

**BYLAWS  
OF  
RESERVE AT PILOTTOWN MAINTENANCE CORPORATION**

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is Reserve at Pilottown Maintenance Corporation, hereinafter referred to as the "Corporation".

The principal office of the Corporation shall be located at the home of the acting President of the Corporation (unless the Bylaws specify that such office shall be located at the home of the Chairperson of the Board of Directors), but meetings of members and directors may be held at such places within the State of Delaware, as may be designated by the Board of Directors.

The name and address of the Corporation's registered agent in the State of Delaware is as set forth in the Certificate of Incorporation.

**ARTICLE II  
CORPORATE SEAL**

The corporate seal shall have inscribed thereon the name of the corporation and the year of its incorporation.

**ARTICLE III  
MEETING OF MEMBERS**

**Section 1. First Meeting of the Members.** The first meeting of the members shall be called by the initial Board of Directors and shall be for the purpose of electing a Board of Directors consisting of homeowners of the community of Reserve at Pilottown (the "Community"). The initial Board of Directors shall send each homeowner notice of the meeting at least (15) days before the meeting. The first meeting shall be called no later than 120 days after the Declarant or its successors and or assigns (in the role of Declarant) no longer holds title to any part of the Community. The notice shall specify the place, day and hour of the meeting and shall state that the purpose of the meeting is to elect a new Board of Directors. The notice shall list each office and describe the duties associated with such office. Nominations shall be accepted by proxy received by the initial Board of Directors at any time after the aforesaid notice has been mailed, and prior to the balloting at the first meeting. In addition to nominations received by proxy, nominations may be made at the meeting. The initial Board of Directors shall oversee the election and shall remain in office until another Board is duly elected. Elections shall be by ballot, by plurality vote, except that, with respect to any directorship or office as to which there is only one candidate, a voice vote may be taken. Notwithstanding any contrary provision in the governing documents, quorum requirements for nominations and election of the first Board of Directors consisting of homeowners shall be duly satisfied if the meetings are properly noticed in conformance with this section.

**Section 2. Annual meetings.** After the first Board of Directors comprised of homeowners is elected, each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year (or on the next business day) following the first election meeting, at which meeting the members shall elect, by plurality vote, a Board of Directors and may transact



such other business as may come before the meeting. Such vote shall be by ballot except that, with respect to any directorship as to which there is only one candidate, a voice vote may be taken. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday. Notwithstanding the foregoing, the Board of Directors may, upon not less than thirty (30) days notice to all members, establish a different date for the annual meeting, provided that such date shall not be longer than thirteen (13) months from the last annual meeting.

**Section 3. Special meetings.** Special meetings of the members may be called at any time by the President and must be called on the request, in writing or by the vote of the majority, of the Directors or, after the first meeting of the members, at the request in writing of members of the Corporation who are entitled to cast votes on behalf of not less than ten per cent (10%) of the lots in the Community, or not less than five lots, whichever is greater.

**Section 4. Notice of meetings.** Except as otherwise noted herein, 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 mailing a copy of the notice, postage prepaid, at least fifteen (15) days before the meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the corporation, or supplied by the member to the corporation for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No change in the time or place of a meeting for the election of Directors, as fixed by these Bylaws shall be made within ten (10) next before the day on which such election is to be held. In case of any change in such time or place for such election of Directors, notice thereof shall be given to each member entitled to vote in person, or mailed to his or her last known post office address, at least the (10) days before the election is held.

**Section 5. List of members.** A complete list of members entitled to vote, arranged in alphabetical order, shall be prepared by the Secretary and shall be open to the examination of any member at the principal office of the Corporation and the place of election, for ten (10) days prior thereto, and during the whole term of the election.

**Section 6. Proxies.** Each member entitled to vote shall, at every meeting of the members, be entitled to vote in person or by proxy, in writing and signed by him or her, but no proxy shall be voted after one (1) year from its date, unless it provides for a longer period. Every proxy shall be revocable and shall automatically cease upon conveyance of the lot. Such right to vote shall be subject to the right of the Board of Directors to close the transfer books or to fix a record date for voting members as hereinafter provided and if the Directors shall not have exercised such right, no vote shall be cast at any election for Directors by anyone who shall have accepted membership in the Corporation within ten (10) days of such election. Only one (1) vote shall be cast by Class A Members with respect to each lot in the Community. In the event that members who hold title to any lot either by the entireties, or as joint tenants, or as tenants in common, attempt to cast the vote for such lot in conflicting ways, such vote shall be recorded as a fractional vote.

