

BYLAWS

OF

ESTATES OF RED LION MAINTENANCE CORPORATION

ARTICLE I NAME AND LOCATION

The name of the corporation is the Estates of Red Lion Maintenance Corporation, herein referred to as the "Corporation."

Until such time as the Corporation is transferred to the residents of the Estates of Red Lion, the principal office of the Corporation shall be at 2750 Wrangle Hill Road, Bear, Delaware 19701.

The Corporation may also have an office or offices at such other place or places as the Board of Directors may from time to time designate.

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, 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 and electing a Board of Directors consisting of homeowners of the Estates of Red Lion subdivision, located in Red Lion Hundred, New Castle County, State of Delaware. The initial Board of Directors shall send each homeowner notice of the meeting at least thirty (30) days before the meeting. The notice shall specify the place, day and hour of the meeting and shall state that the purpose of the meeting is to nominate and elect a new Board of Directors. Nominations shall be accepted by the initial Board of Directors in any form up to and until the time of the election. A list of nominations, including the offices that the nominee is nominated for, shall be prepared by the initial Board of Directors. Elections shall be by written 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 meeting is properly noticed in conformance with this section.

Section 2. Annual Meeting. The members of the Corporation shall meet at least once per year (which shall be a period of twelve consecutive months) at a time and place established

by the Board of Directors, for the purpose of nominating and electing a Board of Directors, or replacements thereto, consisting of members of the Corporation and conducting other business as it may properly come before the meeting. Nominations shall be by proxy received by the Board of Directors prior to the election of the Directors. In addition to nominations received by proxy, nominations may be made at the meeting. A list of nominations, including the offices that the nominee is interested, shall be prepared by the Board of Directors. The Board of Directors shall oversee the election and a Director shall remain in office until a replacement is duly elected. Elections shall be by ballot, by plurality vote.

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 of the Corporation, at the request in writing of five (5) 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 ten (10) 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. 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 for at least 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 owned by the member executing the proxy. 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 with respect to each Lot in the Estates of Red Lion subdivision. 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 Certificate of Incorporation, the Declaration of Restrictions, the Maintenance Declaration or these Bylaws. If, however, a quorum shall not be present at any meeting, the members entitled to vote in attendance 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 three (3) or more Directors, not to exceed eight (8). Except for the initial Board of Directors, which shall be comprised of agents of the developer of the Community, Directors must be members of the Corporation.

Section 2. Election. At the meeting of the members, as set forth above, the members shall elect the Directors for a one (1) year term. The Directors shall hold office until the next annual election and until their successors are duly elected and qualified.

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.

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 of 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 (personally speaking with each) 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 guests, and to establish penalties for infractions;
- (b) Determine and collect the regular and special assessments (as defined in the Maintenance Declaration for the Estates of Red Lion) and exercise such other powers as provided therein;
- (c) Exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by other provisions of these Bylaws, the Certificate of Incorporation, the Declaration of Restrictions, or the Maintenance Declaration for the Estates of Red Lion;
- (d) 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 meetings of the Board of Directors;
- (e) Employ a manager, an independent contractor, or other employees as they deem necessary, and to prescribe their duties; and
- (f) Close the membership rolls of the Corporation for a period not exceeding ten (10) 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 the Corporation, and to see that their duties are properly performed;
- (c) As more fully provided here, and in the Maintenance Declaration, to:

- (1) determine the amount of the annual assessment against each Lot for approval by majority vote of Corporation's members at least thirty (30) days in advance of each annual assessment period; and
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) 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 (\$5.00), may be made by the Board of Directors 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 consist of two (2) 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 of the Board.

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 and Vice Presidents shall be chosen from among the Directors. The officers of the Corporation shall hold office until their successors are chosen and qualified 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 entire 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 the President's 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.

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

The President 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.

The President 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(s), 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 the event of the President's 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 of Directors 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 any committee meetings. The Secretary shall act as clerk thereof and shall record all of the proceedings of such meetings in a book kept for that purpose, shall give proper notice of meetings of members and Directors, and shall perform such other duties as shall be assigned by the President or the Board of Directors.

Section 5. Treasurer. The Treasurer shall have custody of the funds and securities of the Corporation, 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.

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

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

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

The Treasurer 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 a majority of the Board, the Board of Directors may delegate that officer's powers or duties to any other officer or to any Director for the period of the absence or disability.

ARTICLE IX ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. By the acceptance of title to a Lot within the Community, as set forth in Section 4 of the Maintenance Declaration for Estates of Red Lion, dated August 31, 2000 and recorded in the Office of the Recorder of Deeds at Deed Book 2886, Page 156, 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, costs 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 pass to successors in title unless expressly assumed by them.

