



Property Owners Association, Inc.

Revised Bylaws December 5, 2016

Having been approved by at least 75% of the Voting Members, this revision replaces all previous versions of the Craft Farms Property Owners Association, Inc. By Laws

Prepared by:
CFPOA Board of Directors
Covenants Committee Chairman
P.O. Box 1187
Gulf Shores, AL 36547

BALDWIN COUNTY, ALABAMA
TIM RUSSELL PROBATE JUDGE
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**REVISED BYLAWS
OF
CRAFT FARMS PROPERTY OWNERS ASSOCIATION, INC.**

Article I

Name, Principal Office and Definitions

1.1 Name. The name of the Association shall be Craft Farms Property Owner's Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 Principal Office. The principal office of the Association in the State of Alabama shall be located at Post Office Box 1187, Gulf Shores, AL 36547. The Association may have such other offices, either within or without the State of Alabama, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these Bylaws shall have the same meaning as set forth in that Declaration of Covenants, Conditions and Restrictions for Craft Farms (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration), unless the context shall prohibit.

Article II

Association: Membership

2.1 Membership. Membership shall consist of all property owners as set forth in the Covenants.

2.2 Board of Directors. The governing body shall be the Board of Directors who shall be elected as provided in the Covenants. Each Sub-district shall meet at least every two years to elect its Director (Voting Member).

2.2 Elections. Each Director is responsible for the planning and conduct of the biennial election within the represented sub-district. Biennial elections shall encompass the following as a minimum:

(a) All sub-district owners must be notified of the upcoming meeting a minimum of 14 days prior to the meeting. The notice must include a Limited Proxy to allow the owner to vote when meeting attendance is not possible. (One Limited Proxy per platted unit)

(b) Candidates for director and alternate will be nominated by the sub-district committee and may also be nominated by the meeting attendees.

(c) The biennial election requires a quorum of 30% of the sub-district units. The quorum will be calculated by adding the number of units represented by those physically present plus the number of validated Limited Proxies received.

(d) To be properly elected, the candidate must receive a majority vote of the owners attending plus any Limited Proxies submitted by authorized owners and validated by the

management company. Only one vote per unit is allowed.

(e) If the election is unsuccessful for any reason, i.e. lack of quorum or lack of majority vote etc., the biennial election must be rescheduled within 60 days. The previous director's term of office will be extended until a successful election is accomplished. The new director's term of office will start on the first of the month following the successful election.

(f) Biennial election results will be reported at the next POA Board meeting and be included in the meeting minutes.

(g) Term of office will be for two years and commence on January 1 following the first scheduled election or the first of the month following the subsequent successful election and end on December 31 the following year.

Article III

Board of Directors: Number, Powers, and Meetings

A. Composition and Selection.

3.1 **Governing Body; Composition.** The affairs of the Association shall be governed by a Board of Directors, each of who shall have one vote. The Directors shall be the Voting Members.

3.2 **Number of Directors.** The number of Directors shall be determined by the number of sub-districts and land segment owners.

3.3 **Election and Term of Office.** Elections shall be scheduled every two years, beginning in the year 2004 for service in the following year. Sub-districts will alternate their election as determined by the Board. Elected directors shall serve for 2 years unless unable to serve. If vacancy occurs, an elected alternate shall serve the remainder of the term. Should the elected alternate be unable to serve, and then an alternate shall be appointed by the Board of Directors.

3.4 **Removal of Directors and Vacancies.** Directors may be removed by a vote of a majority of the Directors present at a meeting called for that purpose for cause or for no cause. Any director whose removal is sought will be given 14 days notice prior to any meeting called for that purpose.

B. Meetings.

3.5 **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each calendar year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Directors not less than seven (7) days prior to the meeting; provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or written consent to holding of the meeting.

3.6 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice by the President, Vice President or Secretary of the Association, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) by written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director; or (d) by email. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States Mailbox at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, or email shall be delivered at least four (4) days before the time set for the meeting.

3.7 Waiver of Notice. Waiver of notice of meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

3.8 Quorum of Board of Directors. At all meetings of the Board of Directors, six (6) of the Directors or alternates shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted without further notice.

3.9 Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by Directors representing a majority of the total vote of the Association at a regular or special meeting of the Association.

3.10 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

3.11 Open Meetings. Subject to the provisions of 3.12 of this Article, meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board. The Board may elect to meet in Executive Session to address issues involving privileged information and matters of a private nature.

