

BY-LAWS
OF
SEA-WOOD OWNERS ASSOCIATION, INC.

ARTICLE I

INTRODUCTION

These are the By-Laws of SEA-WOOD OWNERS ASSOCIATION, INC., a non-profit corporation organized and existing under the laws of the State of Delaware (hereinafter called “the Association”), which has been organized for the purpose of administering “SEA-WOOD” (“the Subdivision”). The Subdivision is identified by the name SEA-WOOD and is located in Lewes-Rehoboth Hundred, Sussex County, Delaware.

(a) All present or future owners, co-owners, tenants, future tenants, and their employees, invitees, licensees, and any other person that might use the lands of the Subdivision, or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in the Declaration as either, or both, may be amended or supplemented from time to time.

(b) The office of the Association shall be at such place as the Board of Directors of the Association may designate from time to time.

(c) The fiscal year of the Association shall begin on January 1 and end on December 31 of each year, unless changed by the Board of Directors of the Association as herein provided.

(d) The seal of the Association shall bear the name of the Association and the word “Delaware”.

(e) There shall be no dividends or profits paid to any members nor shall any part of the income of the Association be distributed to its Board of Directors or officers. In the event that there are any excess receipts over disbursements, such Association shall not pay compensation to its members, directors or officers for services rendered. At any one time, the Board may retain one (1) management firm and one (1) management firm only, and may contract with said firm to provide management for the Association and its subordinate regimes, or Developer-owned/controlled property to include, but not be limited to, the following services:

1. Financial services;
2. Administrative and clerical services; and
3. Maintenance services, to include providing of goods, materials, labor and equipment, personnel, supervision, contract labor, landscaping, and security.

Upon final dissolution and liquidation, the Association may make distribution to its members as is permitted by law or any Court having jurisdiction thereof, and no such payment, benefit of distribution shall be deemed to be a dividend or distribution of income.

This Association shall issue no shares of stock of any kind or nature whatsoever. Membership in the Association and the transfer of that membership as well as the number of members and their respective votes shall be in accordance with the terms and conditions of the Declaration.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM, PROXIES

(a) All persons who are owners as defined in the Declaration shall be members of this Association, provided, however, that no non-owner, tenant, sub lessee, or assignee shall be a member, nor have voting rights in this Association. The rights and privileges of membership, including the rights to vote and to hold an office in the Association, may be exercised by a member or member's spouse, but in no event shall more than one (1) vote be cast or more than one (1) office be held for each lot or unit (hereafter "lot"), except for those voting rights granted to or reserved by the Developer in the Declaration. Any membership shall automatically terminate when an owner, as defined herein, is no longer seized and vested with title to any real property within the Subdivision, and membership and/or voting rights in the Association shall be limited to such owners.

(b) Except as provided in the Declaration in the case of voting on capital assessments, the quorum at members' meetings shall consist of persons entitled to cast one-third (1/3) of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

(c) The vote of the owners of the lot owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate of appropriate resolution signed by all of the owners of the lot and filed with the Secretary of the Association, and such certificate of resolution shall be valid until revoked by subsequent certificate of resolution.

(d) At all meetings of members, each member may vote in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before or at the time of the meeting. Every proxy shall be revocable and shall automatically cease upon the conveyance by the member of his lot. No proxy shall be valid after two months from its date, unless otherwise provided in the proxy.

(e) Approval or disapproval of an owner upon any matters, whether or not the subject of an Association meeting, shall be by the same person who is authorized to cast the vote of such owner at an Association meeting.

(f) Except where otherwise required under the provisions of the Certificate of Incorporation of the Association, these By-Laws, and the Declaration, the affirmative vote of the owners holding at least a majority of the total votes cast at a meeting at which the quorum is present shall be binding upon the members.

ARTICLE III

ANNUAL AND SPECIAL MEETINGS OR MEMBERSHIP

(a) The annual members' meeting shall be held at the office of the Association or such other place as may be designated by the Board of Directors, on the first Saturday in February of each year for the purpose of transacting any business authorized to be transacted by the members.

(b) Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from the members of the Association owning a majority of the outstanding votes.

