.

**ARTICLE XII - VICE-PRESIDENT**

Section 1. The Vice-President or Vice-Presidents, in the order designated by the Board of Directors, shall be vested with all the powers and required to perform all the duties of the President in his or her absence or disability and shall perform such other duties as may be prescribed by the Board of Directors.

Section 2. The Vice-President shall preside at all meetings of the Association and the Board of Directors in the absence of the President. The Vice-President shall be responsible for the coordination of the efforts and reports of such standing committees and special committees as the President may assign and shall be an ex-officio member of all such committees. The Vice-President shall perform such other duties as the President may assign.

**ARTICLE XIII - PRESIDENT PRO TEM**

Section 1. In the absence or disability of the President and the Vice-Presidents, the Board may appoint from their own number a President Pro Tem.

**ARTICLE XIV – SECRETARY**

Section 1. The Secretary shall attend all meetings of the Association, the Board of Directors, and the Executive Committee and shall act as clerk thereof and shall record all of the proceedings of such meetings in a book kept for that purpose. The Secretary shall give proper notice of meetings of Members and Directors and shall perform such other duties as shall be assigned by the President, or the Board of Directors, or the Executive Committee. The Secretary shall not be obligated to attend meetings of standing or special committees.

Section 2. The Secretary shall maintain reports, whether produced by the Secretary or a third-party, of the proceedings of all meetings of the Association and shall maintain reports from all committees and shall have all such reports available for inspection by regular members, upon request.

Section 3. The Secretary of the Association shall, unless otherwise provided, also serve as the Corporate Secretary and shall carry on the ordinary correspondence of the Association and the corporation and perform such other duties as may be required or assigned, including but not limited to the filing of corporate reports with the State of Delaware.

**ARTICLE XV – TREASURER**

Section 1. 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, or cause to be deposited, all moneys and other valuable effects in the name and to the credit of the Association in official depositories as may be designated by the Board of Directors.

Section 2. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, Executive Committee or President, taking proper vouchers for such disbursements, and shall render to the President and Directors whenever they may require it, an account of all transactions and of the financial condition of the Association, and at the regular meeting of the Board next preceding the Annual Member's Meeting, a like report for the preceding year.

Section 3. The Treasurer and such other officers, if and as may be designated by the Board, shall give the Association a bond in such sum and in form and with security satisfactory to the Board of Directors for the faithful performance of the duties of office and the restoration to the Association, in case of death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession, belonging to the Association. The Treasurer shall perform such other duties as the President, Board of Directors, or Executive Committee may from time to time prescribe or require. Any indemnity bond or other insurance premiums shall be paid by the Association.

Section 4. The Treasurer shall collect and have custody of all funds paid to the Association. The Treasurer shall file reports with the U.S. Internal Revenue Service and any other such reports as may be legally required. The Treasurer's books shall be open to inspection at reasonable times by the President, Board of Directors, and authorized auditors. The Treasurer shall make a full and true report of the financial condition of the Association at the Annual Meeting of the Members and at such other times as the President or Board of Directors may require. This report shall be posted on the Association’s Website ten (10) days prior to the Annual Meeting.

**ARTICLE XVI – DUTIES OF OFFICERS MAY BE DELEGATED**

Section 1. In case of the absence or disability of any officer of the corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may designate powers or duties of a Director to any other officer, director or salaried employee, the performance of said employee to be supervised by an officer of the Corporation.

**ARTICLE XVII - RESERVED**

**ARTICLE XVIII – MEMBERSHIP REGISTER**

Section 1. The Secretary of the Association shall keep and maintain a Membership Register. Such Register shall be based on ownership data recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware.

Section 2. The Secretary of the Association shall keep and maintain for each lot within the Development, the name or names and the address or addresses of the last record owner or owners, of freehold, of each such lot, according to the public records in and for Sussex County, at Georgetown, Delaware, the date when such owner or owners became the record owner or owners thereof, and the date or dates such owner or owners transferred of record their ownership therein.

