

**BY-LAWS  
OF  
WOLFE POINTE PROPERTY OWNERS ASSOCIATION, INC.  
TABLE OF CONTENTS  
Adopted August 25, 2007**

<b>ARTICLE I</b>	<b><u>NAME, PRINCIPAL OFFICE, PURPOSE AND DEFINITIONS</u></b>	
	Section 1: Name	Page 4
	Section 2: Principal Office	Page 4
	Section 3: Purpose	Page 4
	Section 4: Definitions	Page 4
	a. Majority	Page 4
	b. Majority Vote	Page 5
	c. Common Expense	Page 5
<b>ARTICLE II</b>	<b><u>MEMBERS AND VOTING</u></b>	
	Section 1: Membership	Page 5
	a. Association Members	Page 5
	b. Membership Responsibilities	Page 5
	c. Cessation of Membership	Page 5
	Section 2: Classes of Members and Voting Rights	Page 5
	a. Classes of Members	Page 5
	b. Cumulative Voting	Page 5
	c. Member Voting Rights	Page 5
	d. Required Vote	Page 5
	Section 3: Additional Provisions Governing Voting	Page 5
	a. Association Votes	Page 5
	b. Proxies	Page 6
	c. Multiple-Person Owners	Page 6
	d. Voting Certificate	Page 6
	e. Delinquency	Page 6
	Section 4: Manner of Voting	Page 6
	a. At a Meeting	Page 6
	b. By Referendum	Page 6
	c. Advisory Referendum	Page 7
<b>ARTICLE III</b>	<b><u>MEETINGS OF MEMBERS</u></b>	
	Section 1: Annual Meeting	Page 7
	Section 2: Special Meetings	Page 7
	Section 3: Notice of Meetings	Page 7
	Section 4: Record Date to Determine Members	Page 8
	Section 5: Quorum	Page 8
	Section 6: Conduct of Meetings	Page 8
	Section 7: Order of Business	Page 9
	Section 8: Waiver of Notice of Meetings	Page 9
	Section 9: Actions Without a Meeting	Page 9
<b>ARTICLE IV</b>	<b><u>BOARD OF DIRECTORS</u></b>	
	Section 1: Governing Body: Qualifications	Page 9
	Section 2: Number, Tenure and Qualifications	Page 9
	Section 3: Nomination of Directors	Page 10
	Section 4: Election of Directors	Page 10
	Section 5: Organization Meetings	Page 10

Section 6	Regular Meetings	Page 10
Section 7:	Special Meetings	Page 11
Section 8:	Waiver of Notice	Page 11
Section 9:	Quorum of Board of Directors	Page 11
Section 10:	Compensation	Page 11
Section 11:	Conduct of Meetings	Page 11
Section 12:	Open Meetings	Page 12
Section 13:	Action Without a Formal Meeting	Page 12
Section 14:	Powers and Duties	Page 12
	a. Annual Budgets	Page 12
	b. Assessments	Page 12
	c. Collecting, Depositing and Using Assessments	Page 12
	d. Bank Accounts	Page 12
	e. Insurance	Pages 12-13
	f. Recordkeeping	Page 13
	g. Goods and Services	Page 13
	h. Personnel	Page 13
	i. Contracting	Page 13
	j. Payments	Page 13
	k. Rules and Regulations	Page 13
	l. Committees	Page 13
	m. Enforcement	Page 13
	n. Record Availability	Page 13
	o. Utility Suppliers	Page 13
	p. Common Areas	Page 13
	q. Loans	Page 14
	r. Executing Legal Instruments	Page 14
	s. Telephonic and Electronic Systems	Page 14
	t. Other Powers	Page 14
Section 15:	Removal of Directors and Vacancies	Page 14
Section 16:	Loans and Borrowing	Page 14
Section 17:	Accounts, Reports and Budgets	Pages 15-16
Section 18:	Enforcement	Page 16
	a. Notice	Page 17
	b. Hearing	Page 17
	c. Appeal	Page 17
	d. Special Board Considerations	Page 17
	e. Additional Enforcement Rights	Page 17
Section 19:	Rules and Regulations	Pages 17-18

**ARTICLE V**

**COMMITTEES**

Section 1	General	Page 18
Section 2	Special Committees	Page 18
Section 3	Standing Committees	Page 18
	a. Architectural Review	Page 18
	b. Finance	Pages 18-19
	c. Social	Page 19
	d. Nominations	Page 19
	e. Pool	Page 19

		f. Tennis	Page 19
		g. Grounds	Page 19
	Section 4	Committee Expenditures	Page 19
<b>ARTICLE VI</b>	<b>OFFICERS</b>		
	Section 1	Designation and Duties of Officers	Page 19
	Section 2	Election of Officers	Pages 19-20
	Section 3	Resignation or Removal of Officers	Page 20
	Section 4	Vacancies	Page 20
	Section 5	Powers and Duties	Page 20
		a. President	Page 20
		b. Vice President	Page 20
		c. Secretary	Page 20
		d. Treasurer	Pages 20-21
<b>ARTICLE VII</b>	<b><u>FEES, DUES AND ASSESSMENTS</u></b>		
		a. Annual Assessment	Page 21
		b. Payment of Annual Assessments	Page 21
		c. Special Assessments	Page 21
		d. Date For Fixing Annual Assessment and Assessment Process	Page 21
		e. Special Assessment Due Dates	Page 21
		f. Liquidated Damage Assessments Due Date	Page 21
		g. Reserve Transfer Assessments Due Date	Page 21
		h. Interest Rate on Delinquent Assessments	Page 21
		i. Default in Payment of Assessment	Page 22
<b>ARTICLE VIII</b>	<b><u>FIDUCIARY DUTIES</u></b>		
	Section 1	Execution of Documents	Page 22
	Section 2	Conflicts of Interest	Page 22
		a. Rule and Exceptions	Pages 22-23
		b. Votes Not Counted	Page 23
	Section 3	Liability and Indemnification	Page 23
		a. No Personal Liability	Page 23
		b. Indemnification	Page 23
		c. Directors and Officers Liability Insurance	Page 23
	Section 4	Compensation of Directors and Officers	Page 23
	Section 5	Investments	Page 24
<b>ARTICLE IX</b>	<b>FISCAL YEAR</b>		Page 24
<b>ARTICLE X</b>	<b>AMENDMENTS</b>		Page 24

**BY-LAWS**  
**OF**  
**WOLFE POINTE PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE I: Name, Principal Office, Purpose and Definitions**

**Section 1. Name:** The name of the Association shall be Wolfe Pointe Property Owners Association, Inc., (hereinafter sometimes referred to as the "Association").