(c) Notice of all members' meetings, regular or special, shall be given by the President, Vice President, or Secretary of the Association, or other officers of the Association in the absence of said officers, to each member. Unless waived in writing, such notice shall be written or printed and state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him or her. If mailed, such notice shall be deemed properly given when deposited in the United States mail addressed to the member at such member's post office address as it appears on the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required as set forth in the Certificate of Incorporation, these By-Laws or the Declaration, then the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

(d) At meetings of the membership, the President shall preside, or in the absence of the President, the members present may select a chairman in the event that the Board does not designate and acting president or presiding officer for any such meeting.

(e) The order of business at annual members' meetings, and, as far as practical, at any other members' meeting, shall be:

- i. Calling of the roll and certifying proxies
- ii. Proof of notice of meeting or waiver of notice
- iii. Reading of minutes
- iv. Reports of officers
- v. Reports of committees
- vi. Unfinished business
- vii. New Business
- viii. Adjournment

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors ("Board") consisting of an uneven number of not less than three (3) and not more than seven (7) directors. The Board shall initially consist of seven directors. After the first annual meeting of the Association, the number of directors may be changed by a vote of the members at an subsequent (a) the limitations or this Article shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent director.

Section 2. Term of Office. At the first meeting, the members shall elect three (3) directors for a term of three (3) years, three directors for a term of two (2) years and the remaining director for a term of one (1) year.

Section 3. Removal Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, such director's successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of such director's predecessor.

In the event the Developer in accordance with the privilege granted unto it, selects any person to serve on any board of Directors of the Association, the Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by the Developer to serve on any Board or Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons so removed from the Board of Directors. The removal of any director and designation of such director's successor shall be effective immediately upon delivery of such written instrument by the Developer to any officer of the Association.

Section 4. Compensation. No director shall receive compensation for any service such director shall render to the Association as a director. However, a director may be hired to render services and every director shall be reimbursed for such director's actual expenses incurred in the performance of such director's duties.

Section 5. Action Taken; Without a Meeting. The directors shall have the right to take any action in the absence of a meeting of the directors which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Nomination and Election of Officers

Section 6. Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting, or by nominating committee appointed by the Board of Directors. Such nominations may be made by a member only. Nominees shall be members unless designees of the Developer.

Section 7. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to every vacancy, one (1) vote for each lot owned (subject to any contrary provisions of the Declaration). The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Meeting of Directors

Section 8. Regular Meetings. Regular meetings of the Board of Directors shall be held as needed without notice, at such place and hour as may be fixed from time to time by the Board.

Section 9. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director mailed or presented personally to such director within such time.

Section 10. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. 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.

If any director's meeting cannot be organized because a quorum has not attended, or because the greater percentage of the directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration, the directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which

might have been transacted at the meeting as originally called may be transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes hereof shall constitute the presence of such director for the purpose of determining a quorum.

Powers and Duties of the Board of Directors

Section 11. Powers. The Board of Directors shall manage and direct the affairs of the Association and may exercise all of the powers of the Association subject only to approval by the owners when such is specifically required by the Declaration or these By-Laws. The Board of Directors shall exercise such duties and responsibilities as shall be incumbent upon it by law, the Declaration or these By-Laws, or as it may deem necessary or appropriate in the exercise of its powers. Without limiting the generality of the foregoing, the Board of Directors shall have full power.

(a) To prepare and adopt a budget; make, levy and collect Assessments against members and members' lots to defray the cost of the common areas and facilities of the subdivision; and to sue the proceeds of said Assessments in the exercise of the powers and duties granted unto the Association;

(b) To carry out the maintenance, care, upkeep, repair, replacement, operation, surveillance and management of the common areas, the Recreational Amenities of the subdivision so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration;

(c) To carry out the reconstruction of improvements after casualty or other loss and make improvements to the common areas and other property, real and personal;

(d) To make and amend regulations governing the use of the common areas and Recreational Amenities of the subdivision so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration;

(e) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including lots in the subdivision, as may be necessary or convenient in the operation and management of the Association;

(f) To enforce by legal means the provisions of the Certificate of Incorporation and By-Laws of the Association, the Declaration and the regulations hereinafter promulgated governing use of the property in the Subdivision;

(g) To pay all taxes and assessments which are liens against any part of the Subdivision other than lots and the appurtenances thereto, and to assess the same against the members and their respective lots subject to such liens;

(h) To carry insurance for the protection of the Subdivision, the members of the Association, the Board of Directors, and the Association against casualty, liability and other risks;

(i) To pay all costs of power, water, sewer and other utility services rendered to the Association and not billed to the owners of the separate lots;

(j) To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association as well as to dismiss said personnel;

(k) To adopt and publish rules and regulations governing the use of the common areas, Recreational Amenities and other facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(l) To suspend the voting rights and the right to use the common areas, Recreational Amenities and other facilities by a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and infraction of published rules and regulations.

