By-Laws
For
Oak Crest Farms Property Owners’ Association

ARTICLE I
Organization

The name of the not-for-profit organization shall be the Oak Crest Farms Property Owners’ Association, a Delaware corporation (“Association”). The Association shall have a seal inscribed with the name of the Association and the corporation and the year of incorporation. The Association may change its name at its pleasure by a vote of the Board of Directors (“Board”) and the community.

The fiscal year of the Corporation shall be a calendar year, January through December.

ARTICLE II
Purpose of the Organization

The purpose of the Association shall be to fulfill the obligations of the Association as established by and to enforce the various restrictions set forth in the Declaration of Restrictive Covenants, Conditions, Easements and Remedial Clauses for the Association and the Oak Crest Farms Community as recorded in the land records for Sussex County and as may be amended (“Covenants”).

a. This corporation shall have the responsibility of administering the Development known as Oak Crest Farms.

b. Establishing the means and methods of collecting the fees and assessments contributing to the common expenses.

c. Arranging for the management of all common areas.

d. Performing all of the other acts that may be required to be performed by the Association and established in the Covenants or pursuant to Delaware law, including without limitation 25 Delaware Code Chapter 81, the Delaware Uniform Common Interest Ownership Act (“DUCIOA”).

ARTICLE III
Membership

Every owner of a lot, which is subject to assessment or shall be eligible for a later assessment shall be a Member of the Association provided, however, that any such person or entity who holds such interest merely as security for performance of an
obligation shall not be a Member, unless and until such person or entity has succeeded to such Owner's interest by enforcement of such security interest. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot, which is subject to assessment. Conveyance of a Lot shall, without the need specifically to provide therein, terminate membership of the grantor in the Association with respect to the Lot conveyed; and, by accepting the conveyance, the grantee shall be deemed to accept membership in the Association.

ARTICLE IV
Meetings

a. Meetings – The general membership meetings shall be held at least twice per year and will be announced by the Board of Directors and communicated to the membership. Meetings shall be held at a suitable place convenient to the owners as may be designated by the Board.

b. Notice of Meetings – It shall be the duty of the Secretary to send a notice, by e-mail, or US Postal Service of impending meetings with the agenda of each meeting/special membership meeting at least 15 days, but not more than 20 calendar days prior to such meeting. Notice of the meeting will state the purpose thereof, as well as the time, and place where it is to be held, and will be sent to all owners of record, in accordance with the notice provisions set forth in Article XI of these By-laws. Any Owner may, at any time, waive notice of any meeting of the Owners, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an Owner at any meeting of the Association shall constitute a waiver of notice by him/her of the time and place of, and agenda items for such meeting.

c. Special Meetings – It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed and presented to the Secretary by owners in writing by five percent (5%) or more members of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

d. Adjournment of Meetings - If any meeting of the Association cannot be held because a quorum is not present, a majority of the owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four hours from the time the original meeting was called and not additional notice shall be required. If the meeting must be adjourned to a time more than twenty-four hours from the time the original meeting was called, and additional notice shall be required in accordance with these By-laws.
e. **Order of Business** – The order of business at all meetings of the Association shall be as designated in the agenda for the meeting. Additionally, items of new business may be brought up by any member of the Association, at the appropriate time under the rules of such meetings.

f. **Conduct of meetings** – The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Covenants or these Bylaws. All meetings shall be open to all Owners.

g. **Availability of Records** - The Association shall maintain current copies of the Covenants, Certificate of Incorporation, Bylaws and other documents concerning Oak Crest Farms, and all other books, records and financial statements as required by and pursuant to 25 Del. C. §81-318 or its successor statute, and shall hold all such documents available for inspection by owners or by holders, insurers and guarantors of first Mortgages that are secured by properties in Oak Crest Farms.

   Documents shall be available for inspection during the normal business hours of and upon 5 days written request to the Association, which may be submitted to the property management company, reasonably identifying the purpose for the request and the specific records requested. A reasonable fee for copying any documents or records made available to and inspected in accordance with this paragraph may be imposed by the Board, in such amount as it deems appropriate from time to time.

h. **Quorum of Members** – Except as otherwise provided in these Bylaws, the presence in person of five percent (5%) of the Owners shall constitute a quorum at general membership meetings of the Association. The votes of a majority of the Owners present at a meeting, at which a quorum is present, shall constitute the decision of the Association, unless a higher percentage is required under the Covenants, these Bylaws, or Delaware law.