**Section 2. Principal Office:** The principal office of the corporation in the State of Delaware shall be located in the home of the president of the Wolfe Pointe Property Owners Association, Lewes, County of Sussex, State of Delaware. The Association may have such other offices, as the Board of Directors may determine or as the affairs of the Association may require.

**Section 3. Purpose:** The purposes for which the Association is organized are:

(a) To promote the collective and individual property interests and rights of all persons, firms and corporations owning real property in Wolfe Pointe, as said real property is shown on that certain Plot of Wolfe Pointe, being a subdivision northwest of Rehoboth Beach, in Lewes and Rehoboth Hundred, Sussex County, Delaware, and said Plot being of record in the Office in the recorder of Deeds, in and for Sussex County, at Georgetown Delaware, in Plot Book 67, Page 8 & c and amended June 1, 2001, in Plot Book 70 Page 348 (hereinafter sometimes referred to as the "Property and/or "Community"); and

(b) To take title to, own, manage and maintain the Common Areas including the facilities, improvements and landscaping located thereon; and

(c) To provide for the efficient preservation of the values and amenities in the Community; and

(d) To exercise all powers and perform all duties and obligations of the Association as set forth in the Declaration; and

(e) To exercise all powers now or hereafter conferred by law on a Delaware non-stock corporation to accomplish the above purposes.

**Section 4: Definitions:** The defined terms used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants, Conditions, and Restrictions of Wolfe Pointe (said Declaration, as amended, renewed or extended from time to time, is herein sometimes referred to as the "Declaration"), unless the context shall prohibit or if the meaning conflicts with the General Corporation Law of the State of Delaware, Chapter 1 of Title 8 of the Delaware Code (1974) (hereinafter, the "Act"). Undefined terms used herein shall have the meanings specified for such terms in the Act.

a. **Majority:** As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

b. **Majority Vote**: A Majority Vote means a simple majority (more than fifty percent (50%) of the votes entitled to be cast in person or by proxy at a duly held meeting of the Members at which a quorum is present.

c. **Common Expense**: Common Expense shall mean and include all the actual and estimated expenses incurred by the Association for the general benefit of all Owners, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors pursuant to the Declaration and the Association's Certificate of Incorporation, By-Laws and Rules and Regulations.

ARTICLE II: **Members And Voting**

Section 1. **Membership**:

(a) **Association Members**: Members of the Association shall at all times be, and be limited to all the persons, firms and entities who constitute Owners of the Lots as more fully set forth in Article II Section 1 of the Declaration.

(b) **Membership Responsibilities**: In addition to the duties, rights, obligations and responsibilities imposed upon Members by the Declaration, Membership in the Association includes an agreement by the Member to comply with and be bound by the Association's Certificate of Incorporation, and By-Laws and amendments thereto, and, all policies, rules and regulations at any time adopted by the Association in accordance with the Declaration and these By-Laws.

(c) **Cessation of Membership**: Membership in this Association shall terminate on a Member's ceasing to be an Owner of a Lot in Wolfe Pointe, the Property described herein.

Section 2. **Classes of Members and Voting Rights**:

(a) **Classes of Members**. The Association shall have one class of Members.

(b) **Cumulative Voting**: There shall be no cumulative voting.

(c) **Member Voting Rights**: A Member shall be entitled to one (1) vote for each Lot owned by such Member. If more than one person owns a Lot, then all of the persons who own such Lot shall collectively constitute one Owner and be one Member of the Association and shall collectively have one (1) vote in accordance with these By-Laws. Each Member is entitled to attend all meetings of the Association.

(d) **Required Vote**. Except on those matters which the Declaration, the Certificate of Incorporation, and/or the By-Laws require a higher percentage vote, a Majority Vote of the Members shall be necessary for the adoption of any matter voted upon.

Section 3. **Additional Provisions Governing Voting**:

(a) **Association Votes**. If the Association is an Owner, the Association shall cast its votes with the majority with respect to any Lot it owns and, in any event, such votes shall be counted for the purpose of establishing a quorum.

(b) **Proxies.** Members may vote at any meeting by proxy. A proxy may be instructed (directing the proxy how to vote) or uninstructed (leaving how to vote to the proxy's discretion). Proxies shall be in writing, shall be dated, shall be signed by the Member or a person authorized by the Member (or in cases where the Member is more than one person by or on behalf of all such persons), and filed with the Secretary at or before the scheduled vote. No proxy shall extend beyond a period of eleven (11) months and every proxy shall automatically cease and terminate upon sale by the Member of the Member's Lot in the Property.

(c) **Multiple-Person Owners.** If more than one person owns a Lot, then all of the persons who own such Lot shall collectively constitute one Owner and be one Member of the Association. If only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the Member's vote. If more than one of such persons is present, the vote appertaining to that Member shall be cast only in accordance with unanimous agreement of such persons, and such agreement shall be conclusively presumed if any of them purports to cast the vote appertaining to that Member without protest being made forthwith to the person presiding over the meeting by any of the other persons constituting such Member. In the event of such protest, the Member shall be deemed to have abstained from voting.

