

BYLAWS OF BETHEL FARM HOA, INC.

A Non-Profit Association Organized under the Laws of the State

PREAMBLE

These Bylaws are adopted for the governance and administration of the Bethel Farm HOA, Inc. (hereinafter referred to as the "Association"), a non-profit homeowners association. The Association is established concurrently with and pursuant to the Declaration of Covenants, Conditions, Restrictions, and Easements for Bethel Farm (the "Declaration"), as recorded in the public land records, and as may be amended from time to time. All properties within the Bethel Farm subdivision are subject to the restrictions and provisions set forth herein.

ARTICLE I: NAME, PRINCIPAL OFFICE, AND DEFINITIONS

Section 1.01. Name. The name of the corporation is Bethel Farm HOA, Inc., a non-profit homeowners association organized and existing under the non-profit corporation laws of the state of recordation.

Section 1.02. Principal Office. The principal office of the Association shall be located at such place within the county or state of recordation as the Board of Directors may from time to time designate. Meetings of Members and Directors may be held at such places within the county as may be designated by the Board of Directors.

Section 1.03. Definitions. The terms used in these Bylaws shall have the same meanings as set forth in the Declaration, unless context clearly indicates otherwise. Specifically, "Lot" refers to any of the designated residential lots of Bethel Farm, "Owner" refers to the record owner of fee simple title to any Lot, and "Common Area" refers to all shared roads, amenities, and landscaping described as such in the Declaration.

ARTICLE II: MEMBERSHIP, MEETINGS, QUORUM, VOTING, AND PROXIES

Section 2.01. Membership. Every person or entity who is a record owner of a fee simple title to any Lot in Bethel Farm which is subject to assessment by the Association shall be a mandatory Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2.02. Annual Meetings. The annual meeting of the Members of the Association shall be held in August of each calendar year, on a date and at a time and place designated by the Board of Directors. The primary purposes of the annual meeting are to review the annual

budget, receive the President's and Treasurer's reports on the state of the Association, elect Board Members (following the Developer Control Period), and conduct other such business as may properly come before the membership.

Section 2.03. Special Meetings. Special meetings of the Members may be called at any time by the President, by a majority vote of the Board of Directors, or upon the written request of Lot Owners representing at least twenty percent (20%) of the total outstanding votes of the Association.

Section 2.04. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting. Notice shall be mailed, postage prepaid, or electronically transmitted to each Member entitled to vote, at least ten (10) days but no more than thirty (30) days prior to the date of such meeting. The notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the specific purpose or agenda of the meeting.

Section 2.05. Quorum. For any annual or special meeting of the Members, a minimum of six (6) Lot Owners present in person, by written proxy, or by certified absentee ballot shall constitute a legal Quorum. No official business, votes, elections, or budget approvals may be conducted or established at any meeting unless a legal Quorum is present. If a Quorum is not met, the Members present may adjourn the meeting to a future date, subject to appropriate notice requirements.

Section 2.06. Voting Rights. The Association shall have one class of voting membership. Each Lot within the subdivision shall be entitled to exactly one (1) vote. When more than one person or entity holds an ownership interest in any single Lot, all such persons shall be Members, but the vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any single Lot.

Section 2.07. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Owner or their authorized attorney-in-fact, and filed with the Secretary before or at the start of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance of the Lot by the Owner or upon the presence of the Owner in person at the meeting.

ARTICLE III: BOARD OF DIRECTORS: GOVERNANCE, TRANSITION, AND POWERS

Section 3.01. Governance by Developer (Developer Control Period). In accordance with the Declaration, the Association and its Board of Directors shall be managed, governed, and operated solely by the Developer (Declarant) until August 30, 2029. During this Developer Control Period, the Developer shall possess the absolute right to appoint all officers and directors of the Association, execute contracts, manage the budget, establish and collect assessments, and conduct all business of the Association in accordance with the Declaration and these Bylaws. No annual or special meetings of the owners shall alter the governing authority of the Developer during this period.

Section 3.02. Transition of Board and Owner Takeover. At the annual meeting of Members held in August 2029, the Developer shall formally turn over the management of the neighborhood and the Association to the Lot Owners. At this meeting, the Developer shall step

down, and the Owners shall elect three (3) Board Members from among the homeowners. Board members must be homeowners in Bethel Farm.

Section 3.03. Number and Terms of Office. Following the transition in August 2029, the affairs of this Association shall be managed by a Board of three (3) Directors. To establish staggered terms for continuity of leadership, the terms of the initial three (3) directors elected at the August 2029 meeting shall be established as follows:

- One (1) Director shall be elected to serve a term of three (3) years;
- One (1) Director shall be elected to serve a term of two (2) years; and
- One (1) Director shall be elected to serve a term of one (1) year.

Beginning with the subsequent annual meeting in August 2030, and at each annual meeting thereafter, one (1) new Director shall be elected to serve a full term of three (3) years to replace the outgoing Director whose term has expired. Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3.04. Removal and Vacancies. Following the Developer Control Period, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association at a meeting at which a Quorum is present. In the event of death, resignation, or removal of a Director, their successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of their predecessor, until the next annual meeting of Members.

Section 3.05. Compensation. No Director shall receive compensation for any service they may render to the Association in their capacity as a Director. However, any Director may be reimbursed for actual, pre-approved expenses incurred in the performance of their duties.

