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MRSF

**BYLAWS
FOR
CEDAR CREEK LAND OWNERS ASSOCIATION, INC.**

**ARTICLE I
Organization**

The name of the not-for-profit organization shall be the **CEDAR CREEK LAND OWNERS ASSOCIATION INC.**, a Delaware corporation, ("Association"). The Association shall have a seal.

The Association may change its name at its pleasure by a vote of the Board of Directors ("Board").

**ARTICLE II
Purpose**

Section 2.1 Purpose. The purpose of this organization shall be to fulfill the obligations of the Association as established by and to enforce the various restrictions set forth in the Declaration of Covenants, Conditions and Restrictions for Cedar Creek Landing ("Declaration"). This corporation shall have the responsibility of administering the Development known as Cedar Creek Landing, establishing the means and methods of collecting the contributions to the common expenses, arranging for the management of the roads and common areas, and performing all of the other acts that may be required to be performed by the Association and as established in the Declaration of Covenants, Conditions and Restrictions for Cedar Creek Landing dated January 11, 1996, and recorded in the Office of the Recorder of Deeds, in and for Sussex County in Georgetown, Delaware, in Deed Book 2101, Page 170, *et seq.*

**ARTICLE III
Membership**

Section 3.1 Membership. Every person or entity who is an Owner of a Lot in Cedar Creek Landing shall be a member of the Association and shall enjoy all of the benefits of such membership. Membership shall be appurtenant to, and may not be separated from, ownership of a Lot. 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

Section 4.1. Annual Meetings. The Developer shall notify the owners of the Lots at such time as the Developer deems advisable that the first annual meeting of the Association shall be held on a call issued by the Developer. Thereafter, the annual meetings of the Association shall be held each succeeding year at a time and place determined by the Board. At such annual meetings the Board shall be elected by ballot of the Owners in accordance with the requirements set forth in these Bylaws and the annual budget shall be presented. The Association Owners may transact such other business at such meetings as may properly come before them. Additional regular or special meetings of the total membership, in addition to the annual meeting, may be held as deemed necessary by the President and Board of Directors of the Association.

Section 4.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board.

Section 4.3 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 owning not less than twenty-five percent (25%) of the then existing Lots in the Development; provided, however, that no special meeting shall be called prior to the first annual meeting following the incorporation of the Association except by resolution of the Board. 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.

Section 4.4. Notice of Meetings and Waiver. It shall be the duty of the Secretary to mail a notice with the agenda of each annual or special meeting of the Owners, at least ten (10) but not more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at such address as each Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice. 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.

Section 4.5. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Lots who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called and no additional notice shall be required. If the meeting must be adjourned to a time more than forty-eight (48) hours

from the time the original meeting was called, an additional notice shall be required in accordance with these Bylaws.

Section 4.6. Order of Business. The order of business at all annual meetings of the Association shall be as designated in the agenda for the meeting.

Section 4.7. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty-five percent (25%) of the Owners shall constitute a quorum at all 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.

Section 4.8. 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 Declaration or these Bylaws. All meetings shall be open to all other Owners.

Section 4.9. Availability of Records. The Association shall maintain current copies of the Declaration, Certificate of Incorporation, Bylaws, other documents concerning Cedar Creek Landing, other books, records and financial statements 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. Documents shall be available for inspection during the normal business hours of and upon written request to the Association. 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.

Section 4.10. Voting Rights. Voting rights shall be those established in the Certificate of Incorporation, paragraph Fifteenth.

ARTICLE V

Voting

Section 5.1. Voting. Voting at all meetings of the Association shall be on the basis of one (1) Lot, one (1) vote.

Section 5.2. Proxies. A vote may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary or the professional managing agent before the appointed time of the meeting.

Section 5.3. Majority of Owners. As used in these Bylaws, the term "majority" shall mean the vote of more than fifty percent (50%) of the Lots then existing.

ARTICLE VI **Board of Directors**

Section 6.1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors known as the "Board." Until the first annual meeting called by the Developer, as provided in Section 4.1, is held, the Board shall consist of three (3) persons as shall have been designated by the Developer. At the first annual meeting called by the Developer, the Owners shall elect nine (9) members to the Board from the general membership in accordance with paragraph Sixteenth of the Certificate of Incorporation. After such an initial election of Board members in accordance with paragraph Sixteenth, the term of each Board member shall also be as set forth in paragraph Sixteenth of the Certificate of Incorporation.

Section 6.2. Powers and Duties. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are established by the Declaration, Certificate of Incorporation and these Bylaws directed to be exercised and done by the Association except as otherwise provided herein. The Board shall have the power from time to time to adopt any rules and regulations deemed necessary for the enjoyment of Cedar Creek Landing provided such rules and regulations shall not be in conflict with the Declaration, Certificate of Incorporation or these Bylaws. The Board shall delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating 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 the Declaration, 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.

(b) 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 Declaration from the Owners, and establishing the period of the installment payment of the annual 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 such installment to be due and payable in advance on the date(s) established by the Board.

(c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of roads, common areas and services of Cedar Creek Landing except as may otherwise be provided herein.

(d) 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).

(e) 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 Cedar Creek Landing.

(f) Making and amending rules and regulations respecting the use of the property so that such do not unduly restrict the use and enjoyment by the Owners, their tenants and guests.

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

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the property and repairs to, and restoration of Cedar Creek Landing, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Declaration, Certificate of Incorporation, these Bylaws and the rules and regulations for the use of the property adopted by it and bringing any proceedings which may be instituted on behalf of the Owners.

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

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

(l) Keeping books with detailed accounts in chronological order of the receipts and expenditures affecting Cedar Creek Landing 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, 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 Board 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 at least once a year by an outside auditor employed by the Board who shall not be a resident of Cedar Creek Landing, or an Owner of a Lot therein. The cost of such audit 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.

