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Prepared by & return to:

Francis G. Mahon

President, Wolfe Runne Homeowners Association, Inc.

PO Box-456, Lewes, DE 19958

**BY-LAWS
of the
WOLFE RUNNE HOMEOWNERS ASSOCIATION, INC.
(A Delaware Corporation)**

20 December 2020

These By-Laws revoke and replace the Wolfe Runne Homeowners Association, Inc. By-Laws (dated 23 September 2016) currently on file in Book #04625 (Pages-151 to 166) at the Office of the Recorder of Deeds for Sussex County, Delaware; and supersedes all other editions of the Wolfe Runne Homeowner Association, Inc. By-Laws, with earlier dates.

**BY-LAWS
of the
WOLFE RUNNE HOMEOWNERS ASSOCIATION, INC.
(A Delaware Corporation)**

ARTICLE ONE

Name

Wolfe Runne Homeowners Association, Inc. shall trade as "Wolfe Runne Homeowners Association" and hereafter be referred to as "the Association" in this document.

ARTICLE TWO

Offices

The principal mailing address of the Association in the State of Delaware shall be P.O. Box-456, Lewes, DE 19958.

ARTICLE THREE

Purposes and Objectives

These By-Laws shall amend, replace, and supersede all previously promulgated By-Laws, including those on file in Book #04625 (Pages-151 to 166) at the Office of the Recorder of Deeds for Sussex County, Delaware. In amplification of the purposes for which the Association has been formed as set forth in the articles of incorporation, the purposes and objectives are as follows:

1. To promote the collective and individual property interests and rights of all persons, firms, trusts, corporations, and other legal entities owning property in Wolfe Runne, as said property is shown on that certain Plot of Wolfe Runne, being an 82-lot sub-division, south of the City of Lewes, in Lewes and Rehoboth Hundred, Sussex County, Delaware, said Plot being of record in the Office of the Recorder of Deeds, in and for Sussex County, at Georgetown, Delaware, in Plot Book-38, at page 204.
2. To care for and manage the common areas, amenities, easements, recreational areas and ponds; all located within.
3. To develop, apply, and enforce the Association's:
 - a. By-Laws which define the Association's organization, processes, and procedures.

b. Set of restrictions, conditions, covenants, agreements, easements, reservations, charges, etc. (hereafter referred to as the Covenants)

4. To establish a Board of Directors (hereafter referred to as the Board) and elect members to serve on the Board which shall manage the affairs of the Association, subject to the approval and instructions of the Association's members as expressed by a vote of the lots as defined herein.

5. To establish committees for the purpose of research, reviews, and making recommendations to the Board for any specific project or function.

6. To collect all monies due the Association, maintain financial records, and make appropriate disbursements on behalf of the Association.

7. In general, but in connection with the foregoing, to do any and all things necessary to promote the general welfare of the Owners of Record of Wolfe Runne lots and residents of Wolfe Runne and their property interests; and to exercise any and all powers that may be delegated to it from time to time by the Wolfe Runne Owners of Record.

ARTICLE FOUR

Members

1. Class of Members. The Association shall have one class of members. The qualifications and rights shall be as follows:

a. Every Owner of Record of a numbered lot in Wolfe Runne, in the County of Sussex, State of Delaware, as herein particularly described, by accepting title to any lot in Wolfe Runne, automatically shall be a member and agree to the formation of the Wolfe Runne Homeowners Association. An Owner of Record (hereafter referred to as Lot Owner) shall mean and refer to the person or persons or legal entities, holding a fee simple title to any Wolfe Runne Lot, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. A Wolfe Runne Numbered Lot (hereafter referred to as Lot) may be undeveloped land or may be developed land, with a dwelling, garage, or other structure as allowed by the Wolfe Runne Covenants.

b. Membership shall include a responsibility by the Lot Owner to comply with and be bound by the By-Laws and the Covenants and any amendments thereto, and the Guidelines, Policies, and Rules, at any time adopted by the Association. Additionally, members agree to pay to the Association their pro rata share of funds (including special assessments) necessary for the performance of its functions, and all charges or fees as defined in Article Nine of the By-Laws. All Lot Owners, their heirs and assigns, hereby agree to be bound by these provisions at law. Failure in any of the above shall affect the Lot Owner's member status, as defined in this Article's paragraph-1. c.