(d) **Voting Certificate.** If a Member is not a natural person, the vote by such Member may be cast by any natural person authorized by such Member. Such natural person must be named in a certificate signed by an authorized officer, partner or trustee of such person and filed with the Secretary; provided, however, that any vote cast by such natural person on behalf of such Member shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote was cast. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Whenever the approval or disapproval of a Member is required by the Declaration, the Act and/or the Association's Certificate of Incorporation or By-Laws, such approval or disapproval may be made by any person who would be entitled to cast the vote of such Member at any meeting of the Association.

(e) **Delinquency.** No Member may vote at any meeting of the Association or be elected to serve on the Board of Directors if payment by such Member of any financial obligation to the Association is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

#### Section 4. **Manner of Voting.**

(a) **At a Meeting.** Voting by Members at a meeting shall be by voice vote (except for the election of directors which shall be by written ballot) unless the presiding officer determines otherwise or any Member present at the meeting, in person or by proxy, requests, and by a Majority Vote the Members consent to, a vote by written ballot indicating the name of the Member voting, the number of votes appertaining to such Member, and the name of the proxy of such ballot if cast by a proxy.

(b) **By Referendum.** In the sole discretion of the Board of Directors, elections and other matters requiring a vote of the Members may be submitted to a referendum of the Members on a ballot, by mail or at polling places. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board of Directors shall determine the method of voting, the form of all ballots, the wording of questions thereon, the deadline for return of ballots and the number and location of polling places, if any.

(c) **Advisory Referendum.** The Board of Directors may include on any ballot questions on which it seeks an advisory vote. Members may suggest questions for an advisory vote, which shall be evaluated by the Board for consistency with the exercise of its duties and responsibilities and with the Association Documents. In any advisory vote, each such question on a ballot shall indicate that the vote is for advisory purposes only.

**ARTICLE III            MEETINGS OF MEMBERS**

**Section 1:    Annual Meeting.** An annual meeting of the Members for the purpose of hearing reports from all officers and standing committees and for electing directors shall be held on days other than legal holidays (recognized as such in Delaware) in the County of Sussex, State of Delaware at least forty-five (45) days before the beginning of each fiscal year, beginning with the year 2007 at such time and place as shall be fixed by resolutions of the Board of Directors.

**Section 2:    Special Meetings.** The Association shall hold a special meeting: (1) upon the call of the President; (2) if so directed, by resolution of a majority of a quorum of the Board of Directors; or (3) upon a petition presented to the Secretary and signed by Members representing at least ten (10%) percent of the total votes of the Association. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred-eighty (180) days after the date of the first such signature. The notice of any special meetings shall state the date, time, and place of such meetings and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 3:    Notice of Meetings.**

(a) Unless otherwise provided in the Declaration, the Act, or the Association's Certificate of Incorporation or By-Laws, written notice by regular U.S. mail or electronic transmission stating the place, day, time and means of remote communication, if any, of each annual meeting and, in case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary to each Member entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. Notice by electronic transmission is effective if given by a form of electronic transmission consented to by the Member.

(b) Notwithstanding the provisions of Subsection (a), notice of a meeting to act on an amendment to the Certificate of Incorporation, the Declarations, the By-laws, or the Architectural Guidelines, a plan of merger or consolidation, plan of dissolution or a plan to dedicate or transfer all or any part of the Association's interest in the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members shall be given in the manner provided above not less than thirty (30) or more than sixty (60) days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation or dissolution or dedication or transfer. Any such amendment, plan of merger or consolidation or dissolution or plan of dedication or transfer shall not be effective unless notice of such matter was provided in accordance with this subsection. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the U.S. mail addressed to the Member as the address appears on the records of the Association, with postage thereon prepaid or by electronic mail with delivery confirmed by a return receipt or by confirmation of receipt from the Member.

**Section 4: Record Date to Determine Members:** The date for determining which persons are Members and therefore entitled to vote (Record Date”) shall be the close of business on the day before the effective date of the notice to the Members of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record Date more than seventy (70) days before the date of the meeting or other action requiring a determination of the Members, nor shall the Board set a Record Date retroactively. At least ten (10) days before each meeting, the Secretary shall make a complete list of Members, with the address of each, available for review by the Members before and during the meeting. The list shall be current as of the Record Date.

**Section 5: Quorum.** Except as otherwise provided in these By-Laws or the Declaration, at the initial meeting for matters upon which Members vote in the Association, the presence in person or by proxy of the Members representing a majority of the total votes in the Association shall constitute a quorum at all such meetings of the Association. Except as hereinafter set forth below, a quorum shall be deemed to be present throughout any meeting of the Association if the required quorum is present, in person or by proxy, at the beginning of such meeting. Once a Member is present at a meeting, such Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date is or shall be set for that adjourned meeting.

If at any meeting of the Association a quorum is not present, a majority of the Members who are present at such meeting in person or by proxy may: (1) recess the meeting to such date, time and place as such Members may agree not more than forty-eight hours after the time the original meeting was called; or (2) adjourn the meeting to a time not less than forty-eight hours nor more than thirty (30) days after the time the original meeting was called at such date and place as such Members may agree, whereupon the Secretary shall announce the date, time, place and means of remote communication, if any, at the meeting and make other reasonable efforts to notify all members of such date, time and place. If adjournment is for more than thirty (30) days or if a new record date is fixed for the adjourned meeting, new notice shall be required.

At any such recessed or adjourned meeting held due to a lack of quorum at the initial meeting, the quorum required for any action or vote by the Members shall be the presence in person or by proxy of Members representing one-third (1/3) of the total votes of the Association.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members or their proxies representing at least one-third of the total votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum, unless, however, a higher quorum requirement or a higher percentage vote of the Members is required by other specific provisions of the Act, the Declaration, the Association’s Certificate of Incorporation or these By-Laws.

**Section 6: Conduct of Meetings.** The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings, which shall be available to Members. The President may appoint a parliamentarian at any meeting of the Association. The then-current edition of Robert’s Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Act, the Declaration or the Association’s Certificate of Incorporation or the By-Laws.

