

BY-LAWS
OF THE
CHALFONTE CIVIC ASSOCIATION, INCORPORATED

Revised
November 15, 2016

Mark E Smith, President

Deane Coffin, Vice President

Barry Ellis, Treasurer

Peggie Weader, Secretary

BY-LAWS
OF THE
CHALFONTE CIVIC ASSOCIATION, INCORPORATED

ARTICLE I –NAME

The name of this corporation shall be the Chalfonte Civic Association, Incorporated (herein referred to as the Corporation.)

ARTICLE II – PURPOSE

The purpose of the Corporation shall be to promote the general welfare and community activities of Chalfonte; to sponsor and maintain support for recreational activities; and to disseminate information of community interest.

ARTICLE III – OFFICES

Section 1. The registered office of the Corporation in the State of Delaware shall be the current residence of the President of the Corporation.

The registered agent in charge thereof shall be the President.

Section 2. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE IV- SEAL

Section 1. The Corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words “Corporate Seal, Delaware.”

ARTICLE V – MEMBERSHIP

Section 1. All residents and property owners of homes in the area defined in official plot plans of New Castle County, Delaware, as Chalfonte shall be eligible for membership.

Section 2. Membership shall be required and retained upon full payment of annual dues. Membership shall be terminated by failure to pay annual dues or by ceasing to be a resident or property owner.

Section 3. Each residential unit shall be entitled to one (1) vote at meetings of the Corporation. Votes may be cast by an adult member, in person, by mail, or by proxy. All proxies shall be filed with the Secretary of the meeting before being voted upon and no proxy shall be voted or acted upon after six months from its filing date. In addition, nonresident owners who are members of the Corporation may likewise cast one (1) vote.

Section 4. Membership in this Corporation is not transferable nor assignable.

Section 5. Meetings of members shall be held at the registered office of the Corporation in this state or at such place, within three (3) miles of Chalfonte, as may be selected from time to time by the Board of Directors.

Section 6. Annual Meetings: The annual meeting of the members shall be held on the second Wednesday of October in each year if not a legal holiday, and if a legal holiday, then on the secular day following at seven-thirty PM, when they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. If the annual meeting for election of directors is not held on the date designated therefor, the directors shall cause the meeting to be held as soon thereafter as convenient.

Section 7. Special Meetings: Special meetings of the members may be called at any time by the President, or the Board of Directors, or at the written request of a member signed by at least one-fifth of the Corporate membership. At any time, upon written request of any member or

members who have duly called a special meeting, it shall be the duty of the Secretary to fix the date of the meeting, to be held not more than sixty (60) days after receipt of the request, and to give due notice thereof. If the Secretary shall neglect or refuse to fix the date of the meeting and give notice thereof, the member or members calling the meeting may do so.

Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto, unless all members entitled to vote are present and consent.

Section 8: Quorum: The presence, in person, of twenty-five (25) members of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at the meeting of members.

If the election of the Board of Directors shall not be held on the day designated by these By-laws, the Board of Directors shall cause the election held as soon thereafter as convenient. The failure to hold such election at the designated time shall not work any forfeiture or dissolution of the Corporation, but the Court of Chancery may summarily order such an election to be held upon the application of any member of the Corporation. At any election pursuant to such order, the persons entitled to vote in such election who shall be present at such meeting, either in person or by proxy, shall constitute a quorum for such meeting, notwithstanding any provision of the Certificate of Incorporation or By-Laws of this Corporation to the contrary.

The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 9. Notice of Meetings: Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

Unless otherwise provided by law, written notice of any meeting shall be given not less than five (5) days before the date of the meeting to each member entitled to vote at such meeting.

ARTICLE VI – DUES

Section 1: Annual dues shall be set by the Board of Directors for each membership for the ensuing year. Dues will be payable upon joining and annually thereafter.

Section 2: There shall be no compulsory assessments.

ARTICLE VII – BOARD OF DIRECTORS

Section 1. The affairs of the Corporation shall be managed by the Board of Directors, which shall consist of the Officers of the Corporation, all of whom shall be members of the Corporation.

Section 2. Each member of the Board of Directors or alternative shall have one (1) vote at meetings of the Board.

Section 3. Fifty percent (50%) of the members of the Board of Directors shall constitute a quorum.

Section 4. The Board of Directors shall meet at least once every six (6) months at such time and place as the President shall designate.

Section 5. The president can convene an Executive Committee to carry out the Corporation's business between meetings of the Board of Directors. The Executive Committee will consist of the Officers and Chairs of any special committees. Any actions taken by the Executive Committee will be subject to ratification by the Board of Directors at its next subsequent meeting.