c. Member Status. A member's status is categorized as either "in-good-standing" or "not-in-good-standing", as defined below.

i. A member is considered to be a member-in-good-standing and entitled to enjoy all of the rights and privileges the Association accords its members, unless the member has been notified in writing by the Board that the member's status has changed to that of a member-not-in-good-standing. (In these By-Laws the phrase, "in writing" is defined as, "a written or printed and signed piece of correspondence;" an email or text message does not constitute "in writing".)

ii. Any member deemed "not-in-good-standing"; loses entitlement to the privileges the Association accords its members. Specifically, a member-not-in-good-standing may not sit on the Association's Board, serve on or lead a committee, and may not use common facilities or amenities maintained by the Association. A member-not-in-good-standing: remains bound to abide by the Association's Covenants, Guidelines, Policies, and Rules; remains responsible to pay their pro-rata share of funds necessary for the Association to perform its functions and any charges levied against said member; and retains their voting rights.

iii. A change in member status to that of not-in-good-standing normally arises when the member has violated the specifications of the Association's Covenants, Guidelines, Rules, or Policies and fails to take corrective action to be in compliance with such; or the member's account has past due assessments, charges, fees, or fines; or the member's Lot has an Association-imposed lien upon it.

iv. A member-not-in-good-standing may be reinstated as a member-in-good-standing and receive full entitlement to Association rights and privileges when such member rectifies the issue which caused the member's status to change (e.g.: pays outstanding assessments or debts; pays fines; complies with the Covenants or other Guidelines; has any lien placed upon their property properly removed and documented with the Office of the Recorder of Deeds, County of Sussex, State of Delaware;).

v. In all cases, any change in a member's standing will be verified in writing by the Association's Board.

d. Membership in this Association shall terminate on such member's ceasing to be an Owner of Record of a Wolfe Runne Lot, the property described herein.

e. A Lot Owner is responsible for any resident or guest they allow to live or visit in Wolfe Runne or use a Wolfe Runne amenity and therefore is liable for any fines or charges the Association may incur or assess, resulting from a resident's or visiting guest's failure to comply with Wolfe Runne's Covenants, Guidelines, Rules, or Policies.

2. Member Rights.

A member-in-good-standing shall be entitled to all the benefits the Association accords its members, to include: the right to vote in General Membership Meetings; the privilege to use all common areas and amenities; and the privilege of serving on the Board, leading a committee, or serving on a committee.

3. Voting.

a. Voting Rights.

- i. Each Lot is entitled to a single vote when issues are brought to the Association for decision.
- ii. Where there are two or more Lot Owners for a Lot, the Lot may only cast a single vote and prior to any vote, the Lot Owners must register in writing with the Association's Secretary the identity of the person who will cast the vote for the Lot.
- iii. Where the Lot Owner is a trust, firm, corporation or other legal entity, the documented controlling officers of said entity shall register in writing with the Association's Secretary the identity of the person that will cast the vote for the Lot.
- iv. If a Lot Owner owns more than one Lot, that Lot Owner is entitled to one vote per Lot owned.

b. Voting Process.

- i. At membership meetings all votes shall be cast in person or with a written and signed proxy registered with the Secretary prior to the call for a vote. (See Article Five, paragraph-5.)
- ii. The Board is authorized to establish policies and procedures for voting by mail or email.

4. Delegation of Membership Privileges.

a. A Lot Owner who is a member in-good standing may delegate his/her rights to participate in Association matters or to be represented by another person by sending a notarized Power of Attorney to the Association Secretary outlining the extent of the rights or privileges the Lot Owner is delegating and the duration of this delegation.

b. The provision to delegate membership rights or privileges by a Lot Owner will be subject to Board approval and limited in number, to the total number of Lot Owners identified on the lot's deed of record, as found at the Office of the Recorder of Deeds, County of Sussex, State of

Delaware. Where the owner of a Lot is a trust, firm, corporation or other legal entity, the number shall be limited to the documented controlling officers of said entity and shall not exceed two (2) individuals.

c. If a Lot Owner delegates their privilege to serve on the Board, they have then removed themselves from such eligibility.

d. A Lot Owner may rescind their delegation at any time by notifying the Secretary in writing of their decision to do so. A Lot Owner who desires to modify their delegation must do so by submitting a new Power of Attorney to the Board which rescinds the previous Power of Attorney and reflects their desired modifications.