(m) To exercise for the Association all powers, duties and authority vested in or delegated to this Association by the Declaration and not reserved to the membership by other provisions of these By-Laws or the Certificate of Incorporation;

(n) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(o) To employ a manager, a managing agent, and independent contractor, or such other employees or agents as they deem necessary and to prescribe their duties;

Section 12. Duties. It shall be the duty of the Board of Directors to:

(a) 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-half (1/2) of the members who are entitled to vote;

(b) Supervise all officers, agents and employees of the Association;

(c) Establish and maintain financial books and records;

(d) Establish the annual assessment period and fix the amount of the annual assessment against each member for each lot owned, at least thirty (30) days in advance of each annual assessment in accordance with the Declaration;

(e) Establish the initial deposit to be made by each member in order to bring such member's total Assessment deposit to the level required to meet such proportional share of the common expense in accordance with the Declaration;

(f) Send written notice of each assessment to every lot owner, at least thirty (30) days in advance of each annual assessment period, and levy all such assessments as liens;

(g) Collect assessments at regular intervals as determined in its discretion;

(h) Procure and maintain liability and fire and other hazard insurance on property owned by the Association;

(i) Cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;

(j) Cause the common areas and the Recreational Amenities to be maintained as hereinbefore provided;

(k) Have a management agent for any of the above; and

Section 13. Meeting Location. Notwithstanding anything contained in these By-Laws to the contrary any meeting of members or directors may be held at any place within or without the State of Delaware.

Section 14. Actions Without Meetings. To the extent now or from time to time hereafter permitted by the laws of Delaware, the Directors may take action without holding a meeting, provided a record of any such action so taken, signed by each Director, shall be retained in the Association's minute book and given equal dignity of all persons with the minutes of meetings duly called and held.

Section 15. Indemnity. The Association shall indemnify each director and officer, their heirs, executors and administrators, against all loss, damages, costs or expenses of any type reasonably incurred by him in connection with any action, suit, or proceeding to which type are made a party by reason of their being or having been a director or officer of the Association, except as to such matters wherein they shall be finally adjudged liable of gross negligence or willful misconduct. The Board may obtain for the Association directors and officers liability insurance coverage in such amounts as the Board deems necessary and appropriate.

ARTICLE V

OFFICERS

(a) The executive officers of the Association shall be the President and Secretary, who shall be Directors; a Vice President and a Treasurer, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. The Board of Directors may from time to time elect other officers and designate their powers and duties.

(b) The President shall be the chief executive officer of the Association. The President shall have all the powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the members from time to time, as the President may in the President's discretion determine appropriate, to assist in the conduct of the affairs of the Association.

(c) Any Vice President, unless the majority may select a presiding officer, shall, in the absence or disability of the President, exercise the powers and perform the duties of President, and shall generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

(d) The Secretary shall keep the minutes of all proceedings of the directors and the members. The Secretary shall attend to the giving and service of all notices to the members and directors, and other notices required by law. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. The Secretary shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

(e) The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of members, shall keep the books of the Association in accordance with good accounting practices, and shall perform all other duties incident to the office of the Treasurer.

(f) The compensation of all officers and employees of the Association shall be fixed by the directors. This provision shall not preclude the Board of Directors from employing a director as an employee of the Association, nor preclude contracting with a director for management of the Association.

ARTICLE VI

FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth below in these By-Laws and in the Declaration, shall be supplemented by the following provisions:

(a) The assessment roll shall be maintained in a set of accounting books and such an account shall designate the name and address of the owner(s) or ownership/control entity, the amount of each assessment against each category set forth immediately hereinabove, the dates and amount in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

(b) The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:

Common Expense Budget, which shall include without limiting the generality of the foregoing, the estimated amount necessary for maintenance, repair and/or replacement of: (i) all buildings and other improvements located within the Association's common areas; (ii) all roads (not dedicated to the public), walks, trails, beach, ponds, parking lots, landscaped common areas or within easements, encumbering lots; (iii) such security systems, utility lines, pipes, plumbing, wires, conduits and related systems which are a part of the service district, public or private utility or other person; (iv) all lawns, trees, shrubs, hedges, grass and other landscaping situate within the subdivision but not on lots as it may be constituted from time to time; and (v) Recreational Amenities.