Section 3. In the absence of competent evidence of ownership in freehold to the contrary, the information set forth upon the Membership Register to be kept and maintained by the Secretary, as aforesaid, shall be prima-facie evidence of the names and addresses of each Member of the Association, the date that as such Membership commenced, the date that each such Membership determined, and the number of votes that each such Member shall be entitled to cast at any meeting or at any election of Directors.

**ARTICLE XIX - CLOSING OF MEMBERSHIP REGISTER**

Section 1. The Board of Directors shall have the power to close the Membership Register for a period not exceeding twenty (20) days preceding the date of any meeting of Membership, or the date for the obtaining of the consent of Members for any purpose: provided, however, that in lieu of closing the Membership Register, as aforesaid, the Board of Directors is authorized to fix in advance a date, not exceeding twenty (20) days preceding the date of any meeting of Membersor the date in connection with obtaining any such consent, as a record date for the determination of the Members entitled to notice of and to vote at any such meeting and any adjournment thereof, or to give any such consent, and in such a case such Members and only such Members as shall be owners in freehold of any lot or lots situate in the Development, as aforesaid, on the date so fixed, shall be entitled to notice of, and to vote at such meeting, or to give such consent, as the case may be, notwithstanding any transfer of the ownership in free hold of any such lot after any such record date is fixed, as aforesaid.

**ARTICLE XX - MEMBERS OF RECORD**

Section 1. In the absence of competent evidence to the contrary, the Association shall be entitled to treat the Members of record upon the Membership Register of the Association as the members in fact thereof, and in the absence of any competent evidence to the contrary, the Association shall not be bound to recognize any equitable or other claim to or interest in such Membership on the part of any other person, save as expressly provided by the laws of Delaware. Where a lot is owned by more than one person or by a legal entity, the person wishing to vote at a meeting of the membership shall be prepared, if called upon, to satisfy the Board that he/she has been duly appointed by the lot’s ownership as the sole person to cast the member’s vote.

**ARTICLE XXI - FISCAL YEAR**

Section 1. The fiscal year of the Association shall begin on July 1st of each year.

**ARTICLE XXII CHECKS FOR MONEY**

Section 1. All checks, drafts, or orders for the payment of money shall be physically or electronically endorsed bythe Treasurer or by such otherofficer or officers as the Board of Directors may from time to time designate. The Board of Directors may authorize the Treasurer to set up direct payments from the Association’s bank account for the payment of regular utility bills. No check shall be signed in blank.

**ARTICLE XXIII - BOOKS AND RECORDS**

Section 1. The books, accounts and records of the Association except as otherwise required by the Laws of the State of Delaware, may be kept in paper or electronic format within or without 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 Board of Directors.

**ARTICLE XXIV – NOTICES**

Section 1. Notices required to be given under the provisions of these By-Laws to any Director, Officer or Member shall be construed to mean personal notice, but may also be given in writing either (i) 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, or by electronic messaging the same to such Member if such Member has previously instructed the Association to use electronic messaging, e.g., email, to such Member, Officer or Director for the particular purpose as such electronic messaging address 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 or sent electronically, as the case may be. Any Member, Officer or Director may waive, in writing or via electronic messaging, any notice required to be given under these By-Laws, whether before or after the time stated therein.

**ARTICLE XXV - RULES OF ORDER**

Section 1. All procedural matters not covered by these By-Laws shall be governed by Robert's Rules of Order Newly Revised.

**ARTICLE XXVI - ASSESSMENTS DUE TO PROPERTY OWNERS ASSOCIATION**

Section 1. Each owner of property within the Development shall pay an annual lot assessment as specified in the Restrictive Covenants as they may be modified from time to time.

Section 2. The assessments levied by the Association shall be used to promote recreation, health, safety and welfare of the lot owners and for the improvement, maintenance and construction of any roads, grounds and facilities owned by the Association from time to time and devoted to the common use and enjoyment of the lot owners.

