

**BYLAWS
OF
LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, INC.**

PREAMBLE

Whereas, this corporation (hereinafter sometimes referred to as the "Association") has been formed for the purposes set forth in that certain *Declaration of Covenants, Restrictions, Easements and Establishment of Homeowners Association for Lakeshore Village in Little Creek Hundred, Kent County, Delaware* dated the 7th day of June, 2001 and recorded in the Office of the Recorder of Deeds in and for Kent County, Delaware on June 11, 2001 in Record Book 420, Page 032 (the "Declaration"), the actions of this corporation shall at all times be consistent with and constrained by the Declaration and all of the documents referred to therein and this corporation shall be governed in accordance with the Bylaws set forth in this document, as the same may be duly amended from time to time.

**ARTICLE I
NAME AND LOCATION**

- 1.1. **Name and Organization.** The name of the corporation is **LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, INC.** (herein referred to as the "Association") and is organized and existing as a nonprofit corporation under the laws of the State of Delaware.
- 1.2. **Principal Office.** The initial principal office of the corporation shall be located at 401 City Avenue, Suite 710, Bala Cynwyd, PA 19004. The Association may have such other offices, and meetings of Members and the Executive Board may be held at such places within the State of Delaware as may be designated by the Executive Board.

**ARTICLE II
DEFINITIONS**

- 2.1. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning, unless the context clearly indicated otherwise, as set forth in the Declaration.

ARTICLE III
MEETINGS OF MEMBERS

- 3.1. Annual Meetings. A meeting of the Members of the Association shall be held at least once each year at the principal office of the Association or at such other suitable location within the State of Delaware as shall be designated by the Executive Board. The first annual meeting of the Members shall occur on the last Monday of February next following the termination of the Development Period, and each subsequent regular annual meeting of the Members shall be held on the last Monday of February of each year thereafter, at 7:00 p.m., unless an alternate date and/or time is designated by the Executive Board. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the 7:00 p.m. on the first day following which is not a legal holiday, or on such alternate date and/or time as may be designated by the Executive Board.
- 3.2. Special Meetings. Special meetings of the Members may be called at any time by the President, by the Executive Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership. Special Meetings of the Members of the Association shall be held within sixty (60) days after the request therefor at the principal office of the Association or at such other suitable location within the State of Delaware on such date and at such time as shall be designated by the Executive Board.
- 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by either hand delivery or first class, postage prepaid mailing such notice at least 10 days but not more than 60 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify (i) the place, day and hour of the meeting, and (ii) the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget or assessment changes, and any proposal to remove a Member of the Executive Board or an officer.
- The notice of any Special Meeting shall state the purpose or purposes of such meeting and no business shall be transacted at such Special Meeting except as stated in the notice thereof.
- 3.4. Waiver of Notice. Waiver of notice of a meeting of the Members shall be the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, before, at, or after such meeting. Attendance at a meeting by a member shall be deemed a waiver by such Member of notice of the date, time and place thereof, and at any Special Meeting, of all business transacted, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order or upon arrival, whichever shall last occur.

- 3.5. Quorum. Except as otherwise specified in the Declaration for certain actions, the presence at the beginning of the meeting of Members entitled to cast, and/or of proxies entitled to cast, twenty percent (20%) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation of the Association, the Declaration, or these Bylaws.

If the required quorum is not present or represented, the chairperson of the meeting may adjourn the meeting to another place, date and/or time not later than thirty (30) days following the adjourned meeting, subject to the same notice requirement and to the additional requirement that the notice shall state that, and the required quorum at such subsequent meeting shall be, one-half (1/2) of the required quorum at the adjourned meeting.

Except for adjournment for lack of quorum, when a meeting is adjourned or continued to another place, date or time, written notice need not be given of the adjourned or continued meeting if the place, date and time thereof are announced at the meeting at which the adjournment or continuance is taken provided, however, that if the date of any adjourned or continued meeting is more than thirty days after the date of the preceding meeting, written notice of the place, date and time of the adjourned or continued meeting shall be given in conformity with the notice provisions of these Bylaws. At any adjourned or continued meeting, any business may be transacted which might have been transacted at the original meeting.

Notwithstanding the withdrawal of Members leaving less than a quorum in attendance the Members present at a duly called or held meeting at which a quorum was present may continue to conduct business until adjournment, but may not continue the meeting to another date, time or place, provided that any action taken which requires a vote of the Members shall be approved by at least a majority of the votes required to constitute a quorum.

- 3.6. Organization. Such person as the Executive Board may have designated or, in the absence of such a designation or the person designated, the chief executive officer of the Association or, in his absence, such person as may be chosen by a majority vote of the members present, in person or by proxy, shall call to order any meeting of the Members and act as chairperson of the meeting. In the absence of the Secretary of the Association, the secretary of the meeting shall be such person as the chairperson appoints.
- 3.7. Conduct of Business. The chairperson of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him/her in order.