**Section 7: Order of Business.** Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows: (1) roll call (proof of quorum); (2) proof of notice of meeting; (3) reading of minutes of preceding meeting; (4) reports of officers; (5) report of Board of Directors; (6) reports of committees; (7) appointment of inspectors of election (when so required); (8) election of directors (when so required); (9) unfinished business; and (10) new business; provided, however, that balloting for election of directors may commence at any time at the direction of the presiding officer.

**Section 8: Waiver of Notice of Meetings.**

(a) Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by a Member entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that Member and such waiver shall be delivered to the Secretary for inclusion or filing with the Association records.

(b) A Member who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at, or prior to, the commencement of the meeting or at, or prior to, consideration of the matter subject to objection, in the case of a special meeting.

**Section 9: Actions Without A Meeting.** Any action required by law to be taken at a meeting of the Members, or any action taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Members.

**ARTICLE IV BOARD OF DIRECTORS**

**Section 1: Governing Body: Qualifications.** The business and affairs of the Association shall be governed and managed by a Board of Directors elected in accordance with the procedures and for the terms of office hereinafter set forth and each of whom shall have one (1) vote. The directors shall be Members or spouses of such Members; provided, however, no person and/or his or her spouse may serve on the Board at the same time. In the case of an Owner, which is a corporation, partnership or other entity, the person designated in writing to the Secretary of the Association as the representative of such corporation, partnership or other entity shall be eligible to serve as a director.

**Section 2. Number, Tenure and Qualifications:** The number of directors shall not be less than three (3) nor more than nine (9). Each director, except as herein after provided, shall be elected to serve three (3) year terms. The Association presently has a Board of Directors of nine (9) directors, three (3) of which terms expire in April of 2008 and three (3) of which terms expire in April 2009, and three (3) of which expire in April 2010. Upon the adoption of these revised and restated By-Laws, the Association's Annual Meeting will thereafter be held in October or the first two weeks of November of each year beginning in October/November 2007. Thus the terms of office of all presently serving Directors will therefore terminate approximately 5-1/2 to six months prior to each director's respective elected term. Upon expiration of the abbreviated term of the presently serving directors, their successors shall be elected to serve three (3) year terms. Thereafter, all directors shall be elected to three (3) year terms.

**Section 3. Nomination of Directors.** Nominations for election to the Board of Directors shall be made by a **Nominating Committee**, which shall be one of the standing committees of the Association. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors whose term is not expiring and two or more Members of the Association. The Nominating Committee shall be appointed by the Board not less than 30 days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and solicit votes.

**Section 4. Election of Directors.** All elections to the Board shall be made on written ballots which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and contain a space for write-in votes by the Members for each vacancy. Such ballots shall be prepared by the Association's secretary ("Secretary"), and mailed by the Secretary to the Members together with a Ballot Envelope and a separate sheet explaining to the Members how to vote or return the sealed Ballot Envelope at least fourteen (14) days in advance of the date set forth therein for a return ("Return Date") (which shall be a date not later than the day before the annual meeting or special meeting called for elections. The Ballot Envelope shall contain on its face: (1) the designation: Wolfe Pointe Association Ballot Envelope and the address of the Association Secretary; (2) the Lot number for the Members Lot, and (3) designated signature lines for the Member(s) signatures and street address. Each member shall receive as many ballots and Ballot Envelopes as the Member has votes. Notwithstanding that a Member may be entitled to several votes, each Member shall exercise on any one ballot only one (1) vote for each vacancy shown thereon and each Ballot Envelope shall contain only one (1) ballot. The Ballots if returned by mail shall be returned to the Secretary at the address specified on the Ballot Envelope by the Return Date or returned at the time of the annual or special meeting by hand to the Secretary and/or the Election Tellers which shall consist of three (3) Members appointed by the Board of Directors. At the date and time of the annual or special meeting, the Secretary shall turn over to the Election Tellers all Ballot Envelopes received by such Secretary. If a vote is by proxy the Election Tellers with the assistance of the Secretary will determine that a valid proxy is on file with the Association. The Election Tellers shall determine that each Ballot Envelope has been validly completed, and contains only one ballot; shall canvass the votes and announce the results to the meeting. Immediately after the announcement of the results, unless a review of the procedure is requested by a majority of the Members present, the ballots and envelopes shall be destroyed.

**Section 5. Organization Meetings.** The first meeting of the Board of Directors following each annual meeting of the membership shall be held within (10) ten days thereafter at such time and place as shall be fixed by the Board.

**Section 6. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

**Section 7. Special Meetings.** Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal deliver, (b) written notice by first class mail, postage prepaid; (d) by telephone communication or electronic transmission, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

**Section 8. Waiver of Notice.** The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting of each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**Section 9. Quorum of Board of Directors.** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time no less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 10. Compensation.** No director shall receive any compensation from the Association for acting as such unless approved by Members of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

**Section 11. Conduct of Meetings.** The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all directors are able through telephone connection to hear and to be heard.

**Section 12. Open Meetings.** Subject to the provisions of Section 13 of this Article, all meetings of the Board shall be open to all Members, but Members other than the directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. In their sole discretion, the Board may elect to go into executive session for matters that pertain to individual Members, or to review any other sensitive business matters deemed appropriate for such a closed session.

**Section 13. Action Without a Formal Meeting.** Any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

**Section 14. Powers and Duties:** The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs, and, as provided by law, may do all acts and things as are not by the Act, the Declaration, the Association's Certificate of Incorporation, or these By-Laws directed to be done and exercised exclusively by the Members.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) **Annual Budgets:** Preparing and adopting annual budgets in accordance with the Declaration and Article IV Section 17 of these By-Laws, in which there shall be established the contribution of each Owner to the Common Expenses;

(b) **Assessments:** Collecting, maintaining, and disbursing assessments collected from Lot Owners of Wolfe Pointe to defray the Common Expenses establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board of Directors, the annual assessment for each Lot or Residence's proportionate share of the Common Expenses shall be payable in annual installments.