5. Residents.

a. Residents are defined as individuals who reside in a Wolfe Runne dwelling but are not the Lot Owner of a Wolfe Runne Lot and therefore are not a voting member of the Association unless the Lot Owner has filed a Power of Attorney delegating membership rights, as detailed in this Article's paragraph-4.

b. Residents are defined as either:

i. The occupants of a dwelling who have established a Board-approved landlord – tenant agreement with a Lot Owner.

ii. The Lot Owner's family, with family defined, as per the Sussex County, Delaware Code, as: "An individual or two or more persons, who are related by blood or marriage, living together and occupying a single housekeeping unit with single culinary facilities; or a group of not more than four persons living together by joint agreement and occupying a single domestic housekeeping unit with single culinary facilities; on a nonprofit, cost-sharing basis. Domestic servants employed and residing on the premises shall be considered as part of the family." (Sussex County Code, Chapter-115 (Zoning), Article-I (General Provisions), Section-115-4 (Definitions)).

c. Residents are welcome to: use and enjoy all Wolfe Runne amenities; participate in all Association sponsored events; serve on Association Committees; and chair Association Special Committees.

d. Residents are bound to follow and abide by the Association's Covenants, Guidelines, Policies, and Rules; and it is the Lot Owner's responsibility to ensure they comply with such. If a Resident does not comply with the aforementioned documents, the privileges cited above may be rescinded by the Board.

e. A resident cannot be a voting member of the Board unless the Lot Owner has filed a notarized Power of Attorney (as outlined in this Article's paragraph-4) defining the Lot Owner's desire to pass the privilege of Board Membership to the resident.

f. The Association may suspend any privilege(s) of a Lot Owner(s), other than the right of a Lot Owner to vote on any matter submitted to a vote of Lot Owners, or services provided to Lot Owners or Residents/Tenants for non-payment of Common Expenses, assessments, fines, charges, or other sum assessed against said Owner; or failure to comply with the Association's Covenants, Guidelines, Policies, and Rules.

ARTICLE FIVE

Meetings of Members

1. Annual Meeting. An annual meeting of the General Membership shall be held for the purpose of hearing reports from all officers and committees, and for reviewing the proposed annual budget, electing directors, and other business properly brought up for discussion. The meeting shall be held in the County of Sussex, State of Delaware, in November of each year. The time and place shall be fixed by the Board.
2. Additional Meetings. The Board may call additional meetings of the General Membership to discuss Association business that cannot wait until the Annual Meeting or may be convened by the Board if requested by not fewer than twenty-five (25) Lots.
3. Quorum. A quorum shall be defined as the ability of twenty-five (25) lots to cast votes at any meeting of the General Membership. In the absence of a quorum, a majority of the lots represented may adjourn the meeting without further notice.
4. Notice of Meetings of the General Membership. No less than ten (10) business days before the day of a meeting of the General Membership, notice stating the place, day, hour, and subject of any meeting of the members shall be delivered either personally or by mail or by email to each member entitled to vote at such meeting. The method of giving notice will be at the discretion of the Secretary.
5. Proxies. At any meeting of the General Membership, a Lot's vote may be cast by proxy executed in writing and signed by the Lot's Owner. The proxy shall be valid from the date of its execution but no proxy shall be valid after the meeting has formally adjourned, unless otherwise specified in the proxy.
6. Voting by Mail. When a vote of the lots is required on any proposed action, such vote may be conducted by mail or email, as the Board determines.

ARTICLE SIX

Board of Directors

1. General Powers.

a. The affairs of the Association shall be managed by the Board, subject to instructions of the members of the Association as defined in the Association's By-Laws, Covenants, Guidelines, Rules, and Policies; or at a regular meeting of the General Membership, or subject to the approval of the membership as expressed by a vote of the Lots.

b. The Board shall apply and enforce the Association's Covenants, Guidelines, Rules, and Policies.

c. The Board shall develop, apply, and amend policies, as required, to manage, guide, and document the Association's routine business affairs.