**Section 7. Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty (20) percent of the total members entitled to vote shall constitute a quorum (counting one member for each lot regardless of the number of persons holding title to such lot) for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If however, a quorum shall not be present at any meeting, the members entitled to vote there shall have the power to adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present.



**ARTICLE IV  
BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE**

**Section 1. Number.** The property and business of the Corporation shall be managed and controlled by its Board of Directors, consisting of two (2) or more Directors, not to exceed eight (8). Directors must be members of the Corporation.

**Section 2. Election.** At the first meeting of the Corporation, the members shall elect half of the Directors for a two year term, and shall elect the other half for a one year term (or, if there is an odd number of Directors, then the greater number closest to half shall have two year terms, and the lesser number closest to half shall have one year terms). Thereafter, Directors shall be elected for two-year terms. The Directors shall hold office until their terms and their successors are elected and qualify.

**Section 3. Removal.** Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Corporation, or with cause by a majority vote of the other Directors. In the event of death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board, though less than a quorum, by majority vote, and shall serve for the unexpired term of his or her predecessor.

**Section 4. Compensation.** No Director shall receive compensation for any service rendered to the Corporation. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

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

**ARTICLE V  
MEETING OF DIRECTORS**

**Section 1. Regular meetings.** After each annual election of Directors, the newly elected Directors and the Directors whose terms have not yet expired may meet for the purpose of organization, the election of officers, and the transaction of other business, at such place and time as shall be fixed by the members at the annual meeting, and if a majority of the Directors be present at such place and time, no prior notice of such meeting shall be required to be given to the Directors. The place and time of such meeting may also be fixed by written consent of the Directors.

**Section 2. Special meeting.** Meetings of the Directors may be called by the President on five (5) days notice in writing or on two (2) days notice by telephone to each Director and shall be called by the President in like manner on the written request of two (2) Directors. A majority of the Directors shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

**ARTICLE VI  
POWERS AND DUTIES OF THE BOARD**

**Section 1. Powers.** The Board of Directors shall have the power to:



- A. Adopt and publish rules and regulations governing the use of the common properties and facilities, and the personal conduct of the members and their guest, and to establish penalties for infractions.
- B. Exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, the Declaration, New Castle County Code, and any other federal, state or local law, regulation, or recorded plan or instrument applicable to the Community.
- C. Declare the office of a member of the Board of Directors to be vacant in the event the member shall be absent, without being excused in advance by the Chairperson or by reason of bona fide physical incapacity or emergency, from three (3) consecutive regular meetings of the Board of Directors; and
- D. Employ a manager, an independent contractor, or other employees as they deem necessary, and to prescribe their duties.
- E. Close the membership rolls of the Corporation for a period not exceeding ten (10) days preceding the date of any meeting of members.
- F. Appoint the Members of the Architectural Review Committee, who shall serve at the pleasure of the Board.

**Section 2. Duties.** It shall be the duty of the Board of Directors to:

- A. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement of its acts and corporate affairs to the members at the annual meeting of the members or at any special meeting when the statement is requested in writing by members of the Corporation representing at least ten percent (10%) of the lots in the Community.
- B. Supervise all officers, agents and employees of the Corporation, and members of committees, and to see that their duties are properly performed;
- C. As more fully provided here, in the Declaration, and in any other applicable code, law, regulation, or recorded plan or instrument, or as necessary for compliance therewith, to:
  - 1.) determine the amount of the annual assessment against each lot for approval by vote of the Corporation's members at least thirty (30) days in advance of the annual assessment period; provided, that if the assessment is not proposed to be changed from the previous year, no vote by the Corporation's members shall be required.
  - 2.) send written notice of each assessment to every Owner subject thereto at least ten (10) days in advance of each annual assessment period.
- D. Issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge, not to exceed five dollars (\$5) may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- E. Procure and maintain adequate liability and hazard insurance on property owned by the Corporation.