**ARTICLE V**

**Elections**

Election term of office for members of the Board of Directors. will be two years. The term of each member elected will begin at the close of business of the meeting at which the member was elected and shall continue until the close of business of the meeting at which his or her successor is elected, except in the case of a special election as defined later in these Bylaws. No Owner, who is running for the Board of Directors, shall be eligible to serve on either the nominating or election committees.
The Annual Meeting will be held the first Saturday of June each year. Nominations of candidates for election will be open 60 days prior to the Annual Meeting. Information regarding nominees identified prior to the sending of the meeting notice will be sent in conjunction with the notice.

Draft Oak Crest Farms’ Board of Director’s Election Process

The Proxy Ballot

- Oak Crest Farms uses a Proxy Ballot to elect a board. Proxy ballots do require signature.
- OCF’s Proxy Ballot is a ballot used in advance of Election Day.
- The Proxy Ballot’s format is the same whether used to vote in advance, or on Election Day.
- The specific steps of OCF’s voting procedures are outlined below.

The Nominating Process

- The Board shall appoint a Nominating Committee in accordance with Article IX of these By-laws.
- The Nominating Committee Chair shall send a notice, calling for candidates to run for the Board, to all members of the community. Said notice shall contain the following information, which are hereby established as rules governing the nominating process for all Board elections:
  - Only members of the Association may hold office.
  - Instructions directing interested members to the approved Candidate Nominating Form, which is available at the Association’s website on line, and with instructions regarding submission of a completed Candidate Nominating Form.
  - The deadline for submission of a Candidate BIO, to either nominate oneself or another member, is 30 calendar days prior to the annual meeting during which the election will be held.
  - Nominations from the floor on the day of the election are not permitted, as certain members of the community will have already voted in absentia and will not be present, in person, to hear and consider any nominees from the floor.
  - Candidates are asked to submit a notification of their intent run together and a bio that emphasizes the candidate's skills and priorities for the community.
  - The Nominating Committee will conduct additional outreach to the community, as it deems necessary and appropriate, in order to identify talented candidates.
  - The property management company shall provide the Nominating Committee with two up-to-date master lists of members, which shall identify all members who do not use email. Notification and outreach to the latter group will be accomplished via regular mail.
The Nominating Committee shall ensure that residents have the opportunity to learn about the candidates by arranging at least two "Candidates’ Meet and Greet Sessions" to be held in the community clubhouse or such larger venues that the Nominating Committee may deem necessary and appropriate. The purpose of the "Candidates Meet and Greet Sessions" shall be so candidates can clarify their opinions, priorities for the community, and to answer questions from interested members.

**Election Committee**

- Upon completion of the nominating process, the Board shall appoint an Election Committee in accordance with Article IX of these By-laws.
- The property management company shall provide the Election Committee with an up-to-date master list of members so that the Election Committee may determine who is eligible to vote in the election. The Election Committee will make every reasonable effort to confirm the eligibility of new members.
- The Election Committee shall ensure that the property management company prepares the necessary approved election materials that will be sent to the members and that said election materials are delivered to the Election Committee at least 45 days before the day of the election. The election materials to be delivered to the Election Committee shall include:
  - The Board’s cover letter to all members explaining the election process, providing voting instructions, and the relevant time frames for returning one's proxy ballot.
  - All available bios of candidates running in the election.
  - An approved Proxy Ballot and a blank envelope.
  - A second pre-addressed, stamped envelope for members to return their Proxy Ballot to the Chair of the Election Committee at the designated P.O. Box for the Election Committee.
  - The Election Committee shall ensure that all election materials are sent to each member at least 30 days prior to election.
- The Election Committee shall establish and designate a P.O. Box which shall be used specifically for voting and to which members may return their completed proxies.
- The Election Committee shall designate two members who will be the only members with access to said P.O. Box. Both specially designated Election Committee members shall go together to collect the proxies from the P.O. Box and shall ensure that all sealed proxies are brought to the election site to be opened and counted on the day of the election.
- Each year, the Election Committee will send a post election survey to all members the community requesting their input about the election process and asking questions, such as, but not necessarily limited to: Was the election process easy to understand? What do you think can be done differently?
Proxy Ballot Voting

