

**BY LAWS  
OF  
SHIPCARPENTER SQUARE ASSOCIATION, INC. (SCS)  
Lewes, DE 19958**

ARTICLE I. AUTHORITY AND OFFICE

The By Laws shall be in accordance with the Declaration and Restrictions for Shipcarpenter Square which have been recorded and accompany the deed to each lot in the Shipcarpenter Square subdivision.

The office of the corporation shall be at the address of the President of the Board of Trustees.

ARTICLE II. BOARD OF TRUSTEES

Members of the SCS shall annually elect a Board of Trustees (hereinafter "Trustees") which shall be elected by a simple majority vote of approval by the then eligible voting owners, either in person or by proxy. This annual meeting shall be held in June of each year. These Trustees shall consist of three (3) to five (5) members who shall have sole responsibility for enforcing the Rules and Restrictions. Each eligible voting owner shall have as many votes as he, she, or it may own lots, provided however, that when more than one person or entity holds an interest in any one Lot, the vote of such lot shall be exercised as the owners cooperatively determine, but in no event shall more than one vote be cast with respect to any one lot. Voting by proxy given to the Secretary before or at the meeting shall be permitted. Proxies must be in writing or electronically.

The term of each Trustee shall be staggered and of three (3) years duration. An election shall be held annually so that each year each of the Trustees to be elected are elected for a term of three (3) years. No person shall be eligible to serve on the Trustees who has already completed two (2) successive terms; provided, however, that any persons shall become eligible to re-serve on the Trustees after one (1) year of non-service on the Trustees. In the event of a death, disability or resignation of any elected Trustee, that Trustee's remaining term shall be filled by the appointment of a replacement Trustee by a majority vote of the remaining elected Trustees.

The Trustees shall retain the power to change any decision made by a committee, and may dissolve a committee or revoke or limit its powers at any time.

Members of the SCS shall elect annually three (3) officers from among the Trustees, which shall be elected by a simple majority vote of approval by the eligible voting owners, either in person or by proxy. The officers shall include a President, Vice-President, and Secretary/Treasurer. Any officer may be re-elected annually subject to the limits of their terms. In the event of the death, disability, or resignation of the President, the Vice-President shall serve as President for the remainder of the term. In the event of the death, disability, or resignation of the Vice-President or Secretary/Treasurer, the President shall appoint a replacement from the existing Trustees for the balance of the term.

ARTICLE III. OFFICERS

The officers shall consist of a President, Vice President, and Secretary/Treasurer. The duties of the President include generally supervising the business of the corporation, and presiding over meetings of the Trustees and its members. The duties of the Vice President include assisting the President and the Secretary/Treasurer in performing their duties. The duties of the Secretary/Treasurer include keeping minutes of Trustees and members' meetings, maintaining corporate records, maintaining a list of eligible voting members, collecting dues and disbursing funds as directed by the Trustees, maintaining the books and bank accounts and other financial records, and making an annual financial report to the Trustees and members of the SCS.

ARTICLE IV. MEETING OF MEMBERS

There shall be one annual meeting of lot owners of Shipcarpenter Square to be held during the last week of June. There shall also be one budget meeting of lot owners of SCS to be held in November or December to approve a budget for the following calendar year. Additional meetings may be called by the Trustees or at the request of sixty percent (60%) of all lot owners. A lot owner is considered to be in attendance at the meeting if he or she is physically present at the meeting or has given a proxy to another person who is physically present at the meeting.

#### ARTICLE V. DECLARATION AND RESTRICTIONS

The deed restrictions as specified by the SCS in the Amended and Restated Declaration and Restrictions for Shipcarpenter Square shall be adhered to by all Shipcarpenter Square property owners.

#### ARTICLE VI. AMENDMENTS

These By Laws may be altered and repealed, and additional By Laws adopted by a sixty percent (60%) affirmative vote of all lot owners of Shipcarpenter Square.

#### ARTICLE VII. SHIPCARPENTER SQUARE ASSOCIATION, INC. (SCS)

The general purpose of the SCS is to further and promote the community welfare of property owners in the subdivision.

The SCS shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of the subdivision.

The Trustees of the SCS shall have the right to suspend the voting rights (if any) of any SCS member:

- For any period during which any SCS charge or assessments owed by the member remains unpaid; or
- During the period of any continuing violation of the Restrictions for the subdivision, after the existence of the violation has been declared by the Board of Trustees of the SCS.

#### ARTICLE VIII ARCHITECTURAL REVIEW COMMITTEE (ARC)

The Trustees have established an Architectural Review Committee (ARC) for the purpose of approving or disapproving architectural plans submitted by owners. The ARC shall consist of three (3) voting members of the SCS, each of whom shall serve for a three-year term.

The Chairperson of the ARC shall be elected by a simple majority vote of approval by the eligible voting owners, either in person or by proxy. The Trustees and the Chairperson of the ARC shall appoint two members of the ARC through a unanimous vote. The ARC Chairperson is limited to two three-year terms as Chair. However, any person shall become eligible to re-serve as the ARC Chairman after one term of non-service on the ARC. An ARC member may be re-appointed at the pleasure of the Trustees and Chair following one year off the committee. The Vice-President of the Trustees shall serve as a non-voting member of the ARC and may attend all ARC meetings. In the event of the death, disability, or resignation of the Chairperson of the ARC, the Trustees shall appoint a replacement Chairperson from the remaining members of the ARC by unanimous vote for the remainder of the vacated Chairperson's term.

#### ARTICLE IX. FINANCES

Annual and Special Assessments shall be set and collected by the Trustees as specified in Section 11 of the Deed Restrictions.

The Trustees shall not expend in excess of two thousand dollars (\$2,000) on any line item capital or operating expense not shown on the approved budget without first receiving the approval of at least sixty percent (60%) of the eligible voting owners of the SCS.

An SCS reserve fund shall be maintained at all times containing a minimum balance of one thousand dollars (\$1,000.00).

Amended, Restated and Approved by sixty percent (60%) of all lot owners of Shipcarpenter Square this 16th day of August, 2014.