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

(n) Maintaining written minutes of all meetings.

(o) Resolving disputes between and among Owners and the Board and making decisions regarding disputes related to the interpretation and application of the Declaration, Certificate of Incorporation, these Bylaws and rules and regulations promulgated pursuant thereto.

(p) Borrowing in an amount not to exceed twenty-five percent (25%) of the value of the Common Areas for any proper Association purpose by the execution of notes and mortgages 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 Declaration.

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

Section 6.3. Election and Term of Office. After the Board of the Association is established pursuant to this Article, at the expiration of the initial term of office of each respective member of the Board, his successor shall be elected or designated to serve for a term in accordance with paragraph Sixteenth of the Certificate of Incorporation. No member of the Board may serve more than two (2) consecutive terms in office unless no other Owner is willing to serve. The members of the Board shall hold office until their respective successors shall have been elected and the newly elected member's willingness to serve confirmed.

Section 6.4. Removal of Members of the Board. At any regular or special meeting of the Association duly called, any one (1) or more of the members of the Board may be removed with or without cause by a majority of the members, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the

calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 6.5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a member by a vote of the members shall be filled by a vote of a majority of the remaining members of the Board at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Association.

Section 6.6. Organizational Meeting. The first meeting of the members of the Board following the annual meeting of the Association shall be held within ten (10) 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 legally to constitute such meeting, providing a majority of the whole Board shall be present thereat.

Section 6.7. Regular Meetings. Regular meetings of the Board shall be held at least semi-annually at such time and place as shall be determined from time to time by a majority of the members. Notice, including the agenda, of regular meetings of the Board shall be given to each member, by mail, e-mail, telegraph, telefacsimile or telephone with mail confirmation, at least ten (10) business days prior to the day named for such meeting.

Section 6.8. Special Meetings. Special meetings of the Board may be called by the president on ten (10) business days' notice to each member, given by mail, e-mail, telegraph, telefacsimile 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) members.

Section 6.9. Waiver of Notice. Notwithstanding any provision to the contrary contained herein, any member may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Board shall constitute a waiver of notice by him of the time and place of such meeting. If all members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting, including meetings conducted by telephone conference.

Section 6.10. Quorum of Board. At all meetings of the Board, two-thirds (2/3) of the members shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Board.

Section 6.11. Fidelity Bonds. The Board shall obtain adequate fidelity bonds for all officers, directors and employees of Cedar Creek Landing and Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

Section 6.12. 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.

Section 6.13. Conduct of Meetings. The President shall preside over all meetings of the Board and the Secretary shall keep a minute book of the Board recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order shall govern the conduct of the meetings of the Board when not in conflict with the Declaration, Certificate of Incorporation and these Bylaws.

Section 6.14. Liability of the Members of the Board. 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 Declaration, 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. Every agreement made or action taken by the Board on behalf of the Owners shall, if obtainable, provide that the members of the Board, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder, and that each Owners' liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage interest bears to the total Lots in Cedar Creek Landing. 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 attorneys' 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 VII

Officers

Section 7.1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected

by the Board. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President shall be a member of the Board. Any other officers may be, but shall not be required to be, members of the Board. Any Board member who serves as an officer shall be permitted to hold more than one office if such is necessary to fill the principal positions of President, Vice President, Secretary and Treasurer.

Section 7.2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board at a regular meeting or special meeting called for such purposes.

Section 7.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 7.4. President. The President shall be the chief executive of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are incident to the office of the president of a stock corporation organized under the General Corporation Law of the State of Delaware, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 7.5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President.

Section 7.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board; he shall have charge of such books and papers as the Board may direct; he shall provide notice of all scheduled Association meetings to each Owner at such address as each Owner shall have designated by notice in writing to the secretary; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the General Corporation Law of the State of Delaware.

Section 7.7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; he shall be responsible for the deposit of all monies

and other valuable effects in the name of the Board, or the managing agent, in such depositories as may from time to time be designated by the Board, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the General Corporation Law of the State of Delaware.

Section 7.8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations of over \$2,000.00 shall be executed by any two (2) officers or by an officer and such other person or persons as may be designated by the Board. All such instruments for expenditures or obligations of less than \$2,000.00 may be executed by any one (1) officer or by such other person as may be designated by the Board.

Section 7.9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such, but may be reimbursed for expenses incurred in regard to services rendered to the Association, as approved by the Board from time to time.

ARTICLE VIII

Amendments to Bylaws

Section 8.1. Amendments. Except as otherwise provided in these Bylaws, these Bylaws may be modified or amended either (i) by a vote of at least fifty-one percent (51%) of the total membership at any regular or special meeting, provided that notice of the proposed amendment shall have been given to each Owner at least ten (10) days in advance of such meeting or (ii) pursuant to a written instrument duly executed by a majority of the Owners.

ARTICLE IX

Miscellaneous

Section 9.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first-class 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.

Section 9.2. 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.

Section 9.3. Definitions. Words and phrases which are used herein and which are defined and/or discussed in the Declaration and Certificate of Incorporation shall have the meaning as set forth in the Declaration and Certificate of Incorporation.

Section 9.4. Conflicts. In the event of any conflicts between the Declaration and these Bylaws, the Declaration shall be controlling.

ORIGINAL MEMBERS OF BOARD

Cynthia M. Bishop
Witness

R. Craig Hudson (SEAL)
R. Craig Hudson

Cynthia M. Bishop
Witness

Joseph R. Hudson (SEAL)
Joseph R. Hudson

Cynthia M. Bishop
Witness

Robin Davis (SEAL)
Robin Davis