- F. Cause all officers, employees or independent contractors having fiscal responsibilities to be bonded, as it may deem appropriate; and
- G. Cause all open space and common facilities to be maintained as required.

## **ARTICLE VII COMMITTEES**

The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate such committees as it deems necessary or desirable, each such committee to include at least one (1) or more of the Directors of the Corporation. Such committees shall meet at stated times or on notice to all by any of their own number. They shall fix their own rules of procedure, subject to approval or modification by the Board of Directors. A majority shall constitute a quorum, but the affirmative vote of a majority of the whole committee shall be necessary in every case. Such committees shall have and may exercise the powers of the Board of Directors to the extent as provided in such resolution or resolutions of the Board of Directors creating such committee.

## **ARTICLE VIII OFFICERS OF THE CORPORATION**

The officers of the Corporation shall be a President, one or more Vice-Presidents, Secretary, Treasurer, and such other officers as may from time to time be chosen by the Board of Directors. The President, Vice President, and Treasurer if there be at least three Directors, shall be chosen from among the Directors. The officers of the Corporation shall hold office until their successors are chosen and qualify in their stead. Any officer chosen or appointed by the Board of Directors may be removed with or without cause at any time by the affirmative vote (and/or action in writing) of a majority of the whole Board of Directors. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the affirmative vote of a majority of the whole Board of Directors. Any Director may hold up to two offices.

**Section 1. Duties of the President.** The President shall be the chief executive officer of the Corporation. It shall be his duty to preside at all meetings of the members and Directors; to have general and active management of the business and the Corporation; to see that all orders and resolutions of the Board of Directors are carried into effect; to execute all agreements and other instruments in the name of the Corporation, and to affix the corporate seal thereto when authorized by the Board of Directors.

He shall have the general supervision and direction of the other officers of the Corporation and shall see that their duties are properly performed.

He shall submit a report of the operations of the Corporation for the year to the Directors at their meeting next preceding the annual meeting of the members and to the members at their annual meeting.

He shall be ex-officio a member of all committees and shall have the general duties and powers of supervision and management usually vested in the office of the President of a corporation.

**Section 2. Vice-President.** The Vice-President or Vice-Presidents, in the order designated by the Board of Directors, shall be vested with all powers and required to perform all the duties of



the President in his absence or disability and shall perform such other duties as may be prescribed by the Board of Directors.

**Section 3. President Pro Tem.** In the absence or disability of the President and the Vice-President(s), the Board may appoint from their own number a president pro tem.

**Section 4. Secretary.** The Secretary shall attend all meetings of the Corporation and the Board of Directors. The secretary may, if requested and willing to do so, attend any committee meetings. He shall act as clerk thereof and shall record all of the proceedings of such meetings in a book kept for that purpose. He shall give proper notice of meetings of members and Directors and shall perform such other duties as shall be assigned to him by the President or the Board of Directors.

**Section 5. Treasurer.** The Treasurer shall have custody of the funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation

He shall disburse the funds of the Corporation as may be ordered by the Board or President, taking proper vouchers for such disbursements, and shall render to the President and Directors, whenever they may require it, an account of all his transactions as Treasurer, and of the financial condition of the Corporation, and at the regular meeting of the Board next preceding the annual members meeting, a like report for the preceding year.

He shall keep an account of the members of record in such manner and subject to such regulations as the Board of Directors may prescribe.

He shall give the Corporation a bond, if required by the Board of Directors, in sum and in form and with corporate security satisfactory to the Board of Directors for the faithful performance of the duties of his office and the restoration to the Corporation, in case of his death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession, belonging to the Corporation. Such bond and security shall, if required, be provided at the Corporation's expense. He shall perform such other duties as the Board of Directors may from time to time prescribe or require.

**Section 6. Delegation of duties.** In case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by the majority of the Board, the Board of Directors may delegate his powers or duties to any other officer or to any Director for the time being.

