

**BETHANY WEST RECREATION ASSOCIATION
BY-LAWS**

(Amended October 2011 - supersedes and replaces all previously approved versions)

**ARTICLE 1
MEETING OF MEMBERS, MEMBERSHIP, AND VOTING**

Section 1. ANNUAL MEETING. The Annual Meeting of the membership shall be held on Columbus Day Weekend in October. The Spring Semi-Annual Meeting, which is for general discussion purposes only, except for approval of the Annual Meeting Minutes, will be held on Memorial Day Weekend in May. No later than 30 days before the fall business meeting, the Board of Directors shall mail a written notice thereof along with the proposed operating budget for the upcoming fiscal year along with the meeting agenda to each member at his or her address as it appears on the membership rolls. No later than 30 days before the spring informational meeting, the Board of Directors shall mail a written notice thereof to each member at his or her address as it appears on the membership rolls.

Section 2. QUORUM. The presence, in person, of at least twenty members entitled to vote shall be necessary to constitute a quorum for the transaction of business.

Section 3. SPECIAL MEETINGS. The President, with the approval of at least one other Director, may call a special meeting. Moreover, if twenty-five members, in good standing, request a special meeting, the Board shall be obligated to call such meeting. No later than 30 days before such meeting, the Board of Directors shall mail written notice thereof to each member at his or her address as it appears on the membership rolls. The purpose of the meeting shall be stated in the notice and no other business shall be entertained or transacted at the special meeting.

Section 4. PLACE OF MEETINGS. The time and place of all meetings shall be designated by the Board of Directors to convenience the greatest majority of members of the Association.

Section 5. VOTING. Each lot in Bethany West shall give rise to one vote regardless of the number of individuals, partnerships, or corporations that may be recorded as the owner of the lot on the land records of the town of Bethany Beach. In the event ownership of a lot is held in more than one name, whether joint with right of survivorship, tenants in common, or in a partnership, trust, corporation or otherwise, each owner shall be considered a member, but only one named owner may vote on behalf of that lot. To be entitled to vote, a member must be paid up with respect to all dues, assessments, and other amounts then owing to the Association. At all meetings of the membership, all questions, the manner of deciding which is not specifically regulated by statute or by the Declaration of Restrictions of Bethany West or by these By-Laws, shall be determined by a majority vote of the members present in person or by proxies. All voting at such meetings shall be by voice vote or by a counting of hands, except that on a motion by any member seconded by another member and voted for by a majority of the members in attendance, the voting shall be by ballot. In addition to the voting at a regular or special meeting, the membership may, at the option of a majority of the Board of Directors, be requested to vote by means of returning a ballot to the Association without a regular or special meeting.

Section 5(a). BALLOT COMMITTEE. In all cases where ballots are used, a committee of five (5) members shall be appointed by the President to count the ballots. The President shall act as the Ballot Committee Chairperson. In the event that the President is on the ballot, then the President shall appoint

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another Board Member to serve as the Ballot Committee Chairperson, with approval of the members present.

Section 6. PROXIES AND ABSENTEE BALLOTS.

Meeting Ballots. Any member may use a proxy ballot at any regular or special meeting of the Association. Proxy ballots must be given to the President of the Association or to a member in good standing within a period of one week before the annual or special meeting. It is the duty of the President or recipient member in good standing to verify with the keeper of the records, before the regular or special meeting at which the proxies are to be utilized, whether each proxy is entitled to vote. On any ballot cast by proxy, the name of the proxy (i.e., the person empowered to act for the other) shall be stated. The proxy given shall be issue specific. The Board of Directors may authorize absentee ballots for any regular or special meeting in any situation in which a majority of sixty percent of the membership is required to modify or amend the Declaration of Restrictions of Bethany West.

Mail ballots. With respect to any question on which a majority of sixty percent of the membership is required to modify or amend the Declaration of Restrictions of Bethany West, the Board of Directors may, after notice to each individual owner, provide that a mail ballot not returned by a fixed date, not less than 45 days after the date such notice is mailed, will be deemed a proxy to the Board of Directors. However, the Board shall not cast any such proxy ballots unless at least a majority of the individual owner ballots have been cast on a particular question and, in that event, the Board shall cast such proxy ballots in accordance with the will of a majority of those voting.

