

BY-LAWS
OF
TOWNHOMES OF BAYSHORE
CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE ONE - ORGANIZATION

- 1.1 The name of the organization shall be TOWNHOMES OF BAYSHORE CONDOMINIUM OWNERS ASSOCIATION, INC.
- 1.2 The organization shall have a seal which shall be in the following form:

ARTICLE TWO - PURPOSES

The following are the purposes for which this organization has been organized:

The general purposes and objects for which this Corporation is organized, and the powers which it shall have are to maintain, operate and administer the common areas and community facilities in Bayshore and such property which may from time to time be annexed thereto; to enforce the covenants, restrictions, easements, charges and liens provided in the Declaration to be enforced by the Association; to assess, collect and disburse the charges created under the Declaration, all in the manner set forth in, and subject to the provisions of the Declaration, and to exercise all powers and privileges and to perform all duties and obligations of the Association under the Declaration.

ARTICLE THREE - MEMBERSHIP

- 3.1 Members of the Corporation shall be every owner of a unit in Townhomes of Bayshore; provided, however, that any such person or entity which holds a lien or security interest on an owner's interest in a unit for the performance of an obligation shall not be a member unless and until such person or entity has succeeded to such owner's interest by enforcement of such lien or security.
- 3.2 There shall be the following class of membership in the Corporation: Members shall be all unit owners who shall be entitled to the percentage vote as set out in the Declaration of Condominium dated September 15, 2003, and recorded in the Office of the Recorder of Deeds, in and for Sussex County, in Georgetown, Delaware, in Deed Book 2889, page 16. When more than one (1) person holds an interest in any unit, all such persons shall be members. The vote of such unit shall be exercised as they among themselves determine,

but in no event shall more than the percentage vote allocated to a unit be cast with respect to any unit.

- 3.3 The Board of Directors of the Corporation may suspend any person from membership in the Corporation during any period of time when such person is in default of any of his 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.
- 3.4 The members of the Corporation shall have the right to vote for the election and removal of directors pursuant to the Code of Regulations and upon such other matters with respect to which a vote of members is required under the Declaration, Code of Regulations or under the provisions of Title 8 of the General Corporation Law of Delaware.

ARTICLE FOUR - MEETINGS

- 4.1 The annual membership meeting of this organization shall be held as established in the Code of Regulations of Townhomes of Bayshore, dated September 15, 2003, and recorded in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, in Deed Book 2889, page 44.
- 4.2 Special meetings of this organization may be called by the president as provided in the Code of Regulations for Townhomes of Bayshore.

ARTICLE FIVE - VOTING

- 5.1 Voting shall be as established in Section 2.9 of the Code of Regulations for Town Homes of Bayshore.
- 5.2 At all votes by ballot the chairman of such meeting shall immediately prior to the commencement of balloting appoint a committee of three who shall act as "Inspectors of Election" and who shall at the conclusion of such balloting certify in writing to the chairperson the results and the certified copy shall be physically affixed in the minute book to the minutes of that meeting.
- 5.3 No inspector of election shall be a candidate for office or shall be personally interested in the question voted upon.

ARTICLE SIX - ORDER OF BUSINESS

The order of business at all annual meetings of the association of owners shall be as follows:

- ✓ (a) Roll Call.
- ✓ (b) Proof of notice of meeting.
- ✓ (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- ✓ (e) Report of the Council.
- ✓ (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Council (when so required).
- (i) Unfinished business.
- (j) New business.

ARTICLE SEVEN - BOARD OF DIRECTORS

- 7.1 The business of this organization shall be managed by a Board of Directors, also known as the Council, as established in the Code of Regulations.
- 7.2 The directors to be chosen for the ensuing year shall be chosen pursuant to Article III of the Code of Regulations.
- 7.3 The Board of Directors shall have the control and management of the affairs and business of this organization. Such Board of Directors shall only act in the name of the organization when it shall be regularly convened by its chairman after due notice to all the directors of such meeting.
- 7.4 Four-fifths of the members of the Board of Directors shall constitute a quorum and the meetings of the Board of Directors shall be held regularly as designated in the Code of Regulations and by the Board.
- 7.5 Each director shall have one vote and such voting may not be done by proxy.
- 7.6 The Board may make such rules and regulations covering its meetings as it may in its discretion determine necessary.
- 7.7 Vacancies in the Board shall be filled by a vote of the majority of the remaining members of the Board for the balance of the term of the position to be filled.
- 7.8 The president of the organization by virtue of the office shall be chairperson of the Board of Directors.
- 7.9 A director may be removed with or without cause by an affirmation vote of the majority of the members of the Council.

ARTICLE EIGHT - OFFICERS

The officers of the organization shall be as follows:

President

Vice President

Secretary

Treasurer

and as further provided in the Code of Regulations.

ARTICLE NINE - AMENDMENTS

These By-Laws may be altered, amended, repealed or added to by an affirmative vote of not less than one-third of the members.

DATED: November 4, 2003

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