

HENLOPEN ACRES



BEACH CLUB

MEMBER HANDBOOK

SUMMER 2020

www.henlopenacresbeachclub.com

2020 Calendar

Club Opens:	Memorial Day Weekend Saturday, May 23 – Monday, May 25
Memorial Day Party:	Sunday, May 24 at 6:00 pm
Club Open on Weekend:	Saturday, May 30 – Sunday, May 31
Club Open Daily:	Saturday, June 6
Independence Day Party:	Saturday, July 4 at 6:30 pm
Annual Meeting:	Saturday, August 22 at 10:00 am
Labor Day Party:	N/A Henlopen Acres 50 th party
Club Closes Daily:	Monday, September 7
Club Open on Weekend:	Saturday, September 12 – Sunday, September 13

HABC Website:

www.henlopenacresbeachclub.com

- Membership Application
- Calendar of Events
- Private Party Reservation Form
- Board of Directors
- Contacts for Assistance
- Member Handbook & By-Laws

Lock Code:

Deck Bathrooms: 2020

Henlopen Acres Beach Club Rules & Regulations

(Revised for the 2020 Season)

Membership

1. There are three types of membership:
 - Resident
 - Associate
 - Senior
2. All Henlopen Acres property owners are invited to join the HABC. Those who choose to join and are accepted are hereinafter called **Resident Members**. While there may be spouses and co-owners who share legal ownership of the property, all of those who are included in the annual registration share and are limited to a single membership.
3. There are a limited number of **Associate Members**. No new Associate Members are currently being accepted.
4. After (12) years as a Resident Member, one may, upon Board of Directors approval, retain membership as a **Senior Member**, after giving up property ownership in Henlopen Acres.
5. Only one person or married couple is an Associate or Senior Member.

Rights of Use (Photo ID may be required)

1. All unmarried members of the Member's immediate family under 23 and over 11 years of age are entitled to Club privileges without the payment of additional fees.
2. **Immediate Family** includes parents, grand-parents, children, grand-children, great-grand-children, and their spouses. Any Member may declare members of their immediate family an

Authorized Family Member by registering them and paying the applicable \$200 fee. Each single-family unit may be designated

an Authorized Family Unit so that one fee covers all members of the Unit, except children 23 years of age and over and married children, who must pay a separate fee for unescorted access privileges to the Club.

3. If an authorized Family Member/Unit is not registered and the fee is not paid, he/she/they must be accompanied to the Club by the Member or Authorized Family Member as a guest. All children 11 years of age and under must be accompanied by the Member or an Authorized Family Member, who will be responsible for their conduct.

Henlopen Acres Beach Club Member Code of Conduct

Purpose

Membership with the Henlopen Acres Beach Club (HABC) is a privilege and with that privilege come certain responsibilities. This Member Code of Conduct outlines the expectations of HABC members to ensure that its members, guests, management and staff enjoy Club facilities in a safe and respectful manner.

General Principles

- Members and guests will show courtesy and respect to all others at all times.
- Members and guests will observe all rules and regulations established by the Club.

Guidelines

- Safety First - Be mindful of individual safety and the safety of others involved on Club premises and/or during Club activities.
- Respect Always - Show respect, civility and consideration towards other Club members, guests, staff and Club property at all times.
- Honesty and Integrity - All members must ensure that they, their guests and children abide by the Club rules and this Member Code of Conduct at all times. No HABC member shall be given or expect preferential treatment, including Officers, Directors, Chairs and/or Volunteers.

Appropriate Behavior

- Respect, dignity and proper regard to all members' rights and obligations. Show respect for the privacy of others.
- Fair, considerate and honest treatment of others.
- Mature and acceptable social behavior while at the Club.
- Mindful behavior of individual safety and the safety of all others.
- Responsibility that all guests abide by the Club's Member Code of Conduct.

Youth Protection

Parents or parent substitutes shall be responsible for the conduct of persons in their care under 18 years of age at all times. Members, office holders and volunteers who instruct or assist children in any Club endorsed activity must adhere to the Anti-Harassment and Prohibited Conduct sections of the Club's Employee Handbook.

Compliance

Violations of the Member Code of Conduct will be referred to the Board of Directors.