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 Estates of Red Lion subdivision and all improvements located thereon, including, but not limited to, any storm water management facilities, and for any of the other purposes as set forth in these Bylaws, the Certificate of Incorporation, the Declaration of Restrictions, or the Maintenance Declaration for Estates of Red Lion.

Section 3. Annual assessment. An annual assessment shall be set by a majority vote of the members of the Corporation in good standing who are voting in person or by proxy at the annual meeting. ~~Such annual assessment may, by action of the Board of Directors, be made to be payable on a biannual, quarterly, or monthly basis.~~

Section 4. Special assessment/sinking funds 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. In addition to the annual assessments or any special assessments which may be levied, the Board of Directors may, if it deems appropriate, establish one or more sinking funds for the purpose of future maintenance, repair updating, or replacement of any of the common facilities or improvements located thereon.

Section 5. Uniform rate. Any annual assessments, special assessments, or assessments resulting from the imposition of one or more sinking funds must be fixed at a uniform rate for all Lots.

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 at the legal rate 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 assessments provided for herein by nonuse of the common area or abandonment of his or her lot.

ARTICLE X CORPORATE PAYMENTS

All checks, drafts or orders for the payment of money shall be signed by one or more such officer or officers as the Board of Directors may from time to time designate. No check shall be signed in blank.

ARTICLE XI BOOKS AND RECORDS

The books, records, papers and accounts of the Corporation shall at all reasonable times, during reasonable business hours, be subject to inspection by any member. The Declaration of Restrictions, the Maintenance Declaration, the Certificate 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 five dollars (\$5.00) for all four (4) documents.

ARTICLE XII NOTICES

Notice required to be given under the provisions of these Bylaws to any director, officer or member shall not be construed to mean personal notice, but may be given in writing by depositing the same in a post office or letter box, in a post paid sealed wrapper, addressed to such member, officer or director at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed. Any member, officer or director may waive, in writing, any notice required to be given under these Bylaws, whether before or after the time stated therein.

ARTICLE XIII 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 two-thirds (66%) of the members of the Corporation at any time after the first meeting of the members of the Corporation following the election of the Board of Directors comprised of homeowners.

Section 2. Expanded Duties. By affirmative vote of seventy-five percent (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, as provided herein. However, no such service may be provided which would jeopardize the Corporation's standing as a homeowner association under the Internal Revenue Code, as it may be amended.

ARTICLE XIV MEMBERS OF RECORD

The Corporation shall be entitled to treat the title holder of record of any lot in the Subdivisions 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 lots 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 XV FISCAL YEAR

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

**ARTICLE XVI
CERTIFICATE OF INCORPORATION**

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

**ARTICLE XV
DEFINITIONS**

The following definitions are applicable hereto:

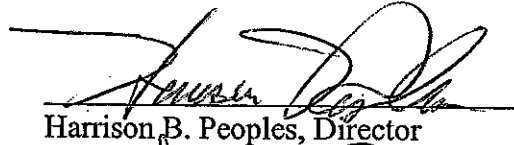
1. "Corporation" shall mean and refer to the Estates of Red Lion Maintenance Corporation," its successors and assigns.
2. "Lot" shall mean and refer to each lot as shown on the Record Major Subdivision Plan for the Estates of Red Lion.
3. "Member" shall mean and refer to every person or entity who holds 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 Estates of Red Lion.
5. "Common Facilities" shall mean and refer to any area on said Plan of Estates of Red Lion dedicated as private open space, stormwater management area, recharge or infiltration system, landscaping within open areas, common parking areas, sidewalks abutting open space and/or not located in a DeDOT right-of-way, street not dedicated for public use and any other item if specifically defined as a common facility on said Plan.

IN WITNESS WHEREOF, the undersigned, being the sole Directors of the Estates of Red Lion Maintenance Corporation, have hereunto set their hands this 31 day of January, 2003.

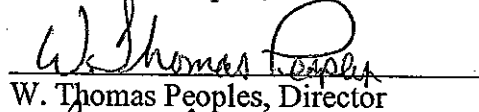
Witness:



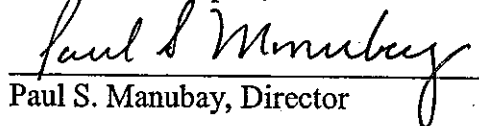
as to all



Harrison B. Peoples, Director



W. Thomas Peoples, Director



Paul S. Manubay, Director

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of the Estates of Red Lion 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 31 day of JAN, 2003.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this 31 day of JANUARY, 2003.

By: Paul S. Manubay
Paul S. Manubay, Secretary

Dated: _____, 2003