(c) **Collecting, Depositing and Using Assessments:** Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(d) **Bank Accounts:** Opening of bank accounts on behalf of the Association and designating the signatories required;

(e) **Insurance:** Obtaining and carrying if reasonably available insurance against casualties and liabilities, including and not in limitation, blanket "all risk" casualty insurance for all insurable facilities and improvements on the Common Areas, sufficient in amount to cover 100% of replacement costs; public liability insurance covering the Common Areas, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents; directors and officers liability insurance indemnifying the officers, directors and committee members of the Association, and adequate fidelity coverage to protect against dishonest acts on the part of directors, officers, and employees of the Association and all others who handle or are responsible for handling funds of

the Association, and paying the premium cost therefore and adjust and settle any claims thereunder;

(f) **Recordkeeping**: Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(g) **Goods and Services**: Providing goods and services to the Members in accordance with the Act, Declarations and the Association's Certificate of Incorporation and/or By-Laws and provide for the operation, care and upkeep, maintenance, restoration and replacement of the Common Areas and, to the extent provided in the Declaration, of the Lots;

(h) **Personnel**: Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas, where appropriate, providing for the compensation for such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(i) **Contracting**: Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(j) **Payments**: Paying the cost of all authorized services rendered to the Association or its Members and not chargeable directly to specific Owners;

(k) **Rules and Regulations**: Making and amending rules and regulations as set forth in the Declaration and these By-Laws;

(l) **Committees**: Establishing, merging, subdividing, or abolishing committees as set forth in Article V of these By-Laws;

(m) **Enforcement**: Enforcing by legal means the provisions of the Declaration, these By-laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association including the failure to pay any assessment as more fully set forth in the Declaration or By-Laws;

(n) **Record Availability**: Making available to any prospective purchaser of a Lot or Residence, any Owner of a Lot or Residence, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Residence, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Lot or Residence and all other books, records, resale certificates and financial statements of the Association;

(o) **Utility Suppliers**: Permitting utility suppliers to use portions of the Common Areas reasonably necessary to the ongoing development or operation of the Property as more fully set forth in the Declaration and these By-Laws;

(p) **Common Areas**: Caring and managing the common areas, roadways, easements, recreational areas and entrances all located within the Property, including charging reasonable fees for the use of the Common Areas owned in fee simple by the Association;

(q) **Loans:** Borrowing money on behalf of the Association, when required for any valid purpose, subject to the provisions of Article IV Section 2(a) of the Declarations; and provisions hereafter set forth;

(r) **Executing Legal Instruments:** Executing deeds, plats of resubdivision and applications for construction permits for the Common Areas owned in fee simple by the Association, as may be necessary or desirable in the normal course of the orderly development of the Property;

(s) **Telephonic and Electronic Systems:** To establish regulations providing for voting by telephonic or electronic transmission systems or by regular mail; and

(t) **Other Powers:** To generally perform those duties designated as duties to be performed by the Association as set forth in the Declaration, delegated to it from time to time by the Owner of Lots in Wolfe Pointe, or by the Developer, Wolfe Pointe, L.L.C., or in general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the residents and Owners of Lots in Wolfe Pointe and their property interests therein.

**Section 15. Removal of Directors and Vacancies.** Any director elected by the Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor. Any director appointed by the Board shall serve for the remainder of the term of the director who vacated the position.

**Section 16. Loans and Borrowing.** The Board of Directors shall have the power to borrow money to repair and restore the Common Areas and the improvements, facilities, and landscaping presently located thereon, to the same or substantially similar condition as the same were at the time of their original construction and in aid thereof to mortgage the Common Areas and the improvements, facilities and landscaping located thereon, except the roads, or to construct new improvements and facilities on the Common Areas for which the total costs of construction thereof do not exceed \$50,000.00; provided, however, no such borrowing or pledging shall be done unless approved by the vote of two-thirds (2/3) of the eligible votes at a Member meeting called for such purpose. Additionally, the Board of Directors shall have the power and authority to borrow money and pledge Common Areas as hereinbefore set forth to fund the construction of new improvements and facilities the total costs of construction of which exceed \$50,000.00; provided, however, no such borrowing, pledging and/or construction shall be done unless approved by and with the vote of seventy (70) percent of the eligible vote of the total Association membership.

**Section 17. Accounts, Reports and Budgets.** The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise in which event the Board shall report such deviation to the next annual meeting of Members and the reasons for permitting such deviations:

(a) cash accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) operating accounts of the Association shall not be commingled with reserve accounts;

(d) no remuneration shall be accepted by the Board of Directors, officers or Committee Chairs, Committee Members or Members making recommendation for goods and services from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association; provided nothing herein shall prohibit the aforementioned individuals from earning commissions for services in leasing Residences on behalf of the Owners of such Residences;

(e) commencing at the end of the month in which the first Lot is sold and closed, financial reports shall be prepared for the Association at least annually containing;

(i) an income statement reflecting all income and expense activity for the preceding period on a cash basis;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the 1st day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (Assessment shall be considered to be delinquent on the thirtieth (30th) day following the assessments designated due date unless otherwise determined by the Board of Directors); and

(f) an annual report consisting of at least the following shall be distributed to all Members within forty-five (45) days after the close of the fiscal year; (1) a balance sheet; (2) an operating (income) statement; and (3) a reserve account report; and (4) a statement of changes in financial position for the fiscal year.

(g) In preparing the annual budget the Board shall:

i. at least review all contemplated current and future maintenance, goods, services and operating costs and replacement costs and,

ii. shall include both operating and capital budgets, contingency and reserve accounts, taxes, and insurance costs.