• Every homeowner will receive a Proxy Ballot in the mail along with two envelopes, one blank and another stamped, preaddressed to OCF Election Committee Chair in care of a PO Box.
• All homeowners are asked to vote in advance just in case something unexpected happens on Election Day that prevents a person from voting.
• Homeowners are urged to become informed voters by reading candidates’ bios, attending candidate Meet and Greets and/or asking trusted neighbors for information on key issues or concerns.
• Advanced voting involves these simple steps: (a) Chose your candidates and place the Proxy Ballot in the blank envelope provided. (b) Print your name and return address on the preaddressed envelope. Place the blank envelope containing your Proxy Ballot into the preaddressed stamped envelope. Seal and ensure its delivery by three days prior to Election Day.
• Ballots not received by the deadline or without a return address shall be considered null and void.

The Property Management Company’s Role

• The role of the property management company is limited to providing clerical and administrative support to the Nominating and Election Committees as described in these By-laws. The property management company will not take an active part in the election process.
• The property management company shall assign a contact person to work with Nominating and Election committees throughout the nominating and election processes.
• The property management company shall cooperate with the Chairs of the Nominating and Election Committees and assist them in ensuring that the election materials, as described elsewhere in these By-laws, are properly prepared and provided to the Nominating Committee; that all master lists of Association members are properly updated and provided to the Nominating and Election Committee in accordance with the time frames set forth above; and that two master lists of Association members are available to the Election Committee on the day of the election.

Election Day Voting and Follow-up

• As mentioned above, the property management company shall provide the Election Committee with two updated master lists of members on the day of the election, which are necessary to identify any new members who may have been added since the last lists were printed prior to the election.
• If a member attends the meeting in person after already sending in a Proxy Ballot and then wish to change their vote, they must request this before the ballots received are opened.
• The designated members of the Election Committee who have joint access to the P.O. Box designated for the voting process (hereinafter "Election Inspectors") shall bring the unopened proxies to the election site in a locked box.
• The members of the Election Committee shall count the unopened proxies, as well as the number of members present at the meeting in person for the purposes of establishing a quorum for the meeting.
• Members who wish to vote in person during the meeting must sign in and an Election Committee member shall check their names off of one of the master lists of members provided by the property management company.
• The Election Committee shall identify all members who returned a proxy by reviewing the names on the proxies and/or the return envelopes and check said names off of the second master list of members provided by the property management company.
• The Election Committee members shall then compare the in-person voter list and the Proxy Ballot list to ensure no duplications.
• The Election Committee members shall then open and count the Ballots cast during the meeting.
• The Election Committee members shall also collect and count all of the in-person ballots cast during the meeting.
• Members of the association can witness the count. However, the Election Committee Chair has the discretion to limit the number of witnesses if the number of witnesses causes disruption or distraction.
• The voting period is over after all ballots have been counted.
• After all votes have been tallied, the Chair of the Election Committee shall advise the Board of the results.
• The results of the election will be announced by the Board President to the members in attendance.
• The board advises the whole community of the results ASAP and within two weeks.
• Post that announcement, the Election Chair protects the ballots for 365 days; then destroys them.
• The Election Committee hears and determines all challenges concerning the right to vote.
• A sample of the Election timeline and ballot will be on the community website.

ARTICLE VI
Voting

Voting – Voting at all meetings of the Association shall be on the basis of one (1) Lot, one (1) vote. The Association shall have one class of voting membership. A member shall be entitled to (1) vote per household. When more than one person holds an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as the Owners themselves determine, but in no event shall more than (1) vote be cast per household.