Section 3. The annual lot assessment must be paid in a single installment by the deadline of September 30 of each year or such other date that may be adopted in the future by the Restrictive Covenants as they may be modified from time to time (hereinafter referred to as the “Assessment Due Date”). The amount of the then current assessment may be increased or decreased-by an affirmative vote of the owners, voting either in person or by proxy, thirty (30) days after written notice has been sent to the lot owners setting for the purpose of such regular or special meeting of the Membership. In order to be counted, proxies must be received on or before the date of the stated meeting and prior to any vote. At the time notice of the meeting is mailed or electronically sent to the lot owners, information shall be included showing a justification for any increase or decrease in the then current assessment and directly relating said increase to the budgetary needs of the Association.

Section 4. The obligation for payment of annual lot assessments in the Development commended on September 1, 1974. Succeeding assessments are due and payable annually by the “Assessment Due Date”.

Section 5. The Treasurer shall prepare a roster of the properties and assessments applicable thereto at least ten (10) days in advance of the Assessment Due Date. The assessment notice shall be kept by the Secretary and posted on the Association’s Website. Written notice of the assessment shall be sent either by U.S. mail postage prepaid or by electronic messaging to every owner subject thereto no later than thirty (30) days prior to the Assessment Due Date in the form of an invoice or statement.

Section 6. Lot assessments as well as fines, penalty fees, and accrued interest thereon not paid when due shall be a continuing lien upon the owner’s property and shall extend to each lot owned by a multiple owner and shall bind the property in the hands of the delinquent owners, their heirs and assigns. In order to give public notice of delinquent payment of assessments, fines, penalty fees, and accrued interest thereon to subsequent purchasers or grantees, the Association may prepare and record in the Office of the Recorder of Deeds at Georgetown Delaware, a listing of those properties whose owners are delinquent in their payment of such assessments, fines, penalty fees, and accrued interest thereon, if such assessments, fines, penalties, and accrued interest thereon are not paid within sixty (60) days from the due date. The Association shall have the authority to establish an initial determination and appeal process as well as assess fines, penalty fees and interest as set forth in the Restrictive Covenants as amended from time to time. If a lot owner has not paid in full all assessments, fines, penalty fees, and accrued interest thereon within thirty (30) days after the later of (a) the initial date set by the Board for such payment, or (b) the date set by the Board after any unsuccessful appeal to the Board by the lot owner. The Association may bring any action in Court that it deems necessary to collect the amounts due. The maximum rate of interest shall be the legal rate under Title 6, Section 2301 of the Delaware Code.

Section 7. In situations where a lot owner has conveyed property subject to a delinquent assessment, fines, penalty fees, and accrued interest thereon to the Association, the Association may proceed against both the seller of the property and the buyer, since the obligation for assessments remains an obligation of the delinquent owner, as well as a charge upon the land in the hands of the subsequent purchaser. In the event legal action is taken to collect delinquent assessments, fines, penalty fees, and accrued interest thereon all lot owners, present and future, are expressly put on notice that Court costs and reasonable attorney’s fees shall be added to and become a part of any Court award or judgment rendered to the Association.

Section 8. The lot assessments shall not be charged upon common areas or properties owned by the Association for the use of all owners in common or on properties exempt from taxes or assessments by the laws of the State of Delaware, upon the terms and to the extent of any such legal exemption.

**ARTICLE XXVII - REMOVAL OF OFFICERS, DIRECTORS AND MEMBERS**

Section 1. An officer or director shall be subject to removal for just cause, with formal impeachment charges stated in writing with the signatures of 25 percent (25%) of the members in good standing of the Association. In addition, an impeachment hearing must be held before a committee of twelve (12) appointed by a Board of Directors for that purpose only. No signer of the charges or no officer or member of the Board shall be a member of the impeachment committee. The Chairmanof this committee shall be elected by the members of the committee and shall have voting powers in the committee. A finding of “just cause for impeachment” sustained by two-thirds (2/3) vote of the committee, and ratified by the vote of two-thirds (2/3) of the members in good standing of the Association, shall automatically remove the impeached officer or Director from his office or Directorship.

