

**BYLAWS
OF
THE LEGENDS CIVIC ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is **THE LEGENDS CIVIC ASSOCIATION**, hereinafter referred to as the "Corporation".

The principal office of the Corporation shall be located at the home of the President of the Corporation, but meetings of members and directors may be held at such places within the State of Delaware, County of New Castle, 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 nominating a Board of Directors consisting of homeowners of The Legends and establishing a Nominating Committee. The initial Board of Directors shall send each homeowner an initial notice of the meeting at least forty-five (45) days before the meeting. The notice shall specify the place, day, and hour of the meeting, include a copy of these Bylaws, seek nominations from homeowners and shall state that the purpose of the meeting is to nominate and elect a new Board of Directors. The notice shall describe the duties associated with the office of Director, state that the Directors may seek one, two or three year terms and that if no preference is stated, the three candidates receiving the three highest vote totals will be elected for three years, the next three for two years and the final three for one year. Twenty (20) days before the date set for the meeting, the interim Board shall send out a second notice to all homeowners confirming the date of the meeting and setting out a biography of each person nominated. The interim co-chairpersons of 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. Notwithstanding any contrary provision in the governing documents, quorum requirements for nomination 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 following the first election meeting, at which meeting they shall elect by ballot, by plurality vote, a Board of Directors and may transact such other business as may come before the meeting. 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.

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 at the request in writing of twenty-five (25) or more members of the Corporation.

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) days 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 ten (10) days before the election is held.

SECTION 5. List of Members. All homeowners of the Legends in the Town of Middletown are members for ninety (90) days from the first meeting. Thereafter, members entitled to vote will be those Legends homeowners who have paid the dues as established by the Board on or before the date of notice of any meeting. A complete list of members entitled to vote, arranged by address, 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 thirty (30) days from the date of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance of the member's 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 on, or fewer than fifteen (15) days before, the date on which the meeting at which they seek to vote was called. Only one (1) vote shall be cast with respect to each lot in The Legends. In the event that members who hold title to any lot either by the entirety, 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-five (25) percent of the total members entitled to vote shall constitute a quorum (counting one (1) member for each dues-paying lot regardless of the number of persons holding title to such lot) for any action except as otherwise provided in the Articles of Incorporation 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 to a date certain where business may be conducted by those present as if they constituted a quorum.

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 three (3) or more Directors, not to exceed nine (9). Directors must be members of the Corporation.

SECTION 2. Election. At the first meeting of the Corporation, the members shall elect three Directors for a one-year term, three Directors for a two-year term and three Directors for a three-year term. Thereafter, Directors shall hold office for three-year terms from their date of election and until 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. 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 where such reimbursement is approved by the Board.

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 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 Meetings. 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 or an announcement to a date certain where business may be conducted by the Directors present as if they constituted a quorum.

**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 guests, 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 or the Articles of Incorporation;
- (c) Declare the office of a member of the Board of Directors to be vacant in the event the member shall be absent from three (3) consecutive regular or special meetings of the Board of Directors;
- (d) Employ a manager, an independent contractor, or other employees as they deem necessary, and to prescribe their duties, and
- (e) Close the membership rolls of the Corporation for a period not exceeding twenty (20) days preceding the date of any meeting of members.

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 five (5) or more members of the Corporation;
- (b) Supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;
- (c) As more fully provided here:
 - (1) Determine the amount of the annual dues and set a date by which the dues for the year shall be paid by each member; and
 - (2) Send written notice of such dues to every member at least thirty (30) days in advance of the date on which said dues are to be paid.
- (d) Issue, upon demand by any person, a certificate setting forth whether or not dues have been paid. A reasonable charge, not to exceed [five

dollars (\$5.00)], 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 or insured for fiscal misdeed, 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 consist of 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. 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.

ARTICLE VIII OFFICERS OF THE CORPORATION

The officers of the Corporation shall be a President, one (1) or more Vice-Presidents, Secretary, Treasurer, and such other officers as may from time to time be chosen by the Board of Directors. All officers shall be elected by the affirmative vote of a majority of the whole Board of Directors. All officers 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 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.