ARTICLE VII
Board of Directors

**Number and Qualification** – The affairs of the Association shall be governed by a Board of Directors known as the “Board”. The Oak Crest Farms Board shall consist of at least five (5) members, but no more than seven (7) members, in good standing, of the Association. The officers shall be a President, Vice President, Director, Secretary, and Treasurer. Board members must be members of the Association and be fully accessible to our community. No two owners/members from the same household shall serve on the Board at the same time.

a. **Election** – Election to the Board shall be by secret written ballot. At any such election, the Owners, may cast with respect to each vacancy as many votes as they are entitled to exercise under the provisions of the Covenants and these By-laws. The person receiving the largest number of votes cast in person or by Proxy Ballots, at a meeting at which a quorum is present, shall be elected.

b. **Term of Office** – Each member will be elected to the Board for a term of two (2) years. The position held on the Board will be determined by the Board after each election held at the Annual Meeting or as needed in accordance with these Bylaws.

**Powers and Duties** - The Board shall have the power and duty necessary for the administration of the affairs of the Association and may do such acts as are established by the Covenants, Certificate of Incorporation and these By-Laws, in accordance with Section 81-303 of DUCIOA or its successor statute. The Board shall have the power, from time to time, to adopt rules and regulations deemed necessary for the enjoyment of the Members of Oak Crest Farms provided such rules and regulations shall not be in conflict with the Covenants, Certificate of Incorporation, or these Bylaws, and in accordance with Section 81-320 of DUCIOA or its successor statute. The Board shall delegate to one of its members the authority to act with direction of the Board on all matters related to the duties of the professional management agent, (if one is hired) which might arise between meetings of the Board. In addition to the duties imposed by DUCIOA, the Covenants, Certificate of Incorporation or these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to, and be responsible for, the following:

(a.) Preparation of an annual budget, in which there shall be established the contribution of each Owner to the common expenses, in accordance with Section 81-324 of DUCIOA or its successor statute.

(b.) 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) regular meetings of the Board of Directors in a calendar year.

(c.) Supervise the Property Management Company, all officers, agents and employees of this Association, and to see that their duties are properly performed.
(d.) Making assessments against Owners to defray the costs and expenses of the Association, establishing the means and methods of collecting assessments as established in the Covenants and in accordance with Section 81-315 of DUCIOA from the Owners, and establishing the period of the installment payment of the assessment for common expenses. Unless otherwise determined by the Board, the annual assessment against each Owner for his proportionate share of the common expenses shall be payable in equal monthly, quarterly or annual installments, as determined by the Board. Each installment will be due and payable in advance on the date(s) established by the Board.

(e.) Providing for the operation, care, upkeep, replacement, maintenance and inspection of all of roads, common areas, amenities and services for Oak Crest Farms except as may otherwise be provided herein and as required by the Covenants and in accordance with Section 81-307(a) of DUCIOA.

(f.) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the common area, and providing services for the property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners; and moreover, contracting the professional management agent (if one is deemed to be necessary).

(g.) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to carry out the administration of Oak Crest Farms.

(h.) Making and amending rules and regulations with respect to the use of the property and enjoyment by the Owners, their tenants and guests, in accordance with Section 81-320 of DUCIOA or its successor statute.

(i.) Opening bank accounts on behalf of the Board and designating the signatories required.

(j.) Making or contracting for the making of, repairs, additions, and improvements to, or alterations of, the common areas and repairs to, and restoration of Oak Crest Farms, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty and informing the Owners of said improvements and total costs at the time of improvement, repair and/or restoration.

(k.) Enforcing, by legal means, the provisions of the Covenants, Certificate of Incorporation, these Bylaws and the rules and regulations which may be
instituted on behalf of the owners, including without limitation: suspending any privileges of Owners, other than the right of an Owner to vote on any matter submitted to a vote of Owners, or services provided to Owners by the Association (other than those necessary for the habitability of the Owner's property) for non-payment of assessments; imposing charges for late payment of assessments; and, after notice and an opportunity to be heard, may levy reasonable fines for violations of the Covenants, these Bylaws and/or the Rules and Regulations of the Association. However, the Board shall use its reasonable judgment to determine whether to exercise the Association's powers to impose sanctions and pursue legal action for violations of the Covenants, these Bylaws and rules including, without limitation, whether to compromise any claim made by or against it, including claims for unpaid assessments. The Association shall have no duty to take enforcement action if the Board, acting in good faith and without a conflict of interest, determines that, under the facts and circumstances presented: (i) the Association's legal position does not justify taking any or further enforcement action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with current law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue an enforcement action. The Board's decision not to pursue enforcement under one set of circumstances does not prevent the Association from later taking enforcement action under another set of circumstances, except the Board may not be arbitrary or capricious in taking enforcement action. Whether the Association's course of performance with respect to enforcement of any provision of the Covenants, these Bylaws and rules constitutes a waiver or modification of that provision is not affected by this provision. The Association may compromise any claim made by or against it, including claims for unpaid assessments.