- 3.8. Proxies and Voting. At any meeting of the Members, every Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable only by giving actual notice of revocation to the person presiding over a meeting, and shall automatically cease upon termination of membership in the Association by conveyance of the Lot subject to the Declaration. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter term.

All voting, including the election of Directors, but excepting where otherwise required by law, may be a voice vote; provided, however, that upon demand therefor by a Member entitled to vote or by his or her proxy, a ballot vote shall be taken. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairperson of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast.

- 3.9. Consent of Members in Lieu of Meeting. Any action required to be taken at any annual or special meeting of Members of the Association, or any action which may be taken at any annual or special meeting of the Members, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the number of Members that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted.

ARTICLE IV
EXECUTIVE BOARD

- 4.1. Composition. The affairs of the Association shall be governed and conducted by an Executive Board, each member of which shall have one equal vote. Directors need not be Members of the Association. In the case of a Member which is not a natural person, such Member shall designate, in writing, the officer, director, partner, attorney-in-fact or trust officer, which such designation may be changed by the Member, in writing, from time to time, the name of the natural person who shall represent the Member.
- 4.1. Number and Term of Office. The Executive Board shall be comprised of Directors. The number of Directors who shall constitute the whole Executive Board shall be such number as the Executive Board shall at the time have designated, except that in the absence of any such designation, such number shall be three (3). From and after the termination of the Development Period, no fewer than such number of Directors as shall comprise a majority of the number of Directors comprising the whole Executive Board shall be Owners of Units.

The authorized number of Directors may only be increased by the election of new Directors at an annual meeting of the Members. Any decrease in the authorized number of Directors shall not become effective until the expiration of the term of the Directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

- 4.2. Election. Except as provided by Section 3.6.2 of the Declaration, each member of the Executive Board shall be elected by the Members of the Association. Each Director shall be elected for a term of one year, shall take office upon election, and shall serve until his or her successor is elected, except as otherwise provided in the Governing Documents or required by law.
- 4.3. Vacancies. If the office of any Director becomes vacant by reason of death, resignation, disqualification, removal or other cause, except as otherwise provided in the Governing Documents or required by law, a majority of the Directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his successor is elected and qualified.

- 4.4. Resignation and Removal. Any Director may resign at any time by giving written notice to the Executive Board. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Executive Board, and the acceptance of such resignation shall not be necessary to make it effective. A Director may be removed from office at any time, with or without cause, by a resolution adopted by a majority of all the Members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Executive Board and shall serve for the unexpired term of his predecessor.
- 4.5. Compensation of Directors. Directors shall not receive any compensation for their services as Directors, including, without limitation, their services as members of committees of the Directors. Directors may, however, be reimbursed by the Association for their reasonable expenses incurred in the performance of their duties as such Directors.. Except for willful and malicious acts by Directors, constituting felonies or misdemeanors, all Directors shall be indemnified for all acts done or performed in the furtherance of their duties.
- 4.6. Meetings of the Executive Board. Meetings of the Executive Board shall be held, after not less than ten (10) days notice to each Director by whom it is not waived of the place, date and time of each such meeting, from time to time as no less than a majority of the number of Directors shall determine.

Notice shall be any means of communication including without limitation verbal, facsimile transmission or hand delivery of written notice or by mailing written notice. The receipt of any notice other than provided by the mailing of a written notice shall be acknowledged in writing or be waived in writing. Notwithstanding the foregoing, attendance at a meeting (except for the limited purpose of objecting to the lack of notice) shall constitute waiver of notice. Any notice by mail shall be deemed delivered two (2) days after deposit, postage prepaid, with the United States Postal Service.

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

- 4.7. Regular Meetings. Provided that such regular meetings of the Executive Board are held pursuant to a schedule established by the Board, the receipt of which such schedule if acknowledged by each Director no later than the start of business at the first of such regular scheduled meetings, the Executive Board may hold regular meetings at such place or places, on such date or dates, and at such time or times as shall have been established by the Executive Board without the requirement for any further notice of such regular meetings.

- 4.8. Participation in meetings by Conference Telephone. Members of the Executive Board or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by the means of such all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.
- 4.9. Conduct of Business. At any meeting of the Executive Board, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the Directors present, except as otherwise provided herein or required by law.

Any action required to be, or which may be, taken by the Executive Board whether at a meeting or otherwise, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the number of members of the Executive Board that would be necessary to authorize or take such action at a meeting at which all members of the Executive Board entitled to vote thereon were present and voted, and the writing or writings are filed with the minutes of proceedings of the Executive Board.