Beach Rules

1. Each Membership (including all Authorized Family Members) is entitled to only one (1) umbrella and two (2) chairs when available. Some sand chairs, (1 – 2) per Member, are available on a first-come basis. Please do not take HABC deck chairs to the beach. Members may bring additional chairs from home.
2. Resident Members bringing a large party to the Club and desiring multiple umbrella and chair set-ups may contact Lynam to inquire about reserving such set-ups on the adjacent Block W beach at Lynam's applicable fees. Please be aware, however, that Block W beach is not part of the Henlopen Acres Beach Club; is not guarded; and is owned and overseen by the Henlopen Acres Property Owner's Corporation (HAPOC).
3. Members and guests are requested to be considerate of others. In particular, large groups should take care not to disturb those at neighboring umbrellas.
4. Chairs and beach positions may not be held for arrivals at a later hour. Holding chairs for short periods is only permitted while at lunch on the deck or walking the beach.

5. Umbrellas may not be moved from original positions, and chairs should be kept close by. Please turn in your umbrella tag upon leaving the beach.
6. The Manager will walk the beach periodically to ensure that only members and their family and guests are using the Club beach and chairs. Please cooperate by providing your Member name and number upon request.
7. Ball games, Frisbees, and other activities must be well back and away from chairs and umbrellas. No chairs are permitted directly in front of the life guard stands, and no umbrellas may be in front of the lifeguard line what-so-ever.
8. No alcoholic beverages are permitted on the beach. There is no restriction on beverages on the deck or in the clubhouse.
9. No dogs are permitted on the HABC beach during Club hours of operation. Dogs must be under the control of their owner at all times. Use of showers to rinse dogs is not permitted.
10. No loud music is permitted on the beach or in the clubhouse areas.
11. No glass containers are permitted on the beach. Please do not litter. Use regular and recycling trash cans.
12. During any absence of the Lifeguard, swimming is at one's own risk.
13. The Manager may order umbrellas closed for safety reasons in the event of high winds. The Manager, Beach Patrol Captain, or Board may also close the beach as needed for safety reasons. All swimmers must obey the lifeguards and exit the water at closing.
14. No use of boats, surf boards, skim boards or large rafts is allowed on the HABC beach. Use of boogie boards or small rafts is permitted at the discretion of the Beach Patrol Captain.
15. Please obey all posted signs, including staying off sand dunes.
16. The groin/jetty is off limits at all times.

17. Smoking is prohibited in the HABC clubhouse and in accordance with local ordinances, there is no smoking permitted on the beach or grounds.

Tennis Rules

1. Members and guests only may use the tennis courts.
2. Tennis shoes appropriate for a clay court must be worn along with appropriate attire (of any color).
3. Sign up at the Reception Desk for reservations using your membership name and number.
4. Two (2) hour maximum for use of courts.
5. Please sweep the court and lines after play.

Club Rules

1. Beach Club hours during the season are from 10:00 a.m. until 5:00 p.m. Beach chairs will be available until 6:00 p.m. in July and August. However, after 5:00 p.m. the beach will not be guarded, and the club house will not be open. Swimming is at your own risk.
2. All vehicles must display a HABC parking permit. Parking space is limited. Bikes and carpools are encouraged. Tickets will be issued to vehicles without proper parking permits.
3. Members and their guests must register at the Reception Desk upon arrival at the Club, with the Member providing his/her name and membership number, as well as the number and names of guests.
4. Only a Member or an Authorized Family Member is permitted to bring guests to the Club. The Member/Authorized Member must accompany guests to the Club, sign them in at Reception Desk, and remain with the guests for the duration of the visit. Guests and relatives who are not authorized on the Member's membership may not come to the club unescorted by simply providing the Member's name at the Reception Desk. Doing so is considered a violation of Club rules.

5. Any complaint about the behavior or attitude of an employee should be directed to the Club Manager or President. No Member or guest is permitted to reprimand or censure the conduct of an employee.
6. The bathroom doors on the deck have a combination lock which is: 2020. After hours, please make sure to close the door when leaving to lock it shut overnight.

Policy on Staff Tips & Gifts

It is the policy of the Club to discourage employee gifts or tips at any time other than the end of the season. The Club may provide a discretionary staff bonus in September. Members may, at their own discretion, provide a staff tip directly, up to a maximum of \$100 per employee. Members may also contribute to the Club's bonus fund by giving cash or check to the Club Manager for distribution to staff.

Members may not provide tips or gifts to Club staff beyond these guidelines. Moreover, Club staff may not accept them as a condition of employment with the Club and are required to report any tip or gift in excess of \$100 immediately to the President. Members should contact the President for further guidance.