(1.) Obtaining and carrying insurance against casualties and liabilities, and paying the premium cost thereof.

(m.) Paying the cost of all services rendered to the Association, and not billed to the Owners.

(n.) Keeping books with detailed accounts in chronological order of the receipts and expenditures affecting Oak Crest Farms and the Association, and the administration of the community, specifying the maintenance and repair expenses of the roads and common areas, and any other expenses incurred. The said books shall be available for examination by the owners per the terms and process outlined in Section 81-318 of DUCIOA or its successor statute their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Boards for the general knowledge of the Owners. All books and
records shall be kept in accordance with good and accepted accounting practices, and the same may be audited or reviewed every 3 years by an outside CPA/auditor employed by the Board who shall not be a resident of Oak Crest Farms or an Owner of a Lot therein. The cost of such audit or review shall be a common expense. An audited financial statement, when prepared, shall be available within one hundred twenty (120) days of the end of the fiscal year.

(o.) Notifying the Mortgagee of any property of any default by the owner whenever requested in writing by such Mortgagee to send such notice.

(p.) Maintaining written minutes of all meetings.

(q.) Conflict resolution between owners and the Board and making decisions regarding conflicts related to the interpretation and application of the Covenants, Certificate of Incorporation, Bylaws and rules and regulations promulgated pursuant thereto.

(r.) Borrowing in an amount not to exceed twenty-five (25%) of the value of the Common areas for any proper Association purpose by the execution of notes and mortgagee or as security for the repayment thereof or such other security or securities as the Association shall designate for the payment of principal thereof and interest due thereon, subject to any restrictions contained in the Covenants with the community consent as evidenced by written vote or consent of a majority of the votes entitled to be cast.

(s.) To do such other things and acts not inconsistent with the Covenants or Certificate of Incorporation or Delaware law which it may be authorized to do by a resolution of the Association.

**Resignation or Removal of Board Members** – Any member of the Board of Directors may resign by presenting a written resignation to the President or Secretary, and such resignation shall take effect at the time specified therein or, if no time is specified, at the time of receipt thereof by the remaining members of the Board of Directors. Any member unable to attend a duly called meeting of the Board of Directors shall advise the President as to the reason for the absence. A member who is absent from three regular meetings of the Board of Directors in the calendar year may be removed, upon at least ten (10) days notice of intent to remove, by a two-thirds (2/3) affirmative vote of the entire Board of Directors at the next regularly scheduled meeting of the Board. Such notice must be sent to the last known address of the Director whose removal is proposed. A member may be removed from office, with cause, by two-thirds (2/3) affirmative vote of the entire Board of Directors, provided, however, that such member shall be afforded an opportunity to be heard, either orally or in writing, prior to any such action.

(a) The Owners may consider the question of whether to remove a member of the Board either: (1) at any duly called meeting of the Owners at which a quorum is present if that subject was listed in the notice of the meeting, or (2) at a special meeting called for the purpose of removing a member of the Board,
whether or not a quorum is present, so long as the voting at the special meeting is conducted in the manner described in subsection (c) below.

(b) At any meeting at which a vote to remove a member of the Board is to be taken, the Board shall provide a reasonable opportunity to speak before the vote to all persons favoring and opposing removal of that member, including without limitation the member being considered for removal.

(c) If a special meeting is called for the purpose of removing a member of the Board, then the following rules apply, whether or not a quorum is present at that meeting in person or by proxy:

(1) After all persons present at the meeting have been given a reasonable opportunity to speak, the meeting shall be recessed for a period calculated in the manner described in paragraph (c)(2) below.