(c) The Board of Directors shall determine the method of payment of such assessments and the due dates thereof and shall notify the members thereof. The assessments will initially be on an annual basis but may be put on a different basis by a vote of the majority of the Board of Directors.

(d) The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.

(e) The Treasurer shall prepare an annual report of the financial affairs of the Association. Examination of the accounts of the Association by an independent certified public accountant shall be made when deemed necessary by the Board.

(f) Fidelity bonds may be required by the Board of Directors for all officers and employees of the Association and from any contractor handling or responsible for Association

funds. The amount of such bonds shall be determined by the directors. The premiums of such bond shall be paid by the Association.

ARTICLE VII

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or with the statutes of the State of Delaware.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

(a) Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the directors, or by members of the Association holding a majority of the total votes of the Association, whether meeting as members or by instrument in writing signed by them.

(b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members.

(c) In order for such amendment or amendments to become effective, the same must be approved by owners holding at least a majority of the total votes of the Association.

(d) Notwithstanding the foregoing provisions of this Article, no amendment to these By-Laws which shall abridge, amend or alter the right of the Developer to designate and select members of each Board of Directors of the Association, as provided in Article IV hereof, may be adopted or become effective without the prior written consent of the Developer, nor will any right of any lot mortgages be affected without express written consent of said mortgagee(s).

(e) In the alternative, the Developer may amend these By-Laws in the manner provided in the Declaration for amendments to the Declaration by the Developer.

ARTICLE IX

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance.

(a) The Board of Directors or its duly authorized agents may have the authority to and may obtain and continue in effect adequate property insurance, in such form as the Board deems appropriate, for the benefit of the Association and insuring all improvements in and to any common areas or Recreational Amenities against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation, to include anticipated costs of demolition and clearing prior to building, but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board or its duly authorized agents shall have the authority and may obtain and continue in effect a public liability policy covering all the common area and any Recreational Amenities and all damage or injury caused by the negligence of the Association, its members, its directors and officers, or any of its agents. Such public liability policy may provide such coverages as are determined to be necessary by the Board of Directors.

(c) The Board or its duly authorized agents shall have the authority and may obtain:
(i) worker's compensation insurance to the extent necessary to comply with any applicable law; and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

(d) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for each of the owners and costs of all such coverage shall be a common expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Subdivision shall be vested in the Board of Directors.

(e) All policies shall be written with a company holding a rating that is acceptable to the Board.

(f) All property insurance policies shall be for the benefit of the Association, owners and owner's mortgagees, if applicable, as their interests may appear.

(g) It shall be the individual responsibility of each owner at such owner's expense to provide, as such owner sees fit, public liability, property damage, title and other insurance with respect to such owner's own lot. The Board of Directors may require all owners, to include the Developer, to carry public liability and property damage insurance on their respective lots and to furnish copies of certificates thereof to the Association.

ARTICLE XI

ASSESSMENTS

The assessments for common expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners and occupants of the subdivision, and maintaining the subdivision and improvements therein.

ARTICLE XII

RULE MAKING

(a) **Rules and Regulations.** Subject to the provisions hereof, the Board of Directors may establish reasonable rules and regulations concerning the use of lots, common areas, Recreation Amenities and other facilities located thereof. In particular but without limitation, the Board of Directors may promulgate from time to time rules and regulations which shall govern activities which may, in the judgment of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides and other chemicals. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the owners, their families, tenants, guests, invitees, servants and agents until and unless any such rule or regulation be specifically overruled, canceled or modified by the Board of Directors or in a regular or special meeting of the Association by vote of the owners, in person or by proxy, holding a majority of the total votes in the Association; provided that in the event of such vote, such action must also be approved by the Developer, for so long as the Developer owns any lots primarily for the purpose of sale.

(b) **Authority and Enforcement.** Subject to the provision hereof, upon the violation of the Declaration, the By-Laws or any rules and regulations duly adopted hereunder, including without limitation the failure to timely pay any assessments, the board shall have the power:

(i) to impose reasonable monetary fines which shall constitute equitable charge and a continuing lien upon the lot, the owners, occupants or guests of which are guilty of such violation; (ii) to suspend an owner's right to vote in the Association; or (iii) to suspend an owner's right (and the right of such owner's family, guests and tenants) to use any of the community amenities, and the board shall have the owner to impose all or any combination of these sanctions. An owner shall be subject to the foregoing sanctions in the event of such a violation by such owner, or such owner's family, guests or tenants. Any such suspension of rights may be for the duration of the infraction.