ARTICLE V
COMMITTEES

- 5.1. Committees of the Executive Board. The Executive Board, by a vote of a majority of the whole Board, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board, and may, for those committees and any other provided for herein, elect a Director or Directors to serve as the member or members, designating, if it desire, other Directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. Unless otherwise provided by the Executive Board in designating the committee or electing its members, in the absence or disqualification of any member of any committee and any alternate member in his place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not constituting a quorum, may by unanimous vote appoint another member of the Executive Board to act at the meeting in the place of the absent or disqualified member.
- 5.2. Conduct of Business. Except as otherwise provided herein or required by law and except as may be otherwise provided by the Executive Board in designating the committee, each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith. Adequate provision shall be made for notice to committee members of all meetings, one-third of the committee members shall constitute a quorum unless the committee shall consist of one or two members, in which event one committee member shall constitute a quorum; and all matters shall be determined by a majority vote of the committee members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceeding of such committee.

ARTICLE VI
POWERS AND DUTIES OF THE EXECUTIVE BOARD

- 6.1. Powers of the Executive Board. The Executive Board shall have the powers to do all other things necessary or appropriate to carry out the duties and obligations imposed upon it by the Governing Documents or otherwise by law and such powers shall include, but shall not be limited to:
- 6.1.1. perform all of the duties and obligations imposed upon the Association by the Governing Documents or otherwise by law, including management of the Common Elements including the Storm Water Facilities, and the real and personal properties of the Association as set forth in the Governing Documents;
 - 6.1.2. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
 - 6.1.3. establish rules and regulations for the use, operation, maintenance and preservation of the Common Elements;
 - 6.1.4. establish such bank depository accounts as may be necessary, including the establishment of separate escrow accounts where required, and provide for the full and complete accounting of all sums coming into the possession of the Association.
- 6.2. Duties of the Executive Board. It shall be the duty of the Executive Board to:
- 6.2.1. maintain, repair and replace as and when in the sole judgment of the Executive Board required, any and all Common Elements including the Storm Water Facilities in a manner which preserves, keeps functional, complies with all applicable Township, County, State and Federal regulations, ordinances and laws and retains the functional condition thereof;
 - 6.2.2. annually adopt a budget for the Association, which budget shall provide for the estimated expenses for the performance of the duties, rights and obligations of the Association as set forth in the Governing Documents, and for the operation, maintenance, repair and replacement of the Common Elements, including such reserves as the Executive Board shall deem appropriate;
 - 6.2.3. collect annual and special assessments to provide the monies necessary to implement the budget;

- 6.2.4. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- 6.2.5. maintain policies of insurance as required or authorized by Section 3.3 of the Declaration and any other insurance deemed appropriate by the Executive Board to protect the Association, the Directors and the Members, including directors' liability and indemnity insurance, to the extent reasonably obtainable, for errors and omissions;
- 6.2.6. elect officers of the Association, including a President, Vice President, Secretary and Treasurer who shall perform those duties prescribed under the Nonprofit Corporation Law of the State of Delaware, and provide for the delegation of management authority to the extent the Executive Board, in its discretion, deems appropriate, remove any officer of the Association with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being, and confer upon any officer of the Association the power to appoint, remove and suspend subordinate officers and agents;
- 6.2.7. employ such persons and entities and enter into such contracts for services, including but not limited to property management, legal counsel, accountants, consultants, and contractors as may be necessary or desirable to perform the duties and rights imposed by the Governing Documents.
- 6.2.8. institute all actions at law or in equity before courts of record or not of record as may be necessary or convenient to preserve and protect the Association and its property, including the enforcement of payment of all assessments, but not limited thereto. All such actions shall be brought and pursued in the name of the Association and all recoveries shall be for its benefit.
- 6.3. Delegation of Powers. The Executive Board may delegate, to any officer, or to such persons or agencies which provide property management services, the power to:
 - 6.3.1. collect annual and special assessments;
 - 6.3.2. keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members;
 - 6.3.3. employ such persons and entities and enter into such contracts for services, including but not limited to legal counsel, accountants, consultants, and contractors as may be necessary to perform the duties and rights imposed upon the Executive Board;
 - 6.3.4. provide Estoppel Certificates in accordance with Section 4.2 of the Declaration.