(2) Promptly following the recess, the Association shall notify all Owners of the recessed meeting and inform the Owners of their opportunity to cast votes either in favor or against removal during the 30-day period following the day that the notice is sent.

(3) The notice sent to Owners shall specifically inform them of their right to cast votes either in a secret written ballot, on a form provided to the Owners or by electronic means according to instructions contained in that notice.

Whether a vote under subsection (c) above is taken before or after a recess, and whether or not taken by electronic means, a member of the Board may be removed only if the number of votes cast in favor of removal: (i) exceeds the number of votes cast in opposition to removal and (ii) is greater than one-third of the total votes of the Association.

**Vacancies** – Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining members of the Board of Directors even though less than a quorum of the Board. Any person elected to fill a vacancy shall serve through the end of the un-expired term of his predecessor in office.

**Organizational Meeting** – The first meeting of the members of the Board following the election of the Board by the Association shall be held within ten (10) calendar days thereafter at such time and place as shall be fixed by the Board so elected, and no notice shall be necessary to the newly elected members of the Board in order to legally constitute such meeting providing a majority of the whole Board shall be present thereof. The Board shall elect the officers of the Association from the Board members at this meeting.
**Regular Meetings** – Regular meetings of the Board shall be held monthly based on an approved annual schedule. Notice, including agenda of regular meetings of the Board or Association, shall be given to each member, by mail, e-mail, telegraph, facsimile or telephone with mail confirmation at least 15 calendar days prior to the day named for such meeting.

**Special Meetings** – Special meetings of the Board may be called by the president on ten (10) calendar days’ notice to each member, given by mail, e-mail, telegraph, facsimile or telephone with mail confirmation, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the president or secretary in like manner and on like notice on the written request of at least two (2) Board members. Such notice may be waived upon the declaration of an emergency by the person calling the meeting.

**Executive Session of the Board** - Executive sessions are closed and can be held for purposes of; (i) discussing aged receivables, (ii) consulting with the association's lawyer regarding, or board discussion of litigation, mediation, arbitration or administrative proceedings or any contract matter; (iii) labor or personnel matters; (iv) discuss matters relating to contract negotiations, including the review of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage; or (v) discussion of any complaint from or alleged violation by a unit owner.

**Quorum of the Board** – At all meetings of the Board, a majority of the members of the (i.e. 3 members of a 5 member Board or five 5 members of a 7 member Board) shall constitute a quorum for the transaction of business, and the votes of a majority of the Board members **present** at a meeting at which a quorum is present shall constitute the decision of the Board.

**Waiver of Notice** – Not withstanding any provision to the contrary contained herein, any Board member may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent of such notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by him or the time and place of the meeting.

**Fidelity Bonds** - The Board shall obtain adequate fidelity bonds for all officers, directors, and employees of Oak Crest Farms Property Owners Association handling or responsible for Association funds. The premiums for such bonds shall constitute a common expense.

**Compensation** - No Board member shall receive any compensation from the Association for acting as such, but may be reimbursed for necessary expenses incurred in regard to service as a Board member, as approved by the Board from time to time.

**Liability of the Board Members** - The members of the Board shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Board members from and against all contractual liability to others.
arising out of contracts made or action taken by the Board on behalf of the Owners unless any such contract or action shall have been made in bad faith or contrary to the provisions of the Covenants, Certificate of Incorporation or of these Bylaws.

It is intended that the members of the Board shall have no personal liability with respect to any contract made or action taken by them on behalf of the Owners.

The Owners shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a member of the Board, against expenses (including reasonable attorney’s fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Owners.