3.12 Action Without a Formal Meeting. Any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing by hard copy or email, setting forth the action so taken, shall be signed by a quorum of the Directors, and such explanation of the action taken shall be emailed to all Directors within three (3) days after the written consents of the Board members have been obtained

C. Powers and Duties.

3.13 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles or these Bylaws directed to be done and exercised exclusively by the Voting Members.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to take and be responsible for the following actions, by way of explanation, but not limitation:

(a) Preparation and adoption of an annual budget in which there shall be established the contribution of each owner to the Common Expenses;

(b) Making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment, provided, unless otherwise determined by the Board of Directors, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be due and payable in advance on the first day of each quarter for said quarter;

(c) Providing for the operation, care, upkeep and maintenance of all of the Area of Common Responsibility;

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Association, its property, and the Area of Common Responsibility 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;

(e) Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; the reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) Making and amending rules and regulation;

(g) Opening of bank accounts on behalf of the Association and designating the signatories required;

(h) Making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the other major provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings that may be instituted on behalf of or against the Owners concerning the Association;

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Association or its Members and not chargeable to Owners;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagors, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the owners. All books and records shall be kept in accordance with generally accepted accounting practices;

(m) Make available to any prospective purchaser of a Residential Unit, any Owner of a Residential Unit, any first Mortgagee, and the holders, insurers and guarantors of a first Mortgage on any Residential Unit, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Residential Unit and, as it may apply, the Land Segment, or any Subdistrict, or other residential association, and all other books, records, and financial statements of the Association; and

(n) Permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

3.14 Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraph (a), (b), (f), (g) and (i) of Section 3.13 of this Article.

(b) No management contract may have a term in excess of two (2) years and must permit termination by either party without cause and without termination fee on ninety (90) days written notice.

3.15 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) Accrual accounting; as defined by generally accepted accounting principals, shall be employed;

(b) Accounting and controls should conform with established AICPA guidelines and principals, which require, without limitation:

(i) A segregation of accounting duties,

(ii) Disbursements by check requiring two (2) signatures, and

(iii) Cash disbursements limited to amount of Twenty-five (\$25.00) Dollars and under;

(c) Cash accounts of the Association shall not be commingled with any other accounts;

(d) No remuneration shall be accepted by the Managing Agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Association;

(e) Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(f) Quarterly financial reports shall be prepared for the Association containing:

(i) A full accrual balance statement;

(ii) An accrual Income Statement prepared with comparison to "approved" budget;

(iii) A Balance Sheet as of the last day of the Association's calendar year and an Operating Statement for said calendar year, which shall be distributed within ninety (90) days after the close of a calendar year;

(iv) An Aged Accounts Receivable will be available to any member of the Board of Directors upon request;

(g) An Annual Audited Financial Statement containing the following will be distributed after the close of the calendar year:

(i) A balance sheet as of the end of the calendar year;

(ii) An operating (income) statement for the calendar year; and

(iii) A statement of changes in financial position for the calendar year.

(h) Annual Audited Financial Report shall be prepared by an independent accountant unless the Board votes to not have an annual audit prepared.

3.16 Borrowing. The Association shall have the power to borrow money for the purpose of repair or restoration of the Common Area and facilities with approval of a majority vote of the Directors of the Association.

3.17 Rights of the Association. With respect to the Common Areas or other Association responsibilities owed, and in accordance with the Articles of Incorporation, Bylaws of the Association and the Declaration of Covenants, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives or neighborhood and other homeowners or residents association, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of all Directors of the Association.

3.18 Hearing and Sanction Procedure. The Board shall not impose a sanction or suspend voting rights unless and until the following procedure is followed:

(a) First Notice. Written demand to cease and desist from an alleged violation shall be served upon the alleged violator specifying:

- (i) The alleged violation;
- (ii) The action required to abate the violation;
- (iii) That a sanction may be imposed per published schedule;
- (iv) The time period allowed for correction of the violation without a sanction. If such violation is a continuing one, a statement that any further violation of the same rule may result in the imposition of a sanction; and
- (v) An invitation to request a hearing to produce any statement, evidence, and witness on his or her behalf.

(b) Second Notice. If the violation continues past the period allowed for abatement without penalty in the first notice, or if the same rule is subsequently violated at any time within twelve (12) months of the first violation notice, the Board or its delegate shall serve the violator with written notice of the sanction to be imposed and the option to request a hearing to be held by the Covenants Committee (as described in Section 5.2 of Article V hereof). The notice shall contain:

- (i) The nature of the violation;
- (ii) An invitation to request a hearing to produce any statement, evidence, and witness on his or her behalf; and
- (iii) The sanction to be imposed.

(c) Hearing. If a hearing is requested it shall be held in executive session affording the Member a reasonable opportunity to be heard. A notice stating time and place of the hearing must be sent not less than ten (10) days prior to the scheduled date of the hearing. Proof of notice and the invitation to be heard shall be placed in the minutes of the meeting, and Section 9.3 of Article IX of the Declaration shall be complied with. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting

shall contain a written statement of the results of the hearing and the recommended sanction, if any. These minutes shall be provided to both the Board and the affected Member.

(d) Board Action Following the Covenants Committee Hearing, the Board must evaluate the Committee recommendation and make a final decision concerning the sanction imposed or removed. Written notice will be provided to the Member stating the Boards conclusion and providing the Member with the option to appeal this decision to the Board. (See paragraph (e) below)

(e) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the Manager, President, or Secretary of the Association within thirty (30) days after the hearing date. If at any time during the hearing/appeal process the sanction imposed is overturned, all monies billed will be refunded.

(f) Sanction Schedule. The Board must maintain and publish a schedule of sanctions which includes type of violation, time allowed to correct without sanction, sanction to be imposed if not corrected and sanction for subsequent, same rule violation within the 12 month period.