Section 7. PARLIAMENTARY RULE. The business transacted at all meetings of the Association shall be pursuant to ROBERTS RULES OF ORDER, except when such rules may be contrary to the law, the Articles of Incorporation, the Declaration of Restrictions of Bethany West, or these By-Laws. The meeting agenda shall be formally adopted by the membership.

Section 8. MEMBERSHIP. Membership in the Bethany West Recreation Association, Inc. shall consist of the owners of lots in Bethany West, Bethany Beach, Delaware, consistent with the provisions of Article VIII of the Declarations of Restrictions of Bethany West.

Section 9. MEMBERSHIP ROLLS. A membership roll shall be maintained at the offices of the Association, and each eligible member so enrolled may, upon request be issued a membership certificate. Upon the sale of any lot in Bethany West, Bethany Beach, Delaware, from which a member hereof derives his membership, such member's membership certificate, if any, shall be void and the member shall automatically be deemed to have resigned from this Association as a member. Membership certificates may not be resold, transferred, or assigned.

Section 10. FEES, DUES, AND ASSESSMENTS

a) Membership fee. There shall be no initial membership or initiation fee.

b) Dues. Dues shall be payable on or before the 1st day of January of each year, for the ensuing year. All dues shall be pro-rated so that the same shall be due and payable for the balance of the dues year from the first day of the month following the month of member's admission to the Association. Pursuant to Article VIII of the Declaration of Restrictions of Bethany West, annual dues shall be set by a majority of the Board of Directors by and with the vote or written consent of no less than sixty percent of the members of the Association.

c) Special Assessments. Pursuant to Article VIII of the Declaration of Restrictions of Bethany West, a majority of the Board of Directors, by and with the vote or written consent of no less than sixty percent

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of the members of the Association, may make a one-year special assessment when it is deemed necessary.

Section 11. DECLARATION OF RESTRICTIONS, BETHANY WEST. The membership, dues, and all other matters pertaining to the operation of the Association shall be in conformity to the Declaration of Restrictions of Bethany West, and any amendments thereto, as the same are recorded with the Recorder of Deeds in and for Sussex County, Delaware.

**ARTICLE II
DIRECTORS**

Section 1. NUMBER. The affairs and business of the Association shall be managed by a Board of Directors in accordance with Section 12 of this Article. The number thereof shall be nine (including the President, Vice President, and the Immediate Past President.) The outgoing President, after the election of a new President, shall be designated the Immediate Past President and shall serve as a member of the Board of Directors for a period of one year unless he or she declines to serve or thereafter resigns from the Board.

Section 2. HOW ELECTED. The Board of Directors will be elected at the annual membership meeting pursuant to the provisions of Article 1, Sections 5 and 6 of these By-Laws. It shall be in order for other nominations for the Directors to be made from the floor. If there are nominations for Directors other than those presented on the ballot, the procedure for voting shall be as follows: each member shall have the right to vote once each for the Director positions to be filled at the meeting, and the nominees for these positions with the greatest number of votes shall be elected. The newly elected Board of Directors will meet within 30 days of the annual meeting to elect a President, Vice President, Secretary and Treasurer, the remaining members serving as Directors.

Section 3. TERM AND DURATION IN OFFICE. The term of office of each Director shall be two years and thereafter until his or her successor has been elected. A person may serve as a Director no more than three consecutive terms to which he or she is elected.

Section 4. QUORUM. Attendance at a Board of Directors meeting of the majority of the Directors constitutes a quorum for the purpose of transacting business.

Section 5. VACANCIES. Vacancies on the Board of Directors caused by resignation, withdrawal, or inability to serve shall be filled by a vote of the majority of the Board of Directors.

Section 6. MEETINGS AND PLACE OF MEETINGS. The Board of Directors shall hold four meetings in addition to the annual meeting of the members at a place agreed upon by a majority of the Board Members.

Section 7. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or by any two Directors. If ten of the regular members of the Association request, in writing, a special meeting of the Board, the Board of Directors shall be obliged to call such meeting. The President shall determine the place of the special meeting of the Board of Directors; provided, however, that if a majority of the Board of Directors do not agree on the place of the special meeting, then the same shall be held in Bethany Beach, Delaware.

Section 8. COMPENSATION. The Directors shall receive no remuneration for their services as Directors or for performing any other service for the Association.

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Section 9. REMOVAL. Any Director may be removed, with or without cause at any time, by a majority vote of those attending in person, or by proxy, at a special meeting of the membership called for that purpose.