- (h) In establishing the budget process, the Board shall:
  - i. establish policies containing a definition of capital expenditures and,
  - ii. establish a process for making operating and capital expenditures and;
  - iii. establish a process for the repayment of unexpected and unanticipated expenditures from capital reserve accounts within three (3) years of such expenditure together with interest on such expended funds.
- (i) The Board shall further establish policies for the periodic review and reevaluation not less than every three (3) years of the assumptions used in determining the contemplated needs of the reserve accounts, including at a minimum:
  - i. a reevaluation of the life expectancy of capital assets;
  - ii. a reevaluation of the contemplated future capital reserve fund needs in the then existing and contemplated future economic climate; and
  - iii. a reevaluation of all of the Association's policies and processes for expending monies and managing Association assets, such as but not limited to the Association's bidding process and insurance coverage and needs.
- (j) Existing capital reserve accounts shall be used only to restore and replace presently existing Common Areas and presently existing improvements, facilities and landscaping, and unanticipated maintenance expenses. In the event any permitted and properly approved additions are made to the Common Areas and/or the improvements, facilities, and landscaping, new capital reserve accounts shall be established for such new additions.

Section 18. Enforcement. The Board shall have the power to impose reasonable liquidated damage assessments (aka fines), against a Member, which shall constitute a lien upon the property of the violating Member, and to suspend a Member's right to vote or to use the Common Area for violation of any duty imposed under the Declaration, Wolfe Pointe Architectural Guidelines, By-Laws or any duly adopted rules and regulations by the Member, members of the member's household, or the guests, invitees, tenants or employees of the Member (collectively "occupant"); provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot or Residence. The enjoyment rights of any Member in any of the Common Areas may be suspended for any period during which any assessment against such Member remains unpaid; for any period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations and for any reasonable period for any infraction of the Declaration and the Wolfe Pointe Architectural Guidelines. In the event that any occupant violates the Declaration, Wolfe Pointe Architectural Guidelines, By-Laws or a rule or regulation and a liquidated damage is imposed, the liquidated damage shall be assessed against the Member who shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, Wolfe Pointe Architectural Guidelines, or any rules or regulations shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) **Notice.** Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the Member written notice describing (i) the nature of the alleged violation, (ii) the date, time and place for the Member to appear for a hearing before the Board, or its designated committee, to determine the validity or invalidity of the alleged violation, and if valid, the amount of the reasonable fine and/or other sanction or a method for the Member to cure the violation, which hearing shall be held no sooner than ten (10) days after the Association provides the written notice to the Member.

(b) **Hearing.** Any hearing set or requested in a timely manner shall be held in executive session affording the Member a reasonable opportunity to appear and fully participate, together with counsel. Prior to the imposition of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the Member appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or its designated committee may, but shall not be obligated to, suspend the imposition of any proposed sanction if the violation is cured within a ten (10) day period. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(c) **Appeal.** Following a hearing before the Board's designated committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) **Special Board Considerations.** In making any finding, determination, ruling or order, or in carrying out any directive contained in the Declaration, the Wolfe Pointe Architectural Guidelines, and the Association's Rules and Regulations, the Board or its designated committee shall consider all reasonable facts and circumstances related to each case and/or situation and, in addition thereto, the best interest of the Members to the end that the Property shall be preserved and maintained as a viable community.

(e) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provisions of the Declaration, Wolfe Pointe Architectural Guidelines, these By-Laws, or the rules and regulations of the Association by the judicious use of self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity. Suits at law or in equity may be to restrain any violation and/or to require specific performance or to recover monetary damages without the necessity of compliance with the procedures set forth in this Section. In any such action, to the maximum extent permissible, the Member against whom suit is filed shall pay all expenses and costs, including reasonable attorney's fees actually incurred. All such fees, approved by a court of competent jurisdiction, shall constitute a lien on the violating Member to be collected in the same manner as other assessments under the Declaration.

Section 19. **Rules and Regulations.** The Board may make and enforce reasonable rules and regulations governing the use by the Members and other persons of the Common

Areas and regarding the administration, interpretation and enforcement of the provisions of the Declarations and the Wolfe Pointe Architectural Guidelines. As more fully set forth in Section 18, Article IV, "Enforcement;" sanctions may include reasonable monetary fines (aka liquidated damage assessments), and suspension of the right to vote and the right to use any of the Common Areas. The rules and regulations shall be consistent with the rights and duties established by the Declaration, and in adopting and promulgating rules and regulations, the Board shall take into consideration the best interest of the Members to the end that the Property shall be preserved and maintained as a viable community.

**ARTICLE V COMMITTEES**

Section 1. General. Committee Chairs and Members shall be appointed by the Board of Directors. The President and Board shall endeavor to secure a cross-section of the Association Membership on the Committees. Any Association Member may request to serve on any Committee. Any Committee Chair may be removed from their position by a majority vote of the Directors present at a meeting at which a quorum is present.

Section 2. Special Committees. Special Committees are hereby authorized to perform such tasks and to serve for such periods as designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the Special Committee or with rules adopted by the Board of Directors. Special Committees shall consist of at least two Members. The President shall appoint a director to serve as a liaison between the committee and the Board.

Section 3. Standing Committees. Unless otherwise specified, Standing Committees shall consist of at least three non-Board Members authorized to perform such tasks as designated by the Board. The President shall appoint a director to serve as a liaison between each Standing Committee and the Board, and each Standing Committee Chairman shall give at least seven (7) days notice to the liaison director to that Committee of each committee meeting. Each Standing Committee shall operate in accordance with rules established by the Board. Members of Standing Committees shall serve until the end of the Board's term and shall be eligible for reappointment. Standing Committees shall not be abolished except by amendment to the By-Laws; provided, however, that the Board of Directors shall have the authority to abolish the social committee or modify its responsibilities; to merge the Pools, Tennis and/or Grounds Committee and their responsibilities or to subdivide the Pools, Tennis and/or Grounds Committees and their responsibilities into one or more additional standing committees or sub-committees of a Standing Committee. In the event there are not sufficient non-Board member volunteers to fill all Standing Committee positions, members of the Board of Directors may serve as Standing Committee members, including serving as Committee chair, if none of the non-Board members is willing to accept the Chairperson position.