ARTICLE VIII – OFFICERS

Section 1. The officers of the Corporation shall consist of a President, a Vice President, a Recording Secretary, a Corresponding Secretary, and a Treasurer, all of whom shall serve for a term of one (1) year or until successors are elected and installed or unless sooner removed for a good cause by a two-thirds majority vote of the Board of Directors at a special meeting called for the purpose.

Section 2. No officer shall serve more than three (3) consecutive terms in the same office. The Vice President shall automatically succeed the President upon completion of the President's final term.

Section 3. Candidates for each of the offices shall be nominated by a nominating committee appointed by the President that shall consist of the President and at least two (2) but not more than four (4) other members who shall not be officers. The nominating committee shall nominate at least one (1) candidate for each office, and shall submit a ballot to each member of the Corporation at least ten (10) days before the annual meeting. Nominations may also be made from the floor during the annual meeting with the prior consent of the nominees.

Section 4. Election of the officers of the Corporation need not be by written ballot and shall be by a plurality of the votes cast at the annual meeting. The officers shall be installed at the annual meeting.

Section 5: In case of vacancy in any of the offices, the Board of Directors shall elect, at a meeting called for that purpose, a successor to fill the unexpired term.

ARTICLE IX – DUTIES OF OFFICERS

Section 1. The President shall be the Chief Executive Officer of the Corporation and shall preside at all meetings of the Corporation, Board of Directors and Executive Committee. He/she

shall see that all resolutions of the Corporation are put into effect and shall appoint all committees except the auditing committee.

Section 2. The Vice-President shall assist the President and shall perform the duties of the President in his/her absence.

Section 3. The Recording Secretary shall keep a record of the names and addresses of all members of the Corporation, shall record minutes of all the meetings of the Corporation, Board of Directors and Executive Committee, and shall keep all record belonging to the Corporation.

Section 4. The Corresponding Secretary shall handle all official correspondence of the Corporation, including notices of meetings.

Section 5. The Treasurer shall receive and be responsible for all funds of the Corporation and shall keep an account of all dues, receipts and expenditures. All funds received by the Treasurer shall be deposited in the name of the Corporation in a bank designated by the Board of Directors. All records of the Treasurer shall be available to the Board of Directors at any meeting.

The Treasurer shall not pay out any sum except as authorized by the President.

The Treasury accounts shall be examined annually, within thirty (30) days prior to the annual meeting, by an auditing committee of at least three (3) members appointed by the Board of Directors. The Treasurer shall provide a written report at the annual meeting and the auditing committee's approval of the Treasurer's report shall be shown by signature at the end thereof.

ARTICLE X – DISTRICT REPRESENTATIVES

Section 1. There shall be a District Representative and alternate from each of the districts as described on the attached plot diagram (Appendix I) having at least ten (10) occupied residential units. The district Representatives and alternates shall serve for terms of one (1) year

or until successors are elected and installed or unless sooner removed for good cause by a two-thirds majority vote of the Board of Directors at a special meeting called for the purpose.

Section 2. The duties of the District Representatives will be to represent the interests of the members of their districts on the Board of Directors and to convey the actions of the Board of Directors to the members.

Section 3. Candidates for District Representatives shall be nominated by the nominating committee established pursuant to Article VIII, Section 3. The nominating committee shall nominate at least two (2) candidates for each district, and shall submit a ballot to each member of the District at least ten (10) days before the annual meeting. Nominations may also be made from the floor at the annual meeting with the prior consent of the nominee.

Section 4. The District Representative for each district shall be elected by the members of the Corporation residing in the respective districts, and shall be by plurality of the votes cast at the annual meeting. The District Representative shall be installed at the annual meeting.

Section 5. The candidate for each district receiving the second highest number of votes shall be the Alternate. The Alternate shall serve in the absence of the District Representative.

Section 6. In the event of a vacancy in both the District Representative and the Alternate for any district, the Board of Directors shall elect/appoint a District Representative to fill the unexpired term.

ARTICLE XI – COMMITTEES

Section 1. The President may appoint any special committee, as the need may arise, to handle specific affairs of the Corporation designated by the President. Such a committee shall serve for a period of time not extending beyond the time of the next annual meeting.

ARTICLE XII – PARLIMENTARY AUTHORITY

The rules contained in “Robert’s Rules of Order, Revised” shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with these By-Laws.

ARTICLE XIII – AMENDMENT

The Certificate of Incorporation and the By-laws may be amended or repealed by an affirmative vote of two-thirds of the members present at any meeting of the Corporation, provided that notice of the proposed amendment is included in the notification of the meeting

Bylaw Upgrade Proposals for 2016 Annual Meeting

Proposed changes developed by the CCA Bylaw Committee and the CCA Board. Bylaw Committee members were: Marcia Adato, Joe Dorovich, Michael Kirifides, Neil Roosevelt, Mark Smith and Peggie Weader

A quorum was present at the meeting. All changes proposed below were approved by the members present.