Article IV

Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.2 Election, Term of Office and Vacancies. The officers of the Association, as noted in 4.1 Officers, shall be elected annually by the Board of Directors. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled as stated herein. Any officer may succeed his or her self.

4.3 Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

4.5 Resignation. Any officer may resign at any time by giving written notice to the

Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by the President and Treasurer or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V

Committees

5.1 General. Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by the Directors at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

5.2 Covenants Committee. The Board of Directors may appoint a Covenants Committee consisting of at least five (5) but no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee shall be the hearing tribunal of the Association.

5.3 Subdistrict Committees. In addition to other committees, as provided in 5.1 of this Article V, there shall be a Subdistrict Committee for each of the Subdistrict contained in the Properties. Each Subdistrict Committee shall be comprised of three (3) but no more than five (5) members. Subdistrict Committees shall have the responsibility of;

- a) Preparation of the Annual Budget for Subdistrict,
- b) Recommending improvements for said sub-district and to act as nomination committee for the election of the Director and alternate.
- c) Determining the nature and extent of services, if any, to be provided to the Subdistrict by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Subdistrict Committee may advise the Board on any other issues, but shall not have the authority to bind the Board of Directors.

Article VI

Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association set by resolution of the Board of Directors is the calendar year.

6.2 Parliamentary Rules. Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with Alabama law, the Articles of Incorporation, the Declaration, or these Bylaws.

6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Alabama law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Alabama law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Member and Mortgagees. The Declaration and Bylaws, membership register, books of account and minutes of meetings of the Members, the Board, the committees shall be made available for inspection and copying by any mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) Notice to be given to the custodian of the records;

(ii) Hours and days of the week when such an inspection may be made;
and

(iii) Payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

6.5 Notices. Unless otherwise provided in these Bylaws, 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 registered or certified mail, return receipt requested, first class postage prepaid unless specified otherwise in this document:

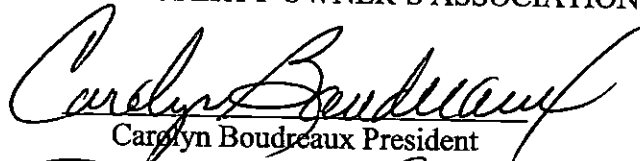
(a) If to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Residential Unit of such owner; or

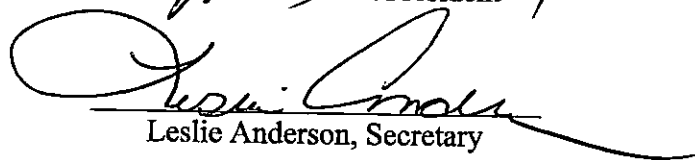
(b) If to the Association, the Board of Directors, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by the notice in writing to the Owners pursuant to this Section.

6.6 Amendment. Bylaws may be amended in accordance with Article XV of the Declaration of Covenants.

IN WITNESS WHEREOF, Craft Farms Property Owner's Association, have caused their duly authorized officers to certify this revision on this the 5 day of DECEMBER 2016.

CRAFT FARMS PROPERTY OWNER'S ASSOCIATION, INC.

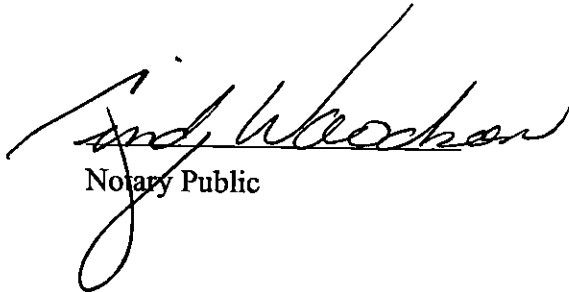

Carolyn Boudreaux President

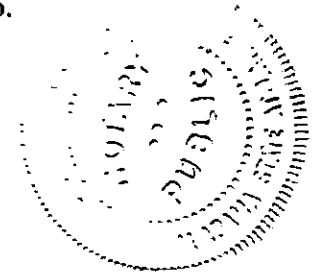

Leslie Anderson, Secretary

STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned, a Notary Public in and for Baldwin County, in the State of Alabama, hereby certify that Carolyn Boudreaux, whose name as President of Craft Farms Property Owner's Association, Inc., is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this, the 5 day of DECEMBER 2016.

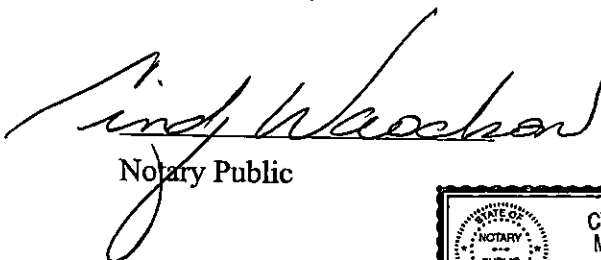

Notary Public



STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned, a Notary Public in and for Baldwin County, in the State of Alabama, hereby certify that Leslie Anderson, whose name as Secretary of Craft Farms Property Owner's Association, Inc., is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this, the 5 day of DECEMBER 2016.


Notary Public