In addition to any Special Committees that may be established by the Board, the following Standing Committees shall be established:

a. Architectural Review Committee: This committee will consist of at least three (3) and no more than seven (7) Members, including the Chair. This committee shall administer, interpret and enforce the Wolfe Pointe Architectural Guidelines (Guidelines) with full power and authority to control all building, structures, improvements and landscaping to be placed upon any Lot in the Property all as more fully set forth in and upon the terms and conditions set forth in the Declaration and the Guidelines.

b. **Finance Committee**: This committee shall consist of the Treasurer (as Chair) and two Members of the Association. This committee shall be responsible for considering requests for funds, planning a budget, recommending to the Board of Directors such expenditures as the committees deems prudent and expedient, and monitoring the long term/capital budget. The Finance Committee shall also be responsible for recommending appropriate and prudent short and long-term investments for Association funds in accordance with approved Board guidelines, and monitoring and reporting on results. The Finance Committee shall also operate in accordance with established financial advisory guidelines approved by the Board that set forth prudent accounting, financial and investment standards. In accordance with direction provided by the Board of Directors and generally accepted accounting standards, the Finance Committee shall be responsible for appointing an Audit subcommittee to conduct an annual review of the Association's business and financial records. The Audit subcommittee shall be chaired by a Member other than the Treasurer, however, the Treasurer may serve on the subcommittee. At the Association's annual meeting, the Finance Committee shall give year-to-date and projected final financial reports on all aspects of the Association's financial matters set forth in subparagraphs (e) and (f) of Section 17 of Article IV of these By-Laws.

c. **Social Committee**: This committee shall be responsible for organizing and sponsoring social events during the year for Members, and it shall periodically publish a Member newsletter.

d. **Nominations Committee**: The Nominations Committee shall have the duties and functions described in Article IV Section 3 of the By-Laws.

e. **Pool Committee**: This committee shall be responsible for the operation, care and maintenance of the Association pools, and related buildings.

f. **Tennis Committee**: This committee shall be responsible for the operation, care and maintenance of the Association tennis courts.

g. **Grounds Committee**: This committee shall be responsible for advising the Board of Directors on all matters pertaining to the operation, maintenance, repair, replacement or improvement of the Common Areas and the facilities, improvements and landscaping located thereon and shall perform such supervisory functions related thereto as the Board in its discretion determines.

Section 4. **Committee Expenditures**. No committee may expend or commit Association funds without authorization by the Board.

## ARTICLE VI OFFICERS

Section 1. **Designation and Duties of Officers**. The principal Officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect other Officers as in its judgment may be necessary. The President and Vice President shall be Owners, or the spouse of an Owner, or an officer, partner, or agent of an Owner and members of the board of directors. Any other Officers may, but need not, be Owners, representatives of Owners or directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such office by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the

Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

**Section 2. Election of Officers.** The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any Officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board. The treasurer and secretary do not have to be elected directors.

**Section 3. Resignation or Removal of Officers.** Any Officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified, such resignation shall take effect upon the receipt thereof, and acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the total number of directors, any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

**Section 4. Vacancies.** A vacancy in any office may be filled by appointment by the Board of Directors. The person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such person replaces.

**Section 5. Powers and Duties.** The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors.

(a) **President.** The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the office of President.

(b) **Vice President.** The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

(c) **Secretary.** The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct and as may be required, give or cause to be given all notices required to be given by the Association; give each Owner notice of each assessment against such Owner's Lot as soon as practicable after assessment is made; give each Member notice and a copy of the Rules and Regulations or amendment thereof; maintain a register setting forth the place to which all notices to Members and Mortgagees hereunder shall be delivered; give notice to each Member of any dedication, conveyance and transfer by the Association of any property or of any easement or other estate or interest therein; make it possible for any Member to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the office of Secretary.

(d) Treasurer. The Treasurer shall be responsible for Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare or cause to be prepared all required financial data, including a written statement of all unpaid assessments for Common Expenses due with respect to a specific Lot ("Statement of Common Expenses"); deposit all monies and other valuable effects in the name of the Board of Directors or the Association in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the office of Treasurer.

**ARTICLE VII FEES, DUES AND ASSESSMENTS**

(a) Annual Assessments. The Annual Assessments shall be the same for each Owner and shall be subject to such modification as a majority of the directors may require; provided, however, that the Annual Assessments shall not increase by more than Two Hundred Dollars (\$200.00) during any single fiscal year of the corporation without the vote or consent of more than fifty percent (50%) of the Members entitled to vote approving such increase.

(b) Payment of Annual Assessments. The Association is presently operating on a June 1- December 31 budget year. The annual assessments for any year after December 31, 2007 shall become due and payable on the first day of January of each year.

(c) Special Assessments: Special Assessments may be levied on Members of the Association for the purposes provided for in Section 6 of Article V of the Declaration; provided, however, any special assessments which when added to the annual assessment exceed One Thousand Dollars (\$1,000.00) per year shall only be levied after a vote of or written consent of a majority of all of the Members of the Association.

(d) Date for Fixing Annual Assessment and Assessment Process. The Board of Directors of the Association shall complete the Association budget and fix the amount of the annual assessment against each Lot for each assessment period at least one (1) day prior to the Association annual meeting of Members and at that time prepare a roster of the Lots and the assessment applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Each annual assessment shall be due and payable on January 1 of each year and the Board of Directors shall within ten (10) days of fixing the assessment give written notice of the assessment to each Owner which notice shall specify the amount of the annual assessment on each Lot owned by such Owner and the date when the assessment is due.

(e) Special Assessment Due Dates. The due date of any special assessment levied under Section 6 Article I of the Declaration shall be fixed in the resolution authorizing such assessment.