Section 10. PRESIDENT. The President of the Association shall preside at the meetings of the Board of Directors, and shall be the Chairperson thereof. In the absence of the President, the Vice President shall preside.

Section 11. TRANSACTION OF BUSINESS. The business transacted at all meetings of the Board of Directors shall be pursuant to ROBERTS RULE OF ORDER, except when such rules may be contrary to the law, the Articles of Incorporation, the Declaration of Restrictions of Bethany West, and these By-Laws.

Section 12. POWERS AND DUTIES. The Board of Directors shall carry out the general management of the Association, receive and act upon the reports of all committees, and devise and carry into execution such measures as they may deem proper and expedient to promote the objectives of the Association and the best interests and welfare of the members. The Directors shall execute all the powers that may be exercised or performed by the Association under the laws of the State of Delaware, the Articles of Incorporation, the Declaration of Restrictions of Bethany West, and these By-Laws.

Section 13. ENVIRONMENTAL CONTROL COMMITTEE. Pursuant to Article IV of the Declaration of Restrictions of Bethany West and the actions of East Coast Resorts, Inc., the incorporator, there under, the Board of Directors shall appoint an Environmental Control Committee to be composed of three members of the Association, of whom at least one shall be a Director and one shall be a year-round resident of Bethany Beach, Delaware.

**ARTICLE III
OFFICERS**

Section 1. OFFICERS. The Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. The Officers shall be elected by the Board of Directors within 30 days of the Annual Meeting.

Section 2. PRESIDENT. The President: (a) shall preside at all meetings and shall have general supervision of the business of the Association; (b) may sign or countersign contracts and other instruments of the Association; (c) shall make reports to the Board of Directors and to the members; (d) shall perform such other duties as are customary to the office or as may be required by a majority of the Board; (e) shall be a member ex officio, with the right to vote, of all committees; and (f) shall appoint a chairperson for each standing and special committee, including the nominating committee, subject to removal by a majority of the Board of Directors. The members of each such committee shall be appointed by the chairperson with the approval of the President. The President shall serve for a one year term of office and thereafter until a successor shall be elected. No person shall serve more than three consecutive terms as President.

Section 3. VICE PRESIDENT. The Vice President shall assist the President in the execution of the President's duties and in carrying out the business of the Association as designated by the President. The Vice President shall also carry out the duties of the President in his or her absence or incapacity.

Section 4. SECRETARY. The secretary shall (a) maintain the membership roll; (b) issue all notices of regular and special meetings of the Board of Directors and of the general membership; (c) keep minutes of the meetings of the Board of Directors and of the general membership; (d) have charge of the

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Association's seal, the minute books, and such other records of the Association as may be designated by the President; and (e) make such reports and perform such other duties as are customary to the office of the Secretary or as may be designated by the President or a majority of the Board of Directors; (f) have the authority to delegate the execution of the responsibilities set forth in this section to such person or persons or an authorized agent as the Secretary may designate with the consent of a majority of the Board of Directors.

Section 5. TREASURER. The Treasurer shall: (a) have custody of all of the funds, securities, and financial records of the Association; (b) deposit funds in the name of the Association in such banks or financial institutions as the Treasurer, with the concurrence of the President, shall determine in accordance with the requirements of Article IV of these By-Laws; (c) sign instruments requiring the Treasurer's signature; (d) maintain and make the books and accounts of the Association available to members of the Association in accordance with the By-Laws; (e) have responsibility for preparing and submitting financial statements of the Association at the regular business meetings of the Board of Directors and at the annual membership meeting; (f) have responsibility for the preparation of such tax reports and returns and related information as may be required by local, state, and federal laws; and (g) have the authority to delegate the execution of the responsibilities set forth in this section to such person or persons or an authorized agent as the Treasurer may designate with the consent of a majority of the Board of Directors.

Section 6. INDEMNIFICATION. The Association shall indemnify the Officers and Directors of the Association against any and all expenses, including reasonable attorney fees, incurred by or imposed upon any Officer or Director in connection with any action, suit, or other proceeding (including the settlement of such suit or proceeding if approved by a majority of the Board of Directors) to which such Officer or Director may be made a party by reason of being or having been, or taking action (including entering into a contract) as an Officer or Director of the Association, whether or not such person is an Officer or Director at the time such expenses are actually incurred. The Officers and Directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise except for their own willful individual misconduct or bad faith.

Section 7. VACANCIES. Vacancies among the Officers shall be filled by a majority of the Board of Directors.