Section 2. An officer or Director may be removed for three (3) or more consecutive absences from Board or membership meetings where the absences are unexcused by the President directly or through his representative. The offending officer or Director shall be notified by certified or registered mail or by electronic messaging of the decision of the Directors to initiate removal action. At the next Board of Directors meeting, removal action may be completed by a majority vote of the Board assuming that a quorum of Directors participates. The then existing vacancy shall be filled as specified in these By-Laws.

Section 3. Any member who is delinquent in payments of assessments, fines, penalty fees, or accrued interest thereon shall for more than 3 months shall not be eligible to vote at the annual or any special meeting until such all such delinquent payments are made.

**ARTICLE XXVIII - DISTRIBUTION OF ASSETS AFTER TERMINATION**

Section 1. No member of this Association shall have, as an individual, any interest in or title to the assets of Rehoboth Beach Yacht and Country Club Homes Association and such assets shall be devoted exclusively to the purposes of the Association.

Section 2. In the event of dissolution or other termination of this Association, all of its assets shall be assigned to an institution that qualifies for tax exemption (under the Internal Revenue Code of 195[6] as provided in Section 501(c) (3) or any amendments thereto) as selected by the Board of Directors.

Section 3. All monies on hand at such dissolution shall be used to pay off all current outstanding debts, and to continue the operation of Rehoboth Beach Yacht and Country Club Homes Association until such times as the assignment referred to in Section 2 of this Article has been concluded, at which time the residue of cash assets will be added to the physical assets so assigned.

**ARTICLE XXIX - ORDER OF BUSINESS**

Section 1. In general, the order of business at the Annual Meeting of the Association shall be a follows:

Call to-Order

Reading of “the President’s State of the Association” (optional if such report was disseminated to the Membership prior to the Meeting)

Reading of the Minutes of the Previous Meeting (optional if such Minutes were disseminated to the Members prior to the Meeting)

Treasurer’s Report, including Proposed Budget

Report of the Standing and Special Committees

Unfinished Business

New Business

Adjournment

**ARTICLE XXX - AMENDMENTS OF BY-LAWS**

Section 1. These By-Laws may be amended in any regular or special meeting of the Board of Directors. The Certificate of Incorporation dated October 1, 1974, in the Eighth Article specifically states “the board of directors is expressly authorized to make, alter, or repeal the By-Laws of this corporation.” Unlike the Restrictive Covenants which directly impact each lot owner and therefore require ratification by the Members, the By-Laws are primarily to provide guidance to the Directors in areas of governance such as the roles and selection of Directors, selection and duties of officers, conduct of meetings and maintenance of community common areas.

Section 2. These Amended and Restated By-Laws were adopted by a majority of the Board of Directors at a meeting on May 23, 2023. Section 5 of Article V and Section 4 of Article X of these amended By-Laws shall not apply to any claim, or threat of claim, arising from conduct that occurred prior to June 10, 2017.

**IN WITNESS WHEREOF,** the party hereto has set its hand and seal on this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2023.

Rehoboth Beach Yacht & Country Club Homes Association

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (SEAL)

Jeffrey S. Wilson, President

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (SEAL)

James B. Porter, Secretary

STATE OF \_\_\_\_\_\_\_\_\_\_\_\_\_ :

: SS.

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_ :

BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2023, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, Jeffrey S. Wilson, President of Rehoboth Beach Yacht & Country Club Homes Association, a Delaware corporation, party to the foregoing Indenture, known to me personally to be such, and acknowledged said indenture to be his act and deed and the act and deed of the said corporation; that the signature of the President thereto is in his own proper handwriting; that the seal affixed is the common and corporate seal of said corporation, duly affixed by its authority; and that his act of signing, acknowledging and delivering said Indenture was first duly authorized by resolution of the Board of Directors of said corporation.

GIVEN under my hand and seal of office, the day and year aforesaid.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

MY COMMISSION EXPIRES: \_\_\_\_\_\_\_\_\_