Club Officers and Staff – 2020 Season

The Club is overseen by a nine-member Board of Directors elected by the membership to serve three-year terms of office. Each August, an election takes place for three Board seats.

Resident Members who are interested in serving on the Board should contact the President. Per article IV, Section 6, the President will finalize a ballot to include: incumbent Board members, any resident member in good standing who has stepped forward to be a candidate, and any eligible member whom the Board has recruited to be a candidate. In addition, the ballot will provide for write in candidates. As a general guideline the Board will look to limit the number of recruited candidates to the number of open seats.

Board of Directors: John Scheurer – President
Larry Davis – Vice President
_____ Joni Reich – Vice President
Gene Wilson – Treasurer
John McGavin – Secretary & General Counsel
Wendy Jacobs – Membership & House
Ann Cameron – Beach & Tennis
Tom Donnelly – Events & Reservations
Lyndie Hertrich – Events & Activities
John Scheurer – Building & Grounds

Staff: Bobby Hutton – Club Manager
Mike Apgar – Beach Patrol Captain
Dennis Walters-Beach Safety Advisor

Clubhouse Reservations

The club is available for Members to host a private party from May 15 to September 30. Tented events are not allowed from July 1 to Labor Day. The Club Manager or designee will be on-site for parties over 50 guests. Contact Tom Donnelly, Reservation Chair, to reserve the Club for a private party at (703) 893-6369 or tdonnelly1947@gmail.com.

Your Club is a private, not-for-profit corporation. To protect its status, the Board of Directors asks for your cooperation in adhering to the following rules for private social affairs.

1. The Club is for use of the Members and their guests only. Only Members may reserve the clubhouse for personal use after regular hours, beginning at 6:00 p.m. The bar will be closed and music must cease by 10:30 p.m. All guests must leave the premises by 11:00 p.m.
2. A member may not reserve the clubhouse for use by an outside co-host, individual, or group. A member engaging the clubhouse may do so only for personal use of his/her family and friends and must attend the affair with personal financial responsibility. Members are not allowed to reserve the club house on behalf or for the benefit of an organization to which they may belong or support. If there are any questions about this restriction, contact the Reservation Chair.
3. No fee, collection, or other reimbursement shall be charged or paid by a guest to a private event.

4. Parties for teenagers must have adult supervision at all times.
5. Use of alcoholic beverages is subject to all local and State of Delaware rules and regulations. Alcoholic beverages may not be served to anyone under 21 years of age. The Member-host is responsible for ensuring compliance with all rules and regulations governing service and consumption of alcohol.
6. The Member-host must reimburse the Club for any damage to the clubhouse, furniture, fixtures, or equipment by anyone in attendance.
7. The Member-host must attend and remain at the party for the duration of the event.
8. Club supplies are not available for private parties.
9. Excessively loud music will disturb the neighbors and is not permitted.
10. Furniture and equipment arrangements are the responsibility of the Member-host. Please contact the Club Manager at least two weeks in advance of the party to discuss your plans for entertainment, decorations and special equipment. The club house will be open to members during normal hours; however, full access to facilities may be limited prior to closing.
11. Set-up will be restricted as follows:
 - PARTY SET-UP: Same day only after 2 p.m.
 - TENT SET-UP: Arrange with Manager.
12. The Member-host is responsible to see that caterers leave the kitchen clean and in order and abide by the rules of the kitchen. In addition, the entire facility, building and grounds must be returned to their original condition in terms of cleanliness and arrangement of furniture no later than 11:30 p.m. the night of the party.
13. The Member may arrange through the Club Manager for the Club's cleaning service to clean the facility after the private event for a \$125 fee or the prevailing rate at the time of the event.

14. If the Member-host violates any of the rules governing use of the clubhouse for private parties, the Member will receive a warning. Subsequent violations will lead to suspension of the Member's eligibility to host future functions for one year.
15. **CHARGES:** The Club fee and refundable damage deposit, payable to HABC, must accompany the Reservation Application. For events of over 50 guests, please include the manager's fee and submit evidence of an insurance rider naming the HABC as the indemnified in an amount not less than \$1,000,000. (Staff gratuities for a private event are appreciated and are at your discretion).

Private Party Fee Schedule

<u>Guests</u>	<u>Club Fee</u>	<u>Mgr Fee</u>	<u>Deposit</u>
1-50*	\$200	NA	\$200
51 - 80	\$800	\$150	\$500
81 - 150	\$1,500	\$150	\$1,000

Note: *For events of 50 guests or less, no staff will be present. The Member is responsible for set-up and clean-up and must return the club house and deck to their original condition.