Section 8. COMPENSATION. The Officers shall receive no remuneration for their services as Officers or for performing any other services for the Association.

Section 9. TERMS OF OFFICE. All Officers shall serve for a one-year term of office and thereafter until their successor shall be elected or appointed.

**ARTICLE IV
PROPERTY, FINANCES, AND AMENDMENTS**

Section 1. PROPERTY TRANSFERS. No interest in real estate may be acquired, sold, improved, mortgaged, or transferred, unless approved by the majority of the membership voting through a mail ballot or present at a duly-held meeting of the Association held not less than thirty days after the date that the notice of such proposed action is mailed to each member at his or her address as it appears on the membership rolls.

Section 2. DEPOSIT OF FUNDS. The funds of the Association shall be deposited only in a state or national bank operating in accordance with the laws of the State of Delaware and only in an institution where the deposits are insured by the Federal Deposit Insurance Corporation.

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Section 3. TIME OF DEPOSIT. All funds of the Association shall be deposited in such qualified depository as the Board of Directors may from time to time designate; and all cash deposits shall be so deposited within forty-eight hours of their receipt; provided, however, that receipts in the form of checks need not be deposited more often than once each ten days.

Section 4. DISBURSEMENTS. All disbursements of funds of the Association shall be made by checks signed by the President or Treasurer; provided, however, that the signing of checks, subject to the direction of the President or the Treasurer, may be delegated to an authorized agent, appointed by a majority of the Board of Directors, for the conduct of day-to-day business on the Bethany West premises; and further provided, however, that there will be established a petty cash fund, generally not exceeding \$100.00, for defraying minor expense items of the Association.

Section 5. INVESTMENTS OF FUNDS. The funds of the Association, except those invested in recreation facilities, may be invested only in obligations of the United States Government or federally insured banking or savings institutions. They may not be loaned to or invested with any Officer, Director, or member of the Association or any entity in which an Officer or Director has a financial interest.

Section 6. AUDIT. The accounts of the Association shall be audited annually as specified by the Board of Directors. The report of this audit shall be orally summarized and presented to the members at the annual meeting. Actual copies of said audit shall be available for inspection by a member at the offices of the Association at a mutually agreeable time.

Section 7. FISCAL YEAR. The books of the Association shall be kept on a fiscal year to commence beginning on the first of January each year.

Section 8. PROPOSED BUDGET. The Board of Directors shall cause to be prepared and distributed to each member at the annual meeting a proposed budget for the coming year along with a consolidated balance sheet showing the assets and liabilities of the Association as of the preceding December 31st (end of prior fiscal year).

Section 9. DIVIDENDS AND REFUNDS. There shall be no dividends or refunds to members of the Association.

Section 10. ASSOCIATION BOOKS AND RECORDS. Association books and records shall be open to inspection by members, at such time as may be fixed by the President, and such inspection shall take place at the customary place of keeping of said books and records, all upon prior request and reasonable notice.

Section 11. ASSOCIATION SEAL. The Association Seal shall have inscribed thereon the name of the Association and the year of its organization.

Section 12. OPERATIONS AND REGULATIONS. Operating rules and regulations for the recreational facilities of the Association shall be established for the comfort, benefit, and protection of all the members and their guests. Such rules and regulations shall, at a minimum, conform to the statutory requirements of the State of Delaware, Sussex County, and the Town of Bethany Beach, Delaware. The operating rules and regulations shall be established and revised or amended by the Board of Directors with the advice and consent of the membership at its annual meeting or any special meeting.

Section 13. AMENDMENT/SUSPENSION OF BYLAWS. These By Laws may be amended or new By Laws made, upon a proposal by a majority of the Board of Directors or a proposal by a member of the Association to the Board at least forty-five days before the meeting at which such amendments of

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new By Laws is proposed, by a two-thirds vote of the membership at the Annual Meeting or any Special Meeting; provided, however, that no later than thirty days before such meeting the Board of Directors mails a written notice, specifying the nature and purpose of amendments or new By Laws to be proposed, to each member at his or her address as it appears on the membership rolls. By Laws may similarly be repealed. By Laws may be suspended at a particular meeting by two-thirds of the members present and voting.

Section 14. DECLARATION OF RESTRICTIONS, BETHANY WEST. The conduct of the business of the Association by and through its Officers, Directors and members, shall be, in all respects, in conformity with the Declaration of Restrictions of Bethany West as the same may be amended from time to time.