Red Text – Indicates existing language impacted by proposed change

Green Text – Includes proposed change(s), rationale for change and any applicable notes.

ARTICLE II – PURPOSE

The purpose of the Corporation shall be to promote the general welfare and community activities of Chalfonte; to sponsor and maintain support for recreational activities; **to obtain compliance by residents with deed restrictions**; and to disseminate information of community interest.

Proposal: Delete “to obtain compliance by residents with deed restrictions”.

Rationale: The Chalfonte Declaration documents from the 1960s indicate a 20 year life-span for deed restrictions. Evidence exists that CCA hasn’t enforced deed restrictions for at least 23 years because they were becoming unenforceable due to the large number of exemptions that had been granted. Additionally, the existing New Castle County Land Use guidelines provide much more thorough, comprehensible and enforceable restrictions than the Chalfonte deed restrictions provided for.

ARTICLE VI – DUES

Section 1: Annual dues shall be set by the Board of Directors, **subject to approval at the Annual Meeting of the Corporation**, for each membership for the ensuing year. Dues will be payable upon joining and annually thereafter **for at least sixty (60) days following the Annual Meeting**.

Proposal: Delete “subject to approval at the Annual Meeting of the Corporation,”.

Rationale: The single largest CCA expenditure is snow removal. Snow removal occurs normally from the months of October through March, and annual expense amounts can vary from nothing to in excess of \$20,000. The Board is not in a position to assess the adequacy of the cash balance required for the following year until the spring, and dues collection must begin prior to the annual meeting in October to ensure enough cash is on hand to pay for early season plowing. The Board needs to have the ability to use its discretion to determine how much cash is required to replenish funds for CCA’s annual operating cost as well as to cover any project-related expenses.

Proposal: Delete “for at least sixty (60) days following the Annual Meeting.”

Rationale: We have 24 District Representatives involved in collecting annual dues. They’re encouraged by the Board and Treasurer to collect dues during the fall, before extremely

cold weather sets in but, inevitably, the collections dribble in through the early spring months. Some District Reps procrastinate getting started, but even those Reps who collect early are still chasing down laggard payments into the spring. The proposed change would make our bylaws consistent with what realistically happens each year.

ARTICLE VII – BOARD OF DIRECTORS

Section 1. The affairs of the Corporation shall be managed by the Board of Directors, which shall consist of the Officers of the Corporation **and the District Representatives**, all of whom shall be members of the Corporation.

Proposal: Delete “and the District Representatives” from Article VII

Rationale: District Reps have not been included in the Board for at least the last 10 years, if not longer. Furthermore, trying to add the 24 District Reps to our Board meetings would make them logistically impossible (where could such a large group meet? Not in a home!). The Board structure as it's evolved and operated for decades is working fine without the direct involvement of the District Reps.

ARTICLE IX – DUTIES OF OFFICERS

Section 5. The Treasurer shall receive and be responsible for all funds of the Corporation and shall keep an account of all dues, receipts and expenditures. All funds received by the Treasurer shall be deposited in the name of the Corporation in a bank designated by the Board of Directors. All records of the Treasurer shall be available to the Board of Directors at any meeting.

The Treasurer shall not pay out any sum except as authorized by the President. **A sum in excess of one hundred dollars (\$100.00) shall not be paid out except as approved by the Board of Directors. All checks withdrawing funds shall be signed by the Treasurer and either the President or Vice President.**

Proposal: Delete the last two sentences in the paragraph above.

Rationale: Banks no longer verify dual signatures on checks (as we learned from an officer at M&T Bank), so it's no longer an effective tool against abuse. CCA's current practice for funds disbursement is for the Treasurer to inform the President via email about the need to make a payment. Once the President responds in writing via email with his approval, the Treasurer creates a check through electronic banking. The majority of our checks are in excess of \$100, so the requirement that the entire Board approve payments over this amount is unreasonable. Additionally, the President receives electronic email bank alerts directly from the bank for every new payee created, every check cleared and regular updates on the account balance.

The Treasury accounts shall be examined annually, within thirty (30) days prior to the annual meeting, by an auditing committee of at least three (3) members appointed by the Board of Directors. The Treasurer shall provide a written report at the annual meeting and the auditing committee's approval of the Treasurer's report shall be shown by signature at the end thereof.

Fund disbursement shall not occur until signatures are obtained.

Proposal: Delete the last sentence of the above paragraph

Rationale: The last sentence makes no sense in the context of the paragraph, which refers to the task of the audit committee. CCA's current practice is that the audit committee reviews financial and bank statements on a monthly basis (not just an annual basis as stated above). Emails showing the President's pre-approval for all payments made are also available to the audit committee.