2020 Fee Schedule

Dues:	Resident Members	\$1,325
	Senior & Associate Members	\$1,450
Fees:	Authorized Family Unit	\$200
	Co-owners	\$200
	New Member Initiation	\$5,000
	Effective 1/1/21	\$9,500

Membership dues cover the Principal Member, spouse, and unmarried children under the age of 23. Members receive two parking passes.

Payment of fees is required for unescorted access for each Authorized Family Unit to include: parents, grandparents, each married child or grandchild, and each child or grandchild over 23 years old.

Note that the family of a married offspring for whom you have paid the \$200 fee is also authorized access. That is, their spouse and unmarried children under the age of 23 are authorized access. Those that are married or over 23 may be permitted access for an additional Authorized Family Unit fee of \$200.

MEMBERS, THEIR FAMILIES, AND THEIR AUTHORIZED FAMILY UNITS COMPRISE A SINGLE MEMBERSHIP AND ARE ENTITLED TO ONLY ONE COMMON UMBRELLA SET-UP AND TWO PARKING PASSES, WHICH THEY ALL MUST SHARE. FAMILY MEMBERS WHO HAVE NOT BEEN REGISTERED AS AUTHORIZED FAMILY UNITS MUST BE ACCOMPANIED TO THE CLUB AS GUESTS BY THE MEMBER OR BY THE AUTHORIZED FAMILY MEMBER. THERE ARE NO EXCEPTIONS.

Special note for multiple Co-owners: HABC By-Laws provide for one shared Membership by legal Co-owners of Henlopen Acres property. As is the case for standard Membership classes, only one Co-owner may be the Principal Member for voting, correspondence, and paying of dues. Dues for the Principal Member shall cover the spouse and unmarried children under 23. For unescorted Club access, each additional Co-owner must pay the seasonal Co-owner fee, which provides the Co-owner the same access as an Authorized Family Unit.

All procedures, rules and limits applying to family members of the Principal Member apply equally to the family members of the other Co-owners. The Principal Member must escort non-registered Co-owners as a guest. One umbrella station and two parking passes are to be shared by all Co-owners.

HENLOPEN ACRES



BEACH CLUB

HENLOPEN ACRES BEACH CLUB
BYLAWS
(Revised January, 2005 and August 2018)

- ARTICLE I - GENERAL
- ARTICLE II - CORPORATE SEAL
- ARTICLE III - MEMBERSHIP
- ARTICLE IV - BOARD OF DIRECTORS
- ARTICLE V - MEETINGS OF MEMBERS
- ARTICLE VI - FEES, DUES, ASSESSMENTS, & CHARGES
- ARTICLE VII - INDEMNIFICATION
- ARTICLE VIII - AMENDMENTS

HENLOPEN ACRES BEACH CLUB BYLAWS

ARTICLE I: OFFICES

1) The principal office of this Corporation in the State of Delaware shall be located in the Town of Henlopen Acres, County of Sussex. The mailing address of this Corporation is P.O. Box 184, Rehoboth Beach, Delaware 19971.

ARTICLE II: CORPORATE SEAL

The Corporation shall have a corporate seal, which shall have inscribed thereon the name of the Corporation, the year of its incorporation and the words "Incorporated, Delaware".

ARTICLE III: MEMBERSHIP

Section 1

The Corporation shall have three classes of members:

a) RESIDENT MEMBERS – This class shall consist of owners of real property situated in Henlopen Acres, who have made application and met the requirements set forth in the Certificate of Incorporation and the bylaws. Married couple owners share the membership, and user privileges of resident members extend to all persons in the family unit permanently living together.

b) ASSOCIATE MEMBERS – This class shall consist of individuals, or single-family units living together, who do not own real property in Henlopen Acres, who have made written application, which has been approved by the membership committee and by the Board. Applicants must be sponsored by two resident members who have known the applicant for at least 3 years and who have provided letters of recommendation. Associate members shall not have a vote at any meeting of the Corporation but are entitled to a voice at such meetings. The total number of associates shall not exceed 40 at any one time. If a son or daughter of a resident member applies for associate membership, he/she shall receive priority on the applicant membership list on file with the membership chairperson.

c) SENIOR MEMBERS: This class shall consist of those persons who have been resident members in good standing for at least 12 years, who have relinquished ownership of property in Henlopen Acres. Such persons shall enjoy the same privileges as associate members. However, as in the case of associate members, there shall be no voting rights. Application for this class must be submitted in writing to, and approved by, the membership committee and by the Board.