2. Number, Tenure, and Qualifications.

a. The number of Directors shall be either seven (7) or (9), as approved by the membership at the Annual Meeting. Directors shall be members of the Association and be nominated and approved by a vote at the annual meeting. If the Association deems it necessary for a greater or lesser number of Directors, the change shall be by two (2) and the total shall always be an odd number.

b. Terms of the Directors shall be staggered such that half of their number completes their term every other year. The Board will determine the respective terms by lot.

c. Each Director shall be a member (in-good-standing) of the Association or may be the delegate of a member (if such privilege has been delegated by a Power of Attorney, as per Article Four).

d. Directors shall hold office until two (2) Annual Meetings of the members (following the Director's original qualification) shall have been held and until the Director's successor shall have been elected and qualified.

3. Meetings of the Board. The Board shall meet, as a minimum, four (4) times a year (quarterly) at a time and place it shall select. Additional or special meetings of the Board may be called by or at the request of the President or any member of the Board.

4. Notices. Notice of any meeting of the Board shall be given at least ten (10) business days prior thereto, in hard-copy form delivered personally or sent by mail or by email to each Director. Any Director may waive the ten (10) day notice requirement for any meeting, if such waiver is seconded by two (2) other members of the Board.

5. Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a quorum of Directors is present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

6. Board Votes. Unless specified by law or in these By-Laws, all votes by the Board (at meetings where a quorum is present) shall be decided by a simple majority.

7. Vacancies. A vacancy may occur by resignation, sale of the member's Wolfe Runne Lot, two (2) consecutive unexcused absences from a properly-called meeting of the Board, or failure to maintain membership-in-good-standing. Such vacancies shall be filled by one of the following options, as per the discretion of the Board:

a. Option-1 -- Calling a Special Meeting of the Association and conducting a nomination and a vote to select a new member for the Board.

b. Option-2 -- Polling the Association for nominations or a volunteer to fill the vacancy and said nominee(s) / volunteer(s) shall be confirmed as a Director by a vote of the Board of Directors.

A member selected to assume a Board position under either option, assumes such position for the unexpired portion of the former Board member's term.

ARTICLE SEVEN

Officers

1. Qualifications and Method of Election. All Officers shall be members of the Board, shall be elected by the Board, and shall serve for a term of one year.

2. Officers. The Officers of the Association shall be:

a. President. The President shall: preside at all meetings of the Association and of the Board at which he/she is present; exercise general supervision of the affairs and activities of the Association; and serve as a member of ex officio of all committees. It is the duty of the President to keep the Vice-President informed of all pending issues as they occur and inform the full Board at the next board meeting.

b. Vice-President. The Vice-President shall assume the duties of the President during his/her absence.

iii. Secretary. The Secretary shall keep the minutes of all of the meetings of the Association and of the Board, which shall be an accurate and official record of all business transacted. The Secretary shall be custodian of all corporate records.

iv. Treasurer. The Treasurer shall receive all Association funds, keep them in a bank approved by the Board, and payout funds only after approval of the Board. The Treasurer shall

be a member ex-officio of the finance committee (if the Association forms one).

3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by any member of the Board for the unexpired portion of the term.

ARTICLE EIGHT

Committees

1. General. Committees shall be formed to address various functions of the Association and to support the Board and shall be subordinate to the Board.

2. Committee Types.

a. Standing Committees. The Association's only standing and permanent committee is the Architectural Review Committee (ARC) which is required by the Association's Certificate of Incorporation.

b. Functional Committees. The Association may, from time to time, organize committees to perform necessary Association functions (e.g.: Manage the Association's finances, amenities, and common areas; arrange social events). These committees shall be organized or disbanded as desired by the members.

3. Special Committees. The Board may, from time to time, organize special committees to manage or execute specific tasks, projects, or functions, which are not normally long-term in nature. Such committees shall consist of at least two members of the Association. The President shall appoint a Director to serve as a liaison between the committee and the Board.

4. Committee Chairs and Membership.

a. Committee Chairperson.

i. Standing or Functional Committee Chairperson. The Chairperson for the ARC or a Functional Committee will be a member of the Board, who is appointed by a majority vote of the Board.

ii. Special-Committee Chairperson. The Chairperson for a Special Committee may be any Association member-in-good-standing or resident (sponsored by a member-in-good-standing) of Wolfe Runne, who is approved by a majority vote of the Board.

b. Committee Membership. Any Association member in-good-standing or resident (sponsored by a member in-good-standing) may serve on a committee. Any member who is not-in-good-standing and any resident, who's sponsoring member is not-in-good-standing; shall be prohibited from Chairing or serving on any committee until such time as their member status is

restored to in-good-standing.

c. Any Chairperson or committee member may be removed from a committee by a majority vote of the Board.