ARTICLE VIII
Duties of Each Office

SECTION 1 – Duties of the President
(a.) The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Members and Directors; to have general and active management of the business and the Association; to see that all orders and resolutions of the Board of Directors are carried into effect; to execute all agreements, amendments to the Covenants, and other instruments in the name of the Association, and to affix the Association seal thereto when authorized by the Board of Directors.
(b.) The President shall have the general supervision and direction of the other officers of the Association and shall see that their duties are properly performed.
(c.) The President shall submit a report of the operations of the Association, for the year to the Board of Directors and the members at their March meeting.
(d.) 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 – Duties of the Vice President
The Vice President shall be vested with all powers and required to perform all the duties of the President in his or her absence or disability and shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 4 – Duties of the Secretary
(a.) The Secretary shall attend all meetings of the Association and the Board of Directors. The Secretary shall act as clerk thereof and shall record all of the proceedings of such meetings in a book kept for that purpose.
(b.) The Secretary shall keep a roster of Association Membership and conduct all written correspondence as is deemed proper by the Board of Directors.
(c.) The Secretary shall give proper notice of meetings of Member and Directors and shall perform such other duties as shall be assigned to the office by the President or the Board of Directors.

SECTION 5 – Duties of the Treasurer
(a.) The Treasurer is charged with the responsibility of overseeing and safeguarding the Association’s finances.
(b.) The Treasurer shall, on a monthly basis, review the funds and securities of the Association. He/she shall make sure receipts and disbursements, monies and other valuable effects are made to the credit of the Association as designated by the Board of Directors.
(c) The Treasurer shall approve disbursements, and shall report to the Board regarding the financial condition of the Association, at the regular meetings of the Board.
(d.) Checks may be signed by either the President or the Treasurer.
(e.) The Treasurer shall, with the assistance of the Finance Committee, ensure that all financial responsibilities are met.
(f.) The Treasurer shall give an update and itemized report at each Association meeting.
(g.) The Treasurer shall perform such duties as the Board may from time to time require.
(h.) The Treasurer shall assist in the preparation of the annual budget.
(i.) The Treasurer will perform a six (6) month review with the Finance Committee's assistance, and shall report their findings and recommendations to the Association at the annual budget meeting.
(j.) All reserve and operating accounts shall be interest bearing and FDIC insured.

SECTION 6 – Delegation of the Director(s) Duties

In the case of the absence or disability of any elected officer of the Association for any other reason deemed sufficient by the majority of the Board, the Board of Directors may delegate his or her powers or duties to any other officer or Director for the time being. The Director shall possess the same power and status as other Board members.

ARTICLE IX
Committees
The Board of Directors may, in addition to the standing committees identified below, by resolution or resolutions passed by a majority of all members of the Board, designate such other committees, as it deems necessary or desirable. All committees shall meet according to a schedule approved by the committee and/or upon notice sent to all members of the committee. Each committee shall create and adopt its own rules of procedure, including what constitutes proper notice of meeting. Each committee shall give a report at each general membership meeting of the Association. Each committee shall designate a chairperson who may be appointed by the Board President or elected by the committee members. Committees may work together and collaborate on certain projects when deemed appropriate. Committee members who reside in the same household and serve on the same committee shall, together, only have one (1) vote when voting on any business before the committee on which they serve.

(a.) **Nominating Committee:** The Board shall, by resolution passed by a majority of all members of the Board, appoint a Nominating Committee Chairperson. The Committee can be comprised of an additional two or more volunteer Association members. Members must be Owners, and must be unrelated by blood or marriage to any Board member. The duties of the Nominating Committee for the annual election comprised of at least 2 members as set forth and described in Article V of these Bylaws.

(b.) **Election Committee:** The Board shall, by resolution passed by a majority of all members of the Board, appoint an Election Committee comprised of at least 2 members, one of whom will be the chair. The Chair of the Election Committee must be an Owner who is not related to any members of the Board and who is able to be present in person on the day of the election. Election Committee members shall serve for a period beginning 60 days prior to that year's election and ending 105 days following that year's election. The duties of the Election Committee are set forth and described in Article V of these Bylaws.

(c.) **Finance Committee:** The Finance Committee shall consist of the Treasurer and no less than three (3) members of the community and no more than seven (7) members of the community, all of whom shall be appointed by a resolution passed by a majority of all members of the Board. The Finance Committee shall be responsible for:

- Reviewing and providing guidance in the Association's financial matters.
- Reviewing, on a regular basis, the Association's revenues, expenditures and financial statements;
- Making recommendations to the Board concerning funding requests received from other committees.
- Ensuring that the Association's funds are spent appropriately, as authorized by the Board and/or in accordance with the approved budget for the Association.
- Preparing and presenting reports concerning all Association financial activities to the Board;
• Monitoring expenditures made by the property management company to ensure that it is meeting its fiduciary responsibilities and acting as an appropriate agent of the Association.