SECTION 2

The Board of Directors, by an affirmative vote of 2/3 of all the members of the board, may censure, suspend or expel a member of any class for cause, which shall include, but be not limited to, misconduct or non-payment of dues.

A. Unpaid Dues

(a) The account of any member which has not been paid in full before June 1st shall be considered delinquent. Delinquent accounts shall be assessed interest at the rate of 1.5% per month.

(b) The membership of a member whose account remains unpaid by July 1st will be automatically suspended, and a notice of such suspension will be sent to the member. The notice will advise the member that membership may be reinstated if full payment is tendered prior to termination.

(c) The membership of a member whose account remains unpaid by September 1st will be automatically terminated, and a notice of termination will be sent to the member. The notice will advise the member that membership may be reinstated only upon approval by the Board of Directors and may require the payment of an initiation fee.

(d) Suspension and termination shall be a suspension or termination of all privileges of the Club including the right to vote or serve in any official capacity. A suspension will not, however, relieve a member of his or her obligation to pay dues or other charges assessed during the period of suspension. A termination shall result in no further obligation to pay dues or other charges.

(e) The Board may, by vote of two-thirds ($\frac{2}{3}$) of the entire Board, modify, extend, reduce, or terminate any automatic suspension or automatic termination imposed under this Article.

Section 3

Resignation or relocation by a member does not relieve that member from any obligation to pay membership fees, dues, assessments or other charges theretofore accrued and unpaid.

Section 4

Upon written request by a former resident member, filed with the secretary, the Board of Directors may, by an affirmative vote of 2/3 of all members of the board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 5

Membership in this Corporation shall not be transferable or assignable, nor can it be inherited.

Section 6

A member may not confer use privilege to a tenant of such member.

Section 7

It is the intent of the Corporation that the total number of memberships in all classes will not exceed the number of lots in Henlopen Acres. For purposes of this section, family units, co-owners and other entities paying a single dues amount shall count as one membership.

Section 8

Members in all classes are required to comply with and be bound by all provisions of the certificate of Incorporation, the bylaws, and such rules and regulations as may be adopted from time to time by the Board of Directors. Each member agrees to pay such membership fees, dues, assessments and charges as provided for in these bylaws or posted in notices from the Board.

Section 9

Only resident members shall have voting rights. A single application for resident membership shall be made on behalf of all individual natural persons who are co-owners at the time application is made. Upon

acceptance, each individual co-owner shares a single membership. Co-owner members shall be entitled to one vote only. In the event more than one vote is received from co-owner members, the votes shall be counted as one if identical and shall not count if different. The Board of Directors shall not determine which co-owner member has the right to vote. Ownership of more than one lot in Henlopen Acres does not entitle any person to multiple membership or votes.

Section 10

The grant of membership to a partnership, association, corporation, trust or estate entitles such entity to one vote and shall not confer membership on any individual, including owners, officers, members or beneficiaries of such entity. Such entity shall designate a person to act on its behalf. Use privileges by such entity may be limited to particular individuals designated by such entity and accepted by the Board of Directors so as to approximate use privileges of individual owner members. The Board of Directors may assess extra fees on such entity members because of changes in designated users. Such matters and other special situations are left to the discretion of the Board of Directors.

ARTICLE IV: BOARD OF DIRECTORS

Section 1

The affairs of the Corporation shall be managed by its Board of Directors who shall be resident members of the Corporation. The Board of Directors shall not authorize a capital expenditure in excess of \$50,000 without the prior approval of a majority of the membership entitled to vote.

Section 2

The number of directors shall be not more than nine. Each director shall hold office for a three-year term or until his/her successor shall have been duly elected and qualified. The directors' terms shall be staggered so that three directors are elected at each annual meeting of the members. In the event of a vacancy, the Board shall name a replacement director to serve until the next annual meeting of the members, at which time an election will be held to fill the unexpired term of the vacancy. There shall be no limit on the number of terms a director may serve.

Section 3

The Board of Directors shall meet immediately following the annual meeting of members to elect officers and determine organization. The Board shall elect a president, vice president, secretary, treasurer and such other officers as it deems desirable. The president may not hold the dual office of secretary or treasurer.

Section 4

Special meetings of the Board may be called by the president or any two directors. Notice of such meeting shall be delivered in person or by mail or by electronic mail at least five days prior to the date of such meeting. The notice shall clearly indicate the purpose of the meeting and the time and place of the meeting in Sussex County, Delaware.