5. Architectural Review Committee (ARC).

a. Shall review and recommend actions to the Board on all plans for construction, improvements, and landscaping to be placed upon any Lot, ensuring the standards and procedures as set forth in the Covenants are adhered to by Lot Owners and/or Residents.

b. Shall retain all approved plans as permanent records for each Lot.

6. Expenditures. No committee may expend or commit Association funds without authorization by the Board.

ARTICLE NINE

Assessments, Fees, Fines, and Charges

1. Annual Assessment.

a. Amount. The annual assessment shall be the same for each Lot. The Directors may, after consideration of current maintenance costs and future needs of the Association, set the annual assessment in an amount deemed appropriate, provided the assessment amount is approved by a majority vote of the Directors, and the new amount is not an increase in the assessment in excess of fifteen percent (15%) per year. An assessment increase in excess of fifteen percent (15%) per year requires the approval of fifty (50) Wolfe Runne Lots. A Lot Owner, who owns multiple Lots, shall pay assessments on each lot owned.

b. Notification. The Treasurer will notify each Lot Owner of when their assessments come due and any other outstanding charges in their account.

c. Payment of Annual Assessment. The annual assessment is due on March 15th and may be paid in one lump sum or two equal installments of fifty percent (50%). The lump sum or first installment is due on March 15th and the second installment is due on June 1st. A late fee of Fifty Dollars (\$50) will be assessed if each payment is not postmarked before or on the stated due dates. A notification to pay the annual assessment, plus any applicable late fee(s) and outstanding charges, will be mailed or emailed to each Lot Owner. If final payment of the annual assessment and all outstanding fees or charges is not received by June 30th, the Lot Owner will be notified that a lien will be placed on their Lot.

2. Special Assessments. Special assessments may be levied on members of the Association with at least fifty (50) of the Wolfe Runne lots approving such an assessment. The procedure for

voting on proposed assessments shall be the same as the procedure provided herein for voting on amendments to these By-Laws.

3. Payment of Special Assessments. When a special assessment is approved, that assessment will become payable thirty (30) days from mailing date of the assessment bill to all members. There will be a Fifty Dollar (\$50.00) late fee charged for any special assessment not paid in full by the due date. Fifteen calendar days (15) after the special assessment due date, notification of overdue payment will be sent. If payment, plus penalties, is not received within the subsequent fifteen (15) calendar days, the Lot Owners will be notified a lien will be placed on their Lot.

4. Impact Fee Assessment.

a. Upon each sale of a Lot, an Impact Fee Assessment will be paid to the Association by each and every person, trust, corporation, or other legal entity of whatever type or nature acquiring title to each Lot upon each conveyance or transfer of each Lot. The amount of this fee is established by a majority vote of the Directors. The Directors may, after consideration of future needs of the Association, set this assessment in an amount deemed appropriate, provided the assessment amount is approved by a majority of the Directors, and the new amount is not an increase in the assessment in excess of fifteen percent (15%) per year. An assessment increase in excess of fifteen percent (15%) per year requires the approval of fifty (50) Wolfe Runne Lots.

b. The Impact Fee Assessment shall be due and payable to the Association upon the date of conveyance or other transfer of each Lot, and shall be deposited by the Association into the Association Reserve Accounts to be used for the purpose of discharging a duty or obligation of the Association in maintaining, repairing, or replacing any common areas, amenities, or facilities. If unpaid, it shall, together with interest, costs, and reasonable attorney fees be a charge on the Lot conveyed or transferred and shall be a continuing lien upon each Lot against which each such Impact Fee Assessment is due.

c. The Impact Fee Assessment shall not apply to any of the following conveyances or transfers:

- i. A conveyance or transfer by a Lot Owner to an Owner's spouse or to the natural or adopted child or children of an Owner.
- ii. A conveyance or transfer by a Lot Owner to an intervivos or testamentary trust created by a Lot Owner primarily for the benefit of the Lot Owner or any of the persons named in sub-paragraph-5. c.i.
- iii. A conveyance or transfer by a Lot Owner to a corporation, partnership, limited liability company or other legal entity in which the Lot Owner is the primary Owner with more than fifty-one percent (51%) ownership in stock or ownership interest in such entity.
- iv. A conveyance or transfer by a Lot Owner to any of the persons or entities set forth in subparagraphs-5. c. i, ii, iii above by Will or through intestate succession.

d. The buyer of a Lot, his/her heirs and assigns, hereby agree to be contractually liable for said assessments, fees, fines, and charges.