(f) Liquidated Damage Assessments Due Date. The due date for liquidated damage assessments levied for violation of the Declaration, Architectural Guidelines, Association rules and regulations and Association By-Laws shall be established at the hearing by the Board or its designated committee in establishing the liquidated damage assessment.

(g) Reserve Transfer Assessments Due Date. The due date for Reserve Transfer Assessments upon any Lot subject to such assessment shall be upon the date of conveyance or other transfer of such Lot.

(h) Interest Rate on Delinquent Assessments. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date to the

date of payment at the highest legal rate of interest authorized by 6 Del. C. Section 230, as amended.

(i) **Default in Payment of Assessment.**

(1) When any Member shall be default in the payment of dues or assessments for a period of sixty (60) days from the date on which such dues or assessment become payable, such Member shall, for purposes of voting, not be considered as a member in good standing. In addition, such Member shall be dropped from active membership and placed on the inactive list. Such Member shall not be reinstated until the Member has paid the delinquent assessments in full, and until such time as such member is reinstated, such Member shall have no rights of any kind arising out of a membership in the Association.

(2) In addition to the foregoing, if any Member shall fail to pay such Member's assessments as the same become due, on the failure of payment of the assessments on the due date, the amount of the assessment shall become a lien on such Member's Lot in Wolfe Pointe in favor of the Association, and the Association shall have the right to record a notice of claim of lien, and proceed thereon in accordance with the provisions of Delaware law for the foreclosure and enforcement of liens; or, in the event the Association shall not record a lien, it shall have the right to commence an in personam action against such Member or the record owner of such lot for the collection of the assessments in any court of competent jurisdiction.

**ARTICLE VIII FIDUCIARY DUTIES**

**Section 1. Execution of Documents.** Unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of 1/4 of one percent (0.25%) of the total annual assessment for Common Expenses for that fiscal year, and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of one quarter of one percent (0.25%) or less of the total annual assessment for Common Expenses for that fiscal year, except from reserve accounts, may be executed by any one person designated by the Board of Directors. Any Officer of the Association may be designated by Board resolution to sign a Statement of Common Expenses.

**Section 2. Conflicts of Interest.**

(a) **Rule and Exceptions.** Each director or Officer shall exercise such director's or Officer's powers and duties in good faith and in the best interests of the Association. No contract or other transaction between the Association and any of its directors or Officers, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors or Officers of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because of such relationship or because any such director or Officer is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction or because such director's or Officer's vote is counted for such purpose if any of the following conditions exist:

(1) the material facts of the transaction and the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof, and the Board

authorizes, approves or ratifies such contract or transaction in good faith by a majority of directors entitled to vote on the transaction, but in no event may such a transaction be authorized, approved or ratified by a single director;

(2) the material facts of the transaction and the common directorate or interest is disclosed or known to all of the Members entitled to vote on the matter, and the Members who are entitled to be counted in a vote on the transaction approve or ratify the contract or transaction by a majority of the total number of votes entitled to be cast; or

(3) the contract or transaction is commercially reasonable to the Association in view of all the facts known to any director or Officer at the time such contract or transaction is authorized, ratified, approved or executed.

(b) Votes Not Counted. Any common or interested directors or Officers may be counted in determining the presence of a quorum of any meeting of the Board of Directors, a committee thereof, which authorizes, approves or ratifies any contract or transaction, but such director's vote shall not be counted with respect to any matter as to which such director would have a conflict of interest; such director may vote, however, at the meeting to authorize any other contract or transaction.

### Section 3. Liability and Indemnification

(a) No Personal Liability. The directors, Officers and Members of the Covenants Committee shall not be liable to the Association or any Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No Member shall be liable for the contract or tort liability of the Association by reason of ownership or Membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that the directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) Indemnification. The Association shall indemnify the directors, Officers and Members of the Covenants Committee to the extent that a non-stock corporation may indemnify its directors, officers and employees pursuant to Section 145 of the Act; provided, however, that before the Association uses association funds for indemnification, all insurance proceeds must be obtained and applied toward such indemnification.

(c) Directors and Officers Liability Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, Officer or Member of the Covenant Committee against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such Person against such liability under the provisions of this section. Further, the availability of the Associations indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 4. Compensation of Directors and Officers. No salary or other compensation shall be paid by the Association to any director or Officer of the Association for serving or acting' as such, but this shall not preclude the payment of salary or other compensation for the performance by such director or Officer of other services to the Association nor shall it preclude

the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or Officer.

Section 5. Investments. The Board of Directors is authorized and directed from time to time to invest the capital reserves of the Association taking into consideration at all times the current and anticipated economic climate and the needs of the Association for the use of such funds. It is anticipated that the Board would and is authorized to use professional assistance in making investment decisions; that the Board would and should follow the prudent person standard as set forth in 12 Del. C. Section 3801; that the Board's guiding standards would be primarily the safety of funds and secondarily the production of income; that the Board would and should review Association investment reports at least quarterly and that the Board would appoint a director and/or financial committee to review monthly investment reports and report to the Board as prudence would dictate.

**ARTICLE IX            FISCAL YEAR**

The fiscal year of the Association shall be the calendar year.

**ARTICLE X            AMENDMENTS**

These By-Laws may be amended, altered, repealed or added to at any regular or special meeting of the Members by the affirmative vote or written consent, or any combination thereof, of more than fifty percent (50%) of the membership entitled to vote. Notice of any meeting of the Members, regular or special, at which proposed changes to the By-Laws are to be voted upon, shall be given at least thirty (30) days in advance of the meeting and shall set forth in writing the proposed changes. Discussion of the proposed amendment change will be permitted prior to the vote.

These By-Laws were adopted at a duly called special meeting of members of the Association held on August 25, 2007

Attest: \_\_\_\_\_  
President

\_\_\_\_\_  
Secretary