## **ARTICLE IX ASSESSMENTS**

**Section 1. Creation of the lien and personal obligation of assessments.** By the Declaration (as defined in the Articles), and any other applicable code, law, regulation, and/or recorded plan or instrument, each member is deemed to covenant and agrees to pay to the Corporation:

- A. Annual assessments or charges; and
- B. Special assessments for capital improvements



The annual and special assessments, together with interest and costs of collection, as provided below, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each assessment, together with interest, cost and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of the property at the time when the assessment fell due and shall not be the personal obligation of that person's successors in title unless expressly assumed by such successors.

**Section 2. Purpose of assessments.** The assessments levied by the Corporation shall be used for the purpose of maintaining the private open spaces and common facilities in the Community, and all improvements located thereon, including, but not limited to, any storm water management facilities, common landscaping features, and any of the other purposes as set forth in these Bylaws, the Certificate of Incorporation, Declaration and/or any other applicable code, law, regulation, or recorded plan or instrument.

**Section 3. Annual assessments.** At and after the first meeting of members, an annual assessment shall be set by a majority vote of the members who are voting in person or by proxy at the annual meeting; provided, that in no event may such assessment be less than reasonably necessary to provide the Corporation with funds sufficient to discharge its duties and perform its obligations under the Declaration and any other applicable code, law, regulation, or recorded plan or instrument; and provided further, that if the Board determines to leave the previous year's annual assessment unchanged, no further vote shall be needed until a change to the assessment is proposed or unless a special meeting is called to consider a revised assessment. Prior to the first annual meeting, the Board of Directors shall determine whether or not to levy an annual assessment, and if so, the amount thereof.

**Section 4. Special assessments for capital improvements.** In addition to the annual assessments authorized above, the corporation may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement involving the open space or common facilities. A special assessment, if necessary, shall be set by a majority vote of the members who are voting in person or by proxy at the annual meeting or at a meeting duly called for this purpose.

**Section 5. Uniform rate.** Both annual and special assessments must be fixed at a uniform rate for all lots. The Corporation may establish a fixed discount for early payment of assessments, the amount and conditions of which shall be stated in the initial notice or statement of assessment sent to the members for payment.

**Section 6. Remedies for non-payment of assessments.** Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency to the date of payment at the prime rate (as established by a local bank identified from year to year by the Board of Directors) plus four per centum (4%), i.e. four hundred basis points, per annum, and the Corporation may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the common area or abandonment of his or her lot.

**Section 7. Lien Priority.** Nothing herein shall have the effect of giving any assessment, interest, costs or attorney's fees, or the lien thereof, or judgment therefor against any member or lot, greater priority over other liens than is specified in the Declaration.



## **ARTICLE X BOOKS AND RECORDS**

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation the Bylaws of the Corporation and any other recorded or applicable documents as identified by the Board of Directors shall be available for inspection by any member at the principal office of the Corporation, where copies may be purchased at reasonable cost not to exceed the lesser of twenty cents (\$.20) per page, or Five Dollars (\$5.00) for the Declaration, the Articles of Incorporation the Bylaws of the Corporation, and Ten Dollars (\$10.00) for all such instruments and documents.

## **ARTICLE XI CORPORATION PAYMENTS**

All checks, drafts or orders for the payment of money shall be signed by the President and the Treasurer or by such other officer or officers as the members of the Corporation may approve.

## **ARTICLE XII MEMBERS OF RECORD**

The Corporation shall be entitled to treat the title holder or holders of record of any lot in the (Subdivision name) as members in fact of the Corporation, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such lot or memberships on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Delaware.