5. DUCIOA Fee. The Delaware Uniform Common Interest Ownership Act (DE Title-25, Chapter-81) requires the Association, upon the request of a selling Lot Owner, to provide the prospective buyer(s) specific Association information and documents. The Act establishes a range of fees the Association may charge the selling Lot Owner for organizing and providing this information and material. The fee amount and payment time period will be established by the Board and is a charge to the selling Lot Owner's account. If the fee is not paid within the prescribed time period, the Lot Owner will be notified a lien is being placed upon the property.

6. Fines.

a. If any member shall fail to adhere to Wolfe Runne Covenants, Guidelines, Policies, or Rules; they will be served written notice of the violation by the Board. Failure by the member to take corrective action as prescribed by the Board within thirty (30) calendar days of the notice may result in the assessment of a fine in the amount of Twenty-Five Hundred Dollars (\$2,500.00) or less. Continued failure to correct said violation(s) will result in additional fines and liens in the amount equal to the prescribed corrective remedies.

b. These fines may be refunded, at the discretion of the Board, with satisfactory corrective action by the member.

c. Failure to pay an assessed fine(s) will result in a lien(s) on the member's Wolfe Runne Lot in favor of the Association.

d. If a fine is assessed and paid, but the member remains out of compliance with the Association's Covenants, Guidelines, Rules, or Policies, or if a fine is assessed and not paid, then the Association retains the right to seek remedy in the Delaware Court System.

7. Charges. The Association will charge a member for any expenses incurred by the Association for:

a. Actions the Association must take to rectify an issue caused by a member's failure to act or comply with Association Guidelines, Policies, or Rules; to include any legal, administrative, or court fees incurred by the Association.

b. Repair of damages sustained by Association common grounds, facilities, or amenities as a result of a member's, member's guest, or residents' actions.

c. Charges shall be payable within thirty (30) calendar days from the billing date. If payment is not received within thirty (30) calendar days, the Lot Owner will be notified a lien will be placed on their Lot.

d. In the event of a default by any Lot Owner in paying any common expenses, assessments, fines, charges, or other sum assessed against said Owner which continues for a period in excess of thirty (30) calendar days, such Lot Owner shall be obligated to pay all costs of collections incurred by the Association, including but not limited to, collection fees, lien recording fees and attorneys' fees even if no proceeding or legal action is initiated. In any proceeding arising out of any alleged default by a Lot Owner, the Association, shall be entitled to recover the costs of the proceeding and attorneys' fees.

e. In the event of a default by any Lot Owner in paying any common expenses, assessments, fines, charges, or other sum assessed against said Owner which continues for a period in excess of thirty (30) days, such Lot Owner shall be obligated to pay interest on the amounts due at the rate of eighteen percent (18%) per annum from the date such sum becomes due. The Association may also impose a late charge or late penalty for each unpaid assessment.

8. Liens.

a. If any member shall fail to pay any assessments, fines, or charges; as each become due, the amount of monies owed (amounts due plus applicable penalties or fees) shall become a lien on the member's Lot, in favor of the Association.

b. Liens will be placed in accordance with the provisions of Delaware law for the foreclosure and enforcement of liens; or, in the event the Association shall not record a lien, it shall have the right to commence an in personam action against such member or the Lot Owner of such lot for the collection of the assessments in any court of competent jurisdiction.

c. Any expenses incurred by the Association as a result of preparing, filing, or lifting a lien placed upon a Lot, shall be deemed a charge, payable by the offending Lot Owner.