• Performing any other requests assigned to it by the Treasurer

(d.) Architectural Review Committee: The purpose of the Architectural Review Committee (ARC) is to review all applications submitted by homeowners who wish to construct or place a dwelling, addition, fence, pool, or other structure on any lot in Oak Crest Farms. The approval process is as follows;

• A complete application, which can be obtained from Association's website, must be submitted to the property management company.

• The property management company will then send the application to the ARC for review. The ARC shall review the application and make recommendations to the Board to either approve or deny the application.

• The Board shall have final decision-making authority and may approve or deny the application. The Board's decision must be made with in 15 days of its receipt of the ARC's recommendation. Although the Board shall consider the ARC's recommendation, it shall not be bound by said recommendation.

• The ARC committee shall review all applications submitted for the containment of watercraft on the rear of owner's lot. Containment for watercraft must adhere to owner's specification as to placement and materials.

• Watercraft will register with ARC yearly. Maintenance dates for boats should be emailed to the ARC.

In each case, the ARC shall give a recommendation based on the criteria established in the Covenants. The ARC shall use its best judgment to ensure that all additions, alterations or improvements conform and harmonize with the natural surroundings and with existing structures in terms of design, materials, color and placement.

Any additions, alterations or improvements completed without prior approval will be considered a violation of the Covenants. It shall be the responsibility of the ARC to suggest and propose changes and modifications to the Board of Directors with regard to the ARC guidelines and approval process.

Violations with regard to the process, the owner will be notified by the management company.

(e.) Social Committee: The purpose of the Social Committee is to organize and/or manage events and activities sponsored by the Association and held at the community clubhouse. All members of the Social Committee shall be appointed by a resolution passed by a majority of all members of the Board. Events organized by the Social Committee shall be open to all homeowners, residents,
and their guests. Such events are financed through the Social Committee budget which is determined by the Board of Directors with the assistance and recommendation of the Finance Committee. The Social Committee budget shall be included in the annual Association’s budget each year.

The Social Committee shall notify residents and homeowners of upcoming events thorough community e-mail and posting on the communication board at the entrance to the community. It is the responsibility of the Chairperson of the Social Committee to present and update on the community regarding the financial status and activities of the Social Committee at all regular meetings of the Association.

(f.) Other Committees: Additional committees may be formed for specific purposes when requested and approved by the Board of Directors. Such additional committees may include, but are not limited to, a Welcoming Committee, Youth Group, Sunshine Committee, and Adopt-A-Highway, etc..

ARTICLE X
Amendments

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 a majority of members present in person or represented by proxy, as long as a quorum of twenty five percent (25%) of POA households is in attendance and provided that (20) days prior written notice has been given to the members and the Board of Directors. The notice must state that amendments to the By-laws is being considered and the subject matter of such an amendment will take place, provided a quorum has been met.

ARTICLE XI
Miscellaneous

Notices – All notices, demands, bills, statements or other communications under these Bylaws, the Covenants or other governing document for the Association, shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first-class mail, e-mail, postage prepaid, (i) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Owner, as provided in his deed of record in the Office of the Recorder of Deeds, in and for Sussex County, or (ii) if to the Association, the Board or the professional management agent, at the principal office of the Association or at such other
address as shall be designated by notice in writing to the Owners pursuant to this section.

**Gender, Number** - The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

**Definitions** – Words and phrases which are used herein and which are defined and/or discussed in the Covenants and Certificate of Incorporation shall have the meaning as set forth in the Covenants and Certificate of Incorporation.

**Conflicts** – In the event of any conflicts between the Covenants and these Bylaws, the Covenants shall be controlling.
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Oak Crest Farms Property Owners’ Association, Inc., a Delaware corporation;

That the foregoing By-Laws constitute revised By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the ____ day of ________, 20__.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ____ day of __________, ____.

_______________________[SEAL]

Secretary