## **ARTICLE XIII FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of January of each year.

## **ARTICLE XIV AMENDMENT**

**Section 1. Amendment.** The Bylaws may be amended, altered or added to by majority vote of the Board of Directors; provided, that unless seventy-five percent (75%) of the members of the Corporation have approved such amendment in writing, no such amendment shall take effect until sixty (60) days after notice of such amendment, accompanied by the language thereof, has been mailed to the members of the Corporation; and provided, further, that no amendment made after the first regular meeting of the members of the Corporation following the transfer of control of said Corporation from the initial Board of Directors to a Board of Directors comprised of homeowners, shall be effective (i) without the prior written consent of the Declarant, so long as the Declarant holds title to any portion of the Community, or (ii) without a meeting and affirmative vote of seventy-five percent (75%) of the members of the Corporation, if members representing at least ten percent (10%) of the lots, or representing at least five (5) lots, whichever is greater, call for such meeting and vote within sixty (60) days of the date when notice of the adoption of such amendment was mailed to the members. In addition, no such amendment shall become effective without the prior written consent of the Department of Housing and Urban Development, the Farmers Home Administration, the Veterans Administration, the Federal



National Mortgage Association or of any mortgage insurance provider, secondary mortgage market administrator, mortgagee or other institutional third party holding a mortgage against any portion of the Community, if such consent is a condition upon which any federally regulated financing or mortgage insurance for any lot in the Community was granted, accepted, insured, or qualifies in a secondary mortgage market.

**Section 2. Expanded Duties.** By vote of seventy-five (75%) of the members of the Corporation, the Corporation may provide for services in addition to the maintenance of private open space and common facilities, and in addition to any other duties, responsibilities, obligations and services required under other applicable codes, laws, regulations, and recorded plans and/or instruments. However, adoption of any such provision in these Bylaws, and/or inclusion of any such provision in any other recorded plan or instrument, shall place no duty or obligation on New Castle County to enforce any such additional provision, and not duty to perform any such other duties, responsibilities, obligations or services if the Corporation should fail to do so.

## **ARTICLE XV DEFINITIONS**

The following definitions are applicable hereto:

1. "Corporation" shall mean and refer to the "Reserve at Pilottown Maintenance Corporation," its successors and assigns, and to the proper named corporate entity to be formed as provided hereunder.
2. "Lot" shall mean and refer to each lot as shown on the Revised Plot Plan of Pilottown Park Addition recorded in the Office of the Recorder of Deeds for Sussex County, Delaware, in Book 00076, Page 00128, on 8-26-02, and as shall be shown on Revised Plot Plan for Reserve at Pilottown, prepared by Karins and Associates, plan dated 2-4-02 and last revised 4-22-04, whereby the name of the community shall be changed to "Reserve at Pilottown," not yet recorded but intended so to be, as may be amended from time to time (the "Plan").
3. "Member" shall mean and refer to every person or entity who holds membership in the Corporation.
4. "Owner" shall mean and refer to the record owner of a fee simple title to a lot as shown on the said Plan of the Community.
5. "Declarant" shall mean and refer to Pilottown Road LLC, a limited liability company of the State of Delaware, its successors and assigns.
6. "Common Facilities" shall mean and refer to all private open space designated on the record plan and also any common areas or common amenities that may be depicted on the record plan including, but not limited to, streets, unless accepted for dedication and actually maintained (including but not limited to snow removal and right-of-way mowing) by DelDot, curbs, sidewalks, storm water management facilities including recharge systems, parks, recreational facilities, fire hydrants, landscaping, parking areas, rights-of-way, easements, monuments and markers, and all improvements now and hereafter located thereon.



**ARTICLE XVI  
INCORPORATED BY REFERENCE**

All of the terms, conditions, matters and information contained and more fully set forth in the Certificate of Incorporation and Declaration are incorporated by reference.

**IN WITNESS WHEREOF**, we being all the Directors of Reserve at Pilottown Maintenance Corporation, have hereunto set our hands this \_\_\_\_ day of, \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

STATE OF DELAWARE     )  
  ) SS:  
COUNTY OF NEW CASTLE )

BE IT REMEMBERED that on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, personally appeared before me, the Subscriber, a Notary Public for the State of Delaware, the Directors of the Reserve at Pilottown Maintenance Corporation, a corporation existing under the laws of the State of Delaware, known to me personally to be such, and acknowledged the foregoing Bylaws.

SWORN AND SUBSCRIBED before me the day and year aforesaid

\_\_\_\_\_  
NOTARY PUBLIC

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of Reserve at Pilottown Maintenance Corporation, a Delaware corporation, and that the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
SECRETARY