ARTICLE TEN

Fiduciary Duties

1. Execution of Documents and Managing Funds.

a. Contracts. All contracts shall be reviewed by the Board and approved by a simple majority vote of the Directors. Contracts shall be signed by the Association's President (or Vice President, in the President's absence) or the Committee Chairperson responsible for the management of the contract.

b. Association Budgets and Funding.

i. The Board shall develop and approve the Association's annual operating budget and establish the Association's fees to fund the budget and the Association's Reserve Account. Increases in fees shall be constrained as defined in Article-Nine.

ii. At its periodic meetings, the Board will monitor cash receipts, disbursements, anticipated committee expenditures, and cash balances; and assess the Association's current fiscal situation and its annual budget.

iii. At the Association's Annual General Membership Meeting, the Board shall brief the members on the Association's fiscal status, its year-to-date financial performance, the full-year forecast and preliminary budget and fees for the next year.

2. Conflict of Interest. Contracts or other financial transactions between the Association and any of its Directors or Officers, or any entity in which any of the Directors or Officers of the Association have a vested interest are permitted only when:

a. The material facts of the transaction and the common interest are known to the Board which authorizes said transaction by a majority vote of the Directors. In no event may such a transaction be authorized by a single Director.

b. The material facts of the transaction and the common interest are known to all members entitled to vote on the matter and they approve the transaction by a majority vote.

c. The contract or transaction is commercially reasonable and benefits the Association, in view of all the facts known to any Director or Officer at the time such contract or transaction is authorized, ratified, approved or executed.

d. The Officer or Director with the common interest does not vote on the approval of said transaction.

3. Liability. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No member shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein.

4. Salary. No salary or other compensation shall be paid by the Association to any Director or Officer of the Association, but this shall not preclude reimbursement of reasonable expenses incurred in serving as Director or Officer.

ARTICLE ELEVEN

Fiscal Year

The fiscal year of the corporation shall be the calendar year.

ARTICLE TWELVE

Amendments

1. General. Any proposed amendment to these By-Laws may be submitted at any meeting of the Association. Following that meeting, the Association's General Membership shall meet at least two (2) more times. At the first meeting of those two (2) meetings, the members will discuss the proposed amendment and if a motion is made to vote on the proposed amendment, and said motion is approved, then a second meeting for the purpose of voting will be scheduled.

2. Proposed Amendments.

a. Shall be submitted in writing and signed by the Owners of three (3) Wolfe Runne Numbered Lots.

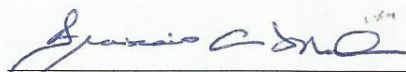
b. Shall be distributed to the members of the Association for their review at least thirty (30) calendar days prior to any meeting where the proposed amendments are to be discussed or a vote on the proposed amendment is to take place.

c. Shall be read by the Secretary to the members at the meeting where the vote is to be held unless the amendment's length makes this impractical, and a simple majority of the members vote to waive this requirement.

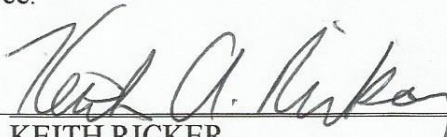
d. Shall be printed on ballots, unless the amendment's length makes this impractical, and a simple majority of the members vote to waive this requirement. In such case the ballot, with a complete copy of the amendments, will be distributed to all members thirty (30) calendar days prior to a meeting where a vote on the amendment is to take place.

3. Effective Date of an Amendment. A proposed amendment shall become effective when approved by a vote of forty-two (42) of the Wolfe Runne Lots and once said amendment is filed for record with the Office of the Recorder of Deeds for Sussex County, Delaware.

IN WITNESS WHEREOF, the undersigned President and Treasurer of the Wolfe Runne Homeowners Association, Inc. do hereby certify that the foregoing By-Laws of the Association have been duly adopted and are currently in force.



FRANCIS G. MAHON
President



KEITH RICKER
Treasurer

(Corporate Seal)
State of Delaware:

: ss.

County of Sussex:



BE IT REMEMBERED, THAT on this 4 day of JAN, 2021 personally came before me, FRANCIS G. MAHON, the President of Wolfe Runne Homeowners Association, Inc., and KEITH RICKER, Treasurer of Wolfe Runne Homeowners Association, Inc., parties of the first part to this Indenture, known to me personally to be such, and acknowledged this Indenture to be their act and deed and the act and deed of the Corporation.

GIVEN under my Hand and Seal of Office the day and year aforesaid.

Angela Lynn Jones
NOTARY

ANGELA LYNN JONES Notary Public STATE OF DELAWARE My Commission Expires May 24, 2021