(c) **Procedure.** Except with respect to the failure to pay assessments, the Board shall not impose a fine, suspend voting rights or infringe upon or suspend any other rights of an

owner or other occupant of the subdivision for violations of the Declaration, By-Laws or any rules and regulations for the Association, unless and until the following procedure is followed:

1. Written demand to cease and desist from and alleged violation shall be served upon the owner responsible for such violation specifying;
2. The alleged violation;
3. The action required to abate the violation; and
4. A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of the Declaration, the By-Laws or of the rules regulations of the Association may result in the imposition of sanctions after notice and hearing.

(d) Within two (2) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain:

1. The nature of the alleged violation;
2. The time and place of the hearing which time shall be not less than ten (10) days from the giving of the notice;
3. An invitation to attend the hearing and produce any statement, evidence and witnesses on such owner's behalf; and
4. The proposed sanction to be imposed.

5. The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard 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 other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

(e) Enforcement. Each owner shall comply strictly with the By-Laws and the published rules and regulations of the Association adopted pursuant to the Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in the Declaration and in the Deed or other instrument of conveyance to such owner's lot, if any. Failure to comply with any of the same shall be grounds for imposing

finer, for suspending voting rights or rights or use in and to the Recreational Amenities, or for instituting an action to recover sums due, for damages and/or for injunctive relief, such actions to be maintainable by Developer, the Board of Directors on behalf of the Association or, in a proper case, by an aggrieved owner. Should the Developer or Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorney's fees, shall be paid by the violating owner. Inasmuch as the enforcement of the provisions of the Declaration, the By-Laws and the rules and regulations of the Association are essential for the effectuation of the general plan of development contemplated by the Declaration and for the protection of present and future owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages. The Developer and the Association may require, and each shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure or omission on the part of the Developer, the Association or any aggrieved owner in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whomsoever against the Developer or the Association for or on account of any violation or breach, or threatened violation or breach, by any person under the provisions of the Declaration, the By-Laws or any rules and regulations of the Association, however long continued.

ARTICLE XIV

DEFINITIONS

All terms defined in the Declaration shall have the same meaning in these By-Laws as in the Declaration.

ARTICLE XV

CONFLICTS

In the event of any conflict between the provisions of the Declaration and the provisions of these By-Laws, the provisions of the Declaration shall control.

IN WITNESS WHEREOF, the members of the Board of Directors as set forth in the Certificate of Incorporation, hereunto set their hands and seals, this ____ day of _____, 2001.

Witnesseth:

_____ By: _____

_____ By: _____

IN WITNESS WHEREOF, I, the undersigned President of SEA-WOOD OWNERS ASSOCIATION, INC., do hereby confirm that on the _____ day of _____, 2001, the majority of the membership of said Association, being property owners of SEA-WOODS, known collectively as SEA-WOOD, did vote to approve the above By-Laws in accordance with the Certificate of Incorporation of the Corporation and with the Restrictions, Reservations and Restrictive Covenants of SEA-WOOD, known collectively as SEA-WOOD.

PRESIDENT

STATE OF DELAWARE)
COUNTY OF _____) SS.

BE IT REMEMBERED, ON this _____ day of _____, 2001, Personally appeared before me, the Subscriber, a Notary Public in and for the State and County aforesaid, _____, the President of SEA-WOOD ASSOCIATION, INC., and acknowledged the foregoing to be his act and deed and the act and deed of the members of SEA-WOOD ASSOCIATION, INC.

GIVEN UNDER my official hand and seal this _____ day of _____, 2001.

Notary Public

MARIANNE S. MIHALY
NOTARY PUBLIC
STATE OF DELAWARE
MY COMMISSION EXPIRES 11-29-2001

NOTE: The original manuscript was signed February 19th, 2001 by the standing President and 2 board members, a Notary Public and the developer. This file was digitalized by Secretary Kevin O'Brennan. While scripting, three misspellings and one combined words error were detected and

corrected. The fidelity of the original manuscript was maintained. Original copies are available complete with signatures from the Board of Directors.

Respectfully Yours,

Kevin O'Brennan
SEA-WOOD ESTATES Secretary
January 15, 2011