

BY-LAWS OF SKY VALLEY ASSOCIATION, INC.

REVISED JUNE 27, 2006

Article I  
Definitions

As used in these By-Laws:

Section 1.01. The term "Association" shall mean Sky Valley Association, Inc.

Section 1.02. The term "Act" shall mean the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time.

Section 1.03. The term "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as amended from time to time.

Section 1.04. The term "By-Laws" shall mean the By-Laws of the Association, as amended from time to time.

Section 1.05. The term "Sky Valley" shall mean the subdivision known as Sky Valley, which is situated in Garrett County, at Deep Creek Lake, Maryland.

Article II  
Identification

Section 2.01. Name. The name of the Association is Sky Valley Association, Inc.

Section 2.02. Principal Office and Resident Agent. The location of the principal office of the Association and the designation of the resident agent of the Association shall be as specified in the Articles of Incorporation, unless after the adoption of the Articles of Incorporation, such location or such designation or both shall be changed in accordance with the requirements of the Act, in which case the notice of the change that is required by the Act (and the more or most recent of such notices, if two or more shall have been filed) shall be conclusive as to the matters covered by such notice.

Section 2.03. Seal. The seal of the Association shall be in the form of a circle, about the upper periphery of which shall appear the words "Sky Valley Association, Inc." (or an appropriate abbreviation thereof), and about the lower periphery of which shall appear "1967 Maryland". When the affixing of the seal of the Association to any instrument shall be appropriate, the affixing shall be done by means of a metal die capable of impressing the seal on paper.

Section 2.04. Fiscal Year. The fiscal year of the Association shall begin on the first day of March in each year and end on the last day of February in the next subsequent calendar year.

Article III  
Membership

Section 3.01. Qualifications for Membership. The qualifications for membership in the Association shall be as follows:

A. The members of the Association shall be persons or corporations who at any time are owners (legal or equitable) of numbered residential lots in Sky Valley. A person who has no interest in real estate in Sky Valley other than an interest that is held merely as security for the performance of an obligation to pay money (e. g., the interest of a mortgagee or a land contract vendor) shall not be entitled to membership in the Association.

B. Membership in the Association shall lapse and terminate when any member shall cease to be the owner of a numbered residential lot in Sky Valley.

C. No member may be expelled from membership in the Association for any reason whatsoever; provided, however, that the Board of Directors of the Association shall have the right to suspend the voting rights (if any), and the right to use the parks and other recreational facilities of the Association of any member (I) for any period during which any Association charge (including fines levied by the Association for violation of rules applicable to Sky Valley) owed by the member remains unpaid; (II) and for the period of any continuing violation of the restrictive covenants of Sky Valley, after the existence of the violation shall have been declared in writing by the Board of Directors of the Association. Further the Board of Directors of the Association shall have the right to suspend the voting rights (if any) and privileges of membership for the period any bill for service owed by the member shall remain unpaid.

D. Any member whose annual dues and additional charges are unpaid shall be considered not in good standing until such payment is made. Annual dues and additional charges shall be considered to be unpaid if they are not paid on or before the due date posted on the annual dues invoice or bill.

E. There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the members, unless otherwise defined in the rules and regulations of the Association.

Section 3.02. Evidence of Membership. The Board of Directors of the Association shall have the power (but not the duty) to cause the issuance of evidence of membership in the Association to the members thereof in such form as the Board of Directors shall prescribe. As of the date of the adoption of these By-Laws, the Board of Directors has taken no action (except the adoption of this By-Law) in respect of evidence of membership in the Association.

Section 3.03. Privileges of Membership. The members of the Association (and any person who both belongs to the family of a member and has the same residence as the member to whose family he belongs) and any person who is a guest of a member of the Association shall have the privilege of using the streets within Sky Valley, the areas designated as parks or pedestrian easements on the plats thereof, and any other recreational facilities within Sky Valley that are owned by the Association, in accordance with the restrictive covenants for Sky Valley and the Articles of Incorporation and any such other rules for the use of such streets or roads and parks adopted from time to time.

