

BY-LAWS
OF
PINE BAY HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office shall be established and maintained at the office of 225 South State Street in the City of Dover, in the County of Kent and in the State of Delaware, and R. Brandon Jones shall be the Registered Agent of this Association in charge thereof.

SECTION 2. OTHER OFFICES. The Association may have other offices, either within or without the State of Delaware, at such place or places as the Board of Directors may from time to time appoint or the business of the Association may require.

ARTICLE II

MEETINGS OF PINE BAY HOMEOWNERS ASSOCIATION, INC. (HEREAFTER REFERRED TO AS "ASSOCIATION")

SECTION 1. ANNUAL MEETINGS. Annual meetings of Members for the election of Directors and for such other business as may be stated in the notice of the meeting, shall be held at such place and at such time and date as the Board of Directors, by resolution, shall determine as set forth in the notice of the meeting.

SECTION 2. OTHER MEETINGS. Meetings of Members for any purpose other than the election of Directors may be held at such time and place as shall be stated in the notice of the meeting.

SECTION 3. VOTING. Each Member entitled to vote in accordance with the provisions of these By-Laws shall be entitled to one vote, in person or by proxy, for each lot owned in Pine Bay Development. All elections for Directors shall be by ballot and decided by majority vote. Upon demand of the majority of Members present, the vote upon any question before the meeting shall be by ballot. Except where a higher voting percentage is required, actions at a meeting of the Association Members require a majority vote of a quorum that is present either in person or by proxy.

A complete list of the Members entitled to vote at the ensuing election with the address of each, and the number of Lots held by each, shall be open to the examination of any Member on the Pine Bay website (<http://pinebay.net/>). The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Member present. The Board will determine the process and procedure for counting the ballots and announcing the results.

SECTION 4. QUORUM. A simple majority of the Members shall constitute a quorum for Member meetings. In case a quorum shall not be present at any meeting, a majority of the Members entitled to vote thereat, present in person or by proxy shall have power to adjourn and reschedule the meeting from time to time, without notice other than announcement at the meeting, until the requisite number of Members entitled to vote shall be present. At any such rescheduled meeting at which the requisite number of Members entitled to vote shall be represented, any business may be transacted which might have been transacted at the meeting as originally presented.

SECTION 5. NOTICE OF MEETINGS. Notice of any meeting, annual or special, of the Members must be distributed no less than 10 or more than 50 days before the date of the given meeting. Notices of all meetings will include the place, date and time of the meeting as well as the agenda.

SECTION 6. SPECIAL MEETINGS. Special meetings of the Members for any purpose may be called by the President or by resolution of the directors. Members may petition the Board to convene a special meeting. If denied, these Members may circulate a petition to secure the signatures of the majority of the Members, thus enabling them to have a special meeting.

SECTION 7. ACTION WITHOUT A MEETING. An action can be taken by the Members without the necessity of a meeting provided that all Members are given the opportunity to vote upon same, and there is at least a simple majority or such greater number as otherwise required by the By-Laws.

ARTICLE III

DIRECTORS

SECTION 1. NUMBER AND TERM. The number of Directors shall be seven (7), and the terms of service shall be two years. The Directors shall be elected at the annual meeting with the election of four Directors in even numbered years and three Directors in odd numbered years. Directors may not serve more than three consecutive terms without stepping off the Board for at least one term. Each Director shall be elected to serve until his/her successor shall be elected or appointed, in case of a resignation.

SECTION 2. RESIGNATIONS. Any Director may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if not specified, at the time of its receipt by the President.

SECTION 3. VACANCIES. If the office of any Director becomes vacant, the remaining Directors in office may appoint by majority vote any Member to fill such a vacancy who shall hold office for the duration of the unexpired term.

SECTION 4. REMOVAL. Any Director or Directors may be removed at any time by the affirmative vote of a majority of the Members at a special meeting. [See Article III, Section 3, Vacancies.]

SECTION 5. CHANGE OF NUMBER. The number of Directors may be increased or reduced by amendment of these By-Laws by the affirmative vote of a majority of the Members, at the annual meeting or at a special meeting called for that purpose. The addition of Directors may be chosen by ballot at an annual or special meeting; the reduction of Directors may be handled by attrition or by ballot.