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 activities of 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-Presidents, the Board may appoint from their own number a president pro tem.

SECTION 4. Secretary. The Secretary shall attend all meetings of the Corporation, the Board of Directors, and may 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 in such depositories as may be designated by the Board of Directors.

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. Parliamentarian. The Parliamentarian shall be appointed by the Board. He will insure that meetings are conducted in accordance with Roberts' Rules of Order.

SECTION 7. 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 DUES

SECTION 1. Personal Obligation of Dues. Each member who voluntarily agrees to join the Corporation also agrees to pay to the Corporation:

- (a) Annual dues as established by the Board; and
- (b) Special assessments for capital improvements, where such special assessments have been approved by the Board.

SECTION 2. Purpose of Dues. The dues levied by the Corporation shall be used for the purpose of maintaining the private open spaces and common facilities in The Legends, and all improvements located thereon, including, but not limited to, any common landscaping features, and for any of the other purposes as set forth in these Bylaws, or the Certificate of Incorporation. It is anticipated that the Town of Middletown will maintain all open space and storm water management facilities, but the Corporation may undertake to supplement the care of these facilities to the extent deemed appropriate by the Board.

SECTION 3. Voluntary Annual Dues. The annual dues shall be set by the Board with notice to the members of the amount of the dues assessment prior to the annual meeting. Upon motion made, seconded, and a majority vote of the members who are voting in person at the annual meeting, the members may set the amount of the dues at some amount other than the amount set by the Board.

SECTION 4. Special Assessment for Capital Improvements. In addition to the annual dues assessment 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 at the annual meeting or at a meeting duly called for this purpose.

SECTION 5. Uniform Rate. Both annual dues and special assessments must be fixed at a uniform rate for all lots.

SECTION 6. Remedies for Non-Payment of Dues. Any dues 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 at the rate of seven per cent (7%) per annum, and the Corporation may bring an action at law against the owner personally obligated to pay the same, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. In lieu of seeking payment of delinquent dues, the Board may determine that the member failing to pay their dues is expelled and shall no longer be a member of the Corporation

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to reasonable inspection by any member. The Articles of Incorporation and the Bylaws of the Corporation 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 Fifteen Dollars (\$15.00) for both 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, but in no event shall a check be signed by fewer than two qualifying persons **if the amount of a check shall exceed \$250.00.**

ARTICLE XII MEMBERS OF RECORD

The Corporation shall be entitled to treat the title holder or holders of record of any lot in The Legends as members in fact of the Corporation for the purpose of voting without an obligation to pay dues for a period of ninety (90) days from the date of the first meeting of the members. Thereafter, membership shall be voluntary with membership being limited to those homeowners who have paid the dues established from time to time by the Board.

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. These Bylaws may be amended, altered, repealed or added to at any regular meeting of the members or at any special meeting called for that purpose, by affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the members of the Corporation at any time after the first meeting of the members of the Corporation following the election of a Board of Directors comprised of homeowners.

SECTION 2. Expanded Duties. By vote of sixty-six and two-thirds percent (66-2/3%) of the members of the Corporation, the Corporation may provide for services in addition to the maintenance of private open space and common facilities. However, adoption of any such provision in these Bylaws shall place no duty or obligation on the Town of Middletown or New Castle County to enforce any such additional provision.

ARTICLE XV DEFINITIONS

The following definitions are applicable hereto:

1. "Corporation" shall mean and refer to this Association, its successors and assigns.
2. "Lot" shall mean and refer to each lot as shown on the Record Major Land Development of The Legends.
3. "Member" shall mean and refer to every person or entity that holds membership in the Corporation by virtue of the ownership of a lot and, after ninety (90) days from the date of the first meeting, the payment of dues.
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 Legends.
5. "Common facilities" shall mean and refer to all private open space 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 by DeIDOT or the Town of Middletown, 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 are incorporated by reference.