ARTICLE VII
OFFICERS AND THEIR DUTIES

- 7.1. Generally. The officers of the Association, each of whom to be qualified to hold office shall be an adult natural person, shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as are elected by a majority vote of the Directors at a duly noticed meeting of the Executive Board at which a quorum shall be present. Unless for the purpose of filling a vacancy in an office, the election of officers shall be conducted at the first meeting of the Executive Board after every annual meeting of Members. Each officer shall take office upon election and hold his/her office until his/her successor is elected and qualified or until his/her earlier resignation or removal. The President shall be a member of the Executive Board. Any number of offices may be held by the same person.
- 7.2. President. The President shall be the chief executive officer of the Association. Subject to the provisions of these Bylaws and to the direction of the Executive Board, s/he shall have the responsibility for the general management and control of the business and affairs of the Association and shall perform all duties and have all powers which are commonly incident to the office of chief executive or which are delegated by the Executive Board. S/He shall have power to execute all contracts, agreements and other instruments of the Association which are authorized. S/He shall have general supervision and direction of all of the other officers and agents of the Association. S/He shall be ex-officio a member of all committees and shall exercise such other general powers and duties as are usually vested in the chief executive officer of a corporation.
- 7.3. Vice President. Each Vice President shall have such powers and duties as may be delegated to him/her by the Executive Board. One Vice President shall be designated by the Board to perform the duties and exercise the powers of the President in the event of the President's absence or disability.
- 7.4. Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the Members and the Executive Board. S/he shall have charge of the corporate records and shall perform such other duties as the Executive Board may from time to time prescribe.
- 7.5. Treasurer. The Treasurer shall have the responsibility for maintaining the financial records of the Association and shall have custody of all monies and securities of the Association. S/He shall make such disbursements of the funds of the Association as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Association. The Treasurer shall also perform such duties as the Executive Board may from time to time prescribe.

- 7.6. Delegation of Authority. The Executive Board may from time to time delegate the power or duties of any officer to any other officers or agents.
- 7.7. Execution of Amendments. Amendments to the Declaration required or permitted to be recorded by, or on behalf of, the Association shall be prepared by or on behalf of the President of the Association, shall be executed by the president of the Association, recorded by or on behalf of the President of the Association, and certified by or on behalf of the Secretary of the Association.
- 7.8. Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Executive Board, the President shall have power to vote and otherwise act on behalf of the Association, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any corporation in which this Association may hold securities and otherwise to exercise any and all rights and powers which this Association may possess by reason of its ownership of securities in such other corporations.
- 7.9. Bonding. The Executive Board may secure the fidelity of the Treasurer, or of any other officer, by a bond in such sum, and with such surety or sureties, as the Executive Board may determine.
- 7.10. Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board. Any officer may resign at any time giving written notice to the Executive Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VIII
MISCELLANEOUS

8.1. Maintenance of Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

8.2. Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any member, Director, officer or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage prepaid, or by sending such notice by prepaid delivery service. Any such notice shall be addressed to such member, Director, officer or agent at his or her last known address as shown on the books of the Association. The time when such notice is received, if hand delivered, or two (2) days after deposit with the United States Postal Service, if mailed, or actual day of receipt, as evidenced by a delivery service or one (1) day dispatched, if delivered through the mails or by telegram or mailgram, shall be the time of the giving of the notice.

A written waiver of any notice, signed by a member, Director, officer, or agent, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such member, Director, officer or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver.

8.3. Facsimile Signatures. Facsimile signatures of an officer or officers of the Association may be used whenever and as authorized by the Executive Board or a committee thereof.

8.4. Corporate Seal. The Executive Board may provide a suitable seal, containing the name of the Association. The Secretary shall be in charge of the seal. If and when so directed by the Executive Board or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by any Assistant Secretary or Assistant Treasurer.

8.5. Reliance Upon Books, Reports and Records. Each Director, each member of any committee designed by the Executive Board and each officer of the Association shall, in the performance of his or her duties, be fully protected in relying in good faith upon the accounts or other records of the Association, including reports made to the Association by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

8.6. Fiscal Year. The fiscal year of the Association shall be as fixed by the Executive Board.

- 8.7. Time Periods. In applying any provision of these by-laws which requires that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of doing of the act shall be excluded and the day of the event shall be included.

ARTICLE IX

AMENDMENTS

- 9.1. Amendment. These Bylaws may be amended by a vote of a majority of the Directors at a duly noticed meeting of the Executive Board at which a quorum shall be present or by a majority of the Members of the Association at any duly noticed meeting of the Members at which a quorum shall be present.
- 9.2. Amendments affecting Declarant. Until the termination of the Development Period, these Bylaws may not be amended without the express written joinder of the Declarant in such amendment.

No provisions of these Bylaws pursuant to which any special Declarant rights have been reserved to a Declarant shall be amended at any time without the express written joinder of the Declarant in such amendment.

IN WITNESS WHEREOF, we, being all of the Directors of **LAKESHORE VILLAGE HOMEOWNERS ASSOCIATION, INC.**, have hereunto set our hands this 10th day of November, 2004.