SECTION 6. POWERS. The Board of Directors shall exercise the following powers:

- a) Fix and collect assessments or other charges to be levied against the members;
- b) Manage, control, operate, maintain, repair, and improve the Common Area, Capital Assets and Infrastructure Facilities, and property subsequently acquired by the Association, or any property owned by another, for which the Association, by rule, regulation, Declaration of Covenants, Conditions and Restrictions for Pine Bay (hereafter referred to as the "Declaration"), or contract, has a right or duty to provide such services;
- c) Enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration;
- d) Engage in activities which will actively foster, promote, and advance the common interests of all members of the Association;
- e) Borrow money for any purpose as may be limited in the Declaration; and
- f) Enter into, make, perform, or enforce contracts of every kind and description, and perform all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association.

SECTION 7. COMMITTEES. The Board of Directors may, by resolution or resolutions passed by a majority of the Board, designate one or more committees, each committee to consist of one or more of the Directors of the Association.

SECTION 8. MEETINGS. The newly elected Directors may hold their first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after the annual meeting of the Members; or the time and place of such meeting may be fixed by consent in writing of all the Directors.

Regular meetings of the Directors may be held with or without notice at such places and times as shall be determined from time to time by resolution of the Directors. Members may ask to address the Directors on a specific subject at regular Board meetings.

Special meetings of the Board may be called by the President on the written request of any two Directors within a reasonable period of time to be held at any such place as determined by the Directors.

SECTION 9. QUORUM. A majority of the Directors shall constitute a quorum for the transaction of business.

SECTION 10. COMPENSATION. Directors shall not receive any stated salary for their services as Directors or as members of committees.

SECTION 11. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if prior written or electronic consent is given by a majority of the Board members.

ARTICLE IV

OFFICERS

SECTION 1. OFFICERS. The officers of the Board of Directors shall be a President, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected by the Board and who shall hold office until their successors are elected. In addition, the Board may elect an Assistant Secretary and an Assistant Treasurer as they deem proper. The officers shall be elected at the first meeting of the Board of Directors after each annual meeting. No Director can hold more than one office at a time.

SECTION 2. PRESIDENT. The President shall preside at all meetings of the Members and shall have general supervision, direction and control of the business of the Association.

SECTION 3. VICE PRESIDENT. The Vice President shall have such powers and perform such duties as shall be assigned to him/her by the Directors.

SECTION 4. TREASURER. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Association. He/she shall deposit all monies and other valuables in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

The Treasurer shall disperse the funds of the Association as may be ordered by the Board of Directors, or the President, taking proper vouchers for such disbursements. He/she shall render to the President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his/her transactions as Treasurer and of the financial condition of the Association.

SECTION 5. SECRETARY. The Secretary shall record all the proceedings of the meetings of the Association and of the Directors, and shall perform such other duties as may be assigned to him/her by the Directors or the President. The minutes of the meetings of the Association and of the Directors shall be posted on the Pine Bay website (<http://pinebay.net/>).

SECTION 6. ASSISTANT TREASURER AND ASSISTANT SECRETARY. Assistant Treasurer and Assistant Secretary, if any, shall be elected and shall have the powers and shall perform such duties as shall be assigned to them, respectively, by the Directors.

ARTICLE V

MISCELLANEOUS

SECTION 1. ACCURATE RECORD OF MEMBERS. Members must advise the Secretary of address, phone and email changes in a timely manner to ensure an accurate record of the membership. The President will advise the Secretary of the names, addresses, phone numbers and email addresses of new Members as recorded on the Pine Bay website (<http://pinebay.net/>).

SECTION 2. FISCAL YEAR. The fiscal year of the Association shall be determined by resolution of the Board of Directors.

SECTION 3. CHECKS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by the Treasurer or President or other officer designated by the Board.

SECTION 4. NOTICE AND WAIVER OF NOTICE. Whenever any notice is required by these By-Laws to be given, all Association-related correspondence shall be distributed via email or mail, the latter whenever necessary.

SECTION 5. PINE BAY COVENANTS, CONDITIONS & RESTRICTIONS. The Directors and Members shall have all powers and all duties of Directors and Members as provided in the Declaration of Covenants, Conditions and Restrictions for Pine Bay and all amendments, thereto as initially dated June 8th, 1992; and as amended on October 22, 2013, and recorded in Sussex County Delaware, Receiver of Deeds, Deed Book 4188, Page 161.

ARTICLE VI

AMENDMENTS

These By-laws may be altered or repealed at any annual meeting of the Members or at any special meeting thereof if notice of the proposed alteration or repeal of By-Laws to be changed be contained in the notice of such special meeting, by the affirmative vote of a majority of the Members entitled to vote thereat.