Section 5

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. The vote of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the vote of a greater number is required by law or by these bylaws.

Section 6

The president of the Board of Directors may appoint a nominating committee, comprised of 3 resident members, who will submit a slate of nominees for the annual member meeting. Nominations may be made from the floor and provision shall be made for write-in on mail ballots.

Section 7

A director may not vote by proxy at a Board meeting but shall be deemed present if participating by telephone or video attendance.

Section 8

A director may vote at the annual meeting of the Board of Directors or a special meeting of the Board of Directors by telephone and/or by email.

ARTICLE V: MEETINGS OF MEMBERS

Section 1

An annual meeting of members shall be held during the month of August for the purpose of electing directors and for the transaction of such other business as may be brought before the members. At the annual meeting, the president shall report to the membership on actions taken since the last members meeting. Written notice of the place, date and hour of any members meeting shall be delivered either personally or by mail not less than fifteen days or more than ninety days before the date of such meeting.

Section 2

Special meetings may be called by the president, the Board of Directors, or not less than 10% of all members having voting rights. In a meeting called by members, the petition shall be presented to the Board and the Board shall schedule such meeting within 30 days of receiving such petition. Notice of special meetings shall specify the purpose of such meetings.

Section 3

At annual and special meetings, unless otherwise specified, a quorum shall be attained by the presence, either in person or by proxy, of 45 members entitled to cast votes. In the election of directors, no member may cast more than one vote for any candidate. An action to rescind or modify an action previously taken by the Board of Directors shall require a majority of all eligible voters.

Section 4

The Board of Directors may designate any place in Sussex County, Delaware as the location for an annual meeting or for any special meeting called by the Board of Directors.

Section 5

At any meeting of members, a member entitled to vote may vote by written proxy. A proxy shall be valid only for the specific meeting for which given. No proxy shall be valid after 90 days and must be delivered to the secretary at least 48 hours before the meeting. No proxy shall be valid if it names more than one person but may be

transferred to another proxy-holder if the proxy so states. Every proxy shall be revocable at the pleasure of the person executing it.

ARTICLE VI: FEES, DUES, ASSESSMENTS AND CHARGES

Section 1

The Board of Directors may determine from time to time the amount of any membership fee, annual dues, any assessments and other charges payable to the Corporation by members of each class. Assessments shall not exceed 50% of the dues in any calendar year.

Section 2

Dues shall be payable upon receipt of invoice in each fiscal year.

Section 3

The fiscal year shall be January 1 to December 31.

Section 4

The HABC clubhouse may be reserved by members for social activities, based on rules and fees determined by the Board and posted in the clubhouse.

ARTICLE VII: INDEMNIFICATION

To the fullest extent permitted by Delaware law, the Henlopen Acres Beach Club shall indemnify and hold harmless every director and every officer of the association, and members performing assignments for the Board (committees), against all expenses and liabilities, including attorneys fees, actually and reasonably incurred by or imposed on him/her in connection with any legal proceeding (or settlement or appeal of such proceeding) to which he/she may be a party because of his/her being or having been a director or officer of the Association. The foregoing right of indemnification shall not be available if a judgment or other final adjudication establishes that his/her actions or omissions to act were material to the cause adjudicated and involved:

(A) Willful misconduct or a conscious disregard for the best interests of the Association in a proceeding by or in the right of the Association to procure a judgment in its favor;

(B) A violation of criminal law, unless the director or officer or committee member had no reasonable cause to believe his/her action was unlawful or had reasonable cause to believe his/her action was lawful;

(C) A transaction from which the director or officer or committee member derived an improper personal benefit; or

(D) A violation under the Section 174 of the General Corporation Law of the State of Delaware

The foregoing indemnification shall be in addition to and not exclusive of any other rights to which one indemnified may be entitled, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall inure to the benefit of heirs, executors and administrators of any such person.

In the event of a settlement, the Board of Directors must approve such settlement prior to indemnification.

ARTICLE VIII: AMENDMENTS

Section 1

With the exception of Article IV, section 1, these bylaws may be altered, amended, revised or repealed and new bylaws may be adopted by a 2/3 vote of all members of the Board of Directors. At least five days written notice of proposed changes must be delivered to Board members.

Section 2

Any bylaw may be altered, amended, revised, or repealed, or new bylaws adopted at a members' meeting if approved by a 51% vote of the members. At least fifteen days of written notice of specific proposals must be given to members.