Section 3.06. Powers of the Board. The Board of Directors shall have the power and duty to conduct all business of the Association, including but not limited to:

- Adopting and publishing rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and establishing penalties and fines for infractions thereof;
- Suspending the voting rights of any Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association, or for breach of published rules;
- Exercising for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- Declaring the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- Contracting for professional management, legal, accounting, landscaping, or maintenance services as required to fulfill the Association's obligations under the Declaration.

Section 3.07. Duties of the Board. It shall be the duty of the Board of Directors to:

- Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members;
- Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

- Establish, levy, and collect assessments as provided in the Declaration, specifically the quarterly fee of \$1,000 per Lot and the \$5,000 Capital Transfer Fee on subsequent property sales;
- Send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period;
- Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same, as detailed in the Declaration;
- Procure and maintain adequate liability and hazard insurance on property owned or maintained by the Association;
- Cause all Common Areas (including roads, entrance sign, gates, fence, pond, fountain, dock, and pavilion) to be maintained and mowed in accordance with the standards set forth in Article VII of the Declaration.

Section 3.08. Board Meetings. Regular meetings of the Board of Directors shall be held quarterly or at such other intervals as the Board may determine, at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Board shall be held when called by the President or by any two (2) Directors, after not less than three (3) days' notice to each Director. A majority of the number of Directors (specifically two (2) Directors) shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE IV: OFFICERS AND THEIR DUTIES

Section 4.01. Enumeration of Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 4.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 4.03. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 4.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replace.

Section 4.07. Duties of Officers. The duties of the officers are as follows:

- ****President:**** The President shall preside at all meetings of the Board of Directors and the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall co-sign all checks and promissory notes of the Association.

- ****Vice President:**** The Vice President shall act in the place and stead of the President in the event of their absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of them by the Board.

- ****Secretary:**** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association (if any) and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

- ****Treasurer:**** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association (co-signed by the President); keep proper books of account; cause an annual audit or financial review of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE V: FINANCIAL MATTERS, ASSESSMENTS, AND RECORDS

Section 5.01. Budget and Annual Assessments. The Board of Directors shall adopt an annual operating budget that estimates the cost of maintaining, repairing, and operating the Common Areas, including reasonable reserves for capital repairs. To fund these obligations, the Board shall collect from each Lot Owner a regular annual assessment of four thousand dollars (\$4,000) per Lot. This assessment shall be collected in equal quarterly payments of one thousand dollars (\$1,000) each, due and payable on the first day of each quarter (January 1, April 1, July 1, and October 1). During the Developer Control Period, the Developer shall set and manage the budget and collect assessments in accordance with the Declaration.

Section 5.02. Capital Transfer Fees and HOA Capital Account. Following the initial sale of Lots in the Fall of 2026, every subsequent transfer of ownership of a Lot shall trigger a mandatory capital improvement fee of five thousand dollars (\$5,000) payable by the purchaser or transferee at the closing of the sale. This fee shall be deposited directly into the Association's designated capital account and shall be utilized exclusively for capital repairs, long-term enhancements, and major repairs of the Common Areas.

Section 5.03. Roadway Completion Fund. The Association shall separate and track the developer's lump-sum contribution of one hundred thousand dollars (\$100,000) earmarked for the completion of the subdivision's topcoat driveway/roadway asphalt. The Board of Directors

shall ensure that these funds are utilized solely for the final paving topcoat, which shall be executed and completed in approximately two (2) years from the date of recording, or when construction of the primary residences is largely complete, as determined by the Developer.

Section 5.04. Delinquency and Collection Remedies. Any quarterly installment or other assessment not paid within thirty (30) days of its due date shall be considered delinquent and shall bear interest from the due date at a rate of ten percent (10%) per annum or the maximum legal rate allowed by law, whichever is lower. The Association, acting through its Board of Directors, is authorized to assess late fees and initiate collection actions, including recording a continuing property lien against the delinquent Owner's Lot and initiating foreclosure proceedings, as provided in Article IV of the Declaration.

Section 5.05. Books and Records. The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE VI: AMENDMENTS AND CONFLICTS

Section 6.01. Amendments. These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Members, by a vote of Members representing seventy percent (70%) of the outstanding votes of the Association. Any amendment to these Bylaws during the Developer Control Period shall require the written consent of the Developer (Declarant) to be valid.

Section 6.02. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration (CC&Rs) and these Bylaws, the Declaration shall control.

ARTICLE VII: MISCELLANEOUS PROVISIONS

Section 7.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 7.02. Indemnification. The Association shall indemnify every Director and officer against all expenses, including attorney's fees, reasonably incurred by or imposed on them in connection with any action, suit, or proceeding to which they can be a party by reason of being or having been a Director or officer of the Association. Directors and officers shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith.

Section 7.03. Severability. Invalidation of any one of these covenants or provisions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

ADOPTION OF BYLAWS

IN WITNESS WHEREOF, the undersigned, being the sole Declarant/Developer of Bethel Farm and acting as the initial Board of Directors, does hereby adopt these Bylaws as the official Bylaws of the Bethel Farm HOA, Inc., as of this _____ day of _____, 2026.

Bethel Farm Developers, LLC (Declarant)

By: Authorized Representative