1. Only one house shall be erected and maintained by any one lot and same shall in no case be used for commercial purposes, unless approved by Sky Valley Association, Inc. Owing to the topography of the grounds of said subdivision, and the desire to preserve the natural beauty of the whole, Sky Valley Association, Inc. reserves the right to approve the location and exterior appearance of the house or structure before construction proceeds. Minimum residence living space on ground or first floor, exclusive of porch area, shall be not less than 760 square feet.
2. No trailers, mobile homes or other similar pre-fabricated or pre-built structure shall be permitted upon the land, but this shall not be construed to prohibit pre-cut or pre-fabricated structures of other than the "mobile" type.
3. No ditches or drains shall be dug or constructed on said lot without approval of Sky Valley Association, Inc., or its duly appointed agents, and only United States or Maryland approved septic tanks shall be installed for sewerage disposal; garbage shall be kept in containers approved by the Board of Directors and disposed of by removal from said subdivision, and in no case shall sewerage or garbage or other noxious substances be permitted to flow or run into or be thrown into Deep Creek Lake or the pond of water maintained by the Association.
4. No fences, walls or hedges shall be installed on the front portion of any lot within this subdivision between the front lot line and the front building set-back line; provided, individual trees, shrubs and other landscaping shall be permissible therein.
5. The exterior of any structure, the construction of which is commenced, must be completed within 12 calendar months from the date construction began. Minimum set-back requirements shall be as specified in Article 4, section 401 for a single family detached dwelling in a Lake Residential District as set forth in the DEEP CREEK WATERSHED ZONING ORDINANCE. (40 ft. front and rear 15 ft. sides.)
6. The owner (owners) agree that they will not do, nor permit to be done on said property, anything which shall amount to a nuisance, either private or public.
7. No boat docks, floats or other structures extending into the lake shall be constructed or placed into or on said lake without prior written approval of Sky Valley Association, Inc., its successors or assigns.
8. All covenants and agreements herein set forth as well as restrictions will bind on and run with the land and the said Sky Valley Association, Inc. for itself, its successors and assigns, agrees that the same or similar restrictions, covenants and agreements shall be included in each deed or conveyance for all property sold from the said subdivision.
9. Sky Valley Association, Inc., for itself, its successors, assigns and licensees reserves a fifteen (15) foot wide easement along both sides of all road rights-of-way and a ten (10) foot wide easement along the side and rear lines of each and every lot, with the right of ingress and egress thereon for the purpose of installing and maintaining utility lines, gas and water mains, sewer lines and drainage ditches and appurtenances thereto; together with the right to trim, cut or

remove any trees or brush necessary, and the right to locate guy wires, braces and anchors where necessary. Except where an owner of two or more adjoining lots constructs a building which will cross over or through a common lot line, said common lot line shall not be subject to the aforementioned ten (10) foot easement. Sky Valley Association, Inc., for itself, its successors, assigns and licensees also reserves the right to cause or permit drainage of surface waters over and/or through said lots. The owners of said lots shall have no cause of action against Sky Valley Association, Inc., its successor, assigns or licensees either at law or in equity excepting in cases of willful negligence, by reason of any damage caused said lots in installing, operating or maintaining above mentioned installations.

Section 3.04. Conveyance of Property. The owner(s) agree that they will not sell, assign or convey lot(s) they own without first having given notice to Sky Valley Association, Inc. of their intent to sell any such lot and also shall give notice to any prospective purchaser, in accordance with the Maryland Homeowner Association Act, which appears in Title 11B of the Real Property Article of the Maryland Annotated Code, that any such prospective purchaser, upon acquiring a lot in Sky Valley, shall become a member of Sky Valley Association, Inc. and be subject to all of its rules, regulations and responsibilities. Any deed conveying title to any lot in Sky Valley shall reflect that the property is conveyed subject to the rights and obligations of membership in Sky Valley Association, Inc., including the provisions of these By-Laws and all other rules and regulations of the Association.

Section 3.05. Lien in Favor of the Association. Non-payment of Assessments - Statement of Condominium Lien. Any dues, charges and assessment levied pursuant to these By-Laws, and any installment thereof, which is not paid on the date when due shall be delinquent and shall entitle the Association to claim the amount of the dues, charges and assessment, together with interest thereon, late charges and the actual costs of collection and reasonable attorney's fees, as a lien in accordance with the Maryland Contract Lien Act, Section 14-201, Real Property Article, Annotated Code of Maryland (1981 Repl. Vol.) et seq. The personal obligation of the member to pay the assessment shall, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any dues, charges or assessments or any installment thereof, may be maintained without foreclosing or waiving the lien established pursuant to the Maryland Contract Lien Act. No sale or transfer shall relieve a member from liability for any such dues, charges and assessments which became due prior to such sale or transfer or from the lien of any subsequent dues, charges and assessments; provided, however, that a sale or transfer of a member's property pursuant to the foreclosure or any proceeding in lieu thereof of a recorded first mortgage or deed of trust shall extinguish the lien as to payments which became due prior to such sale or transfer.

#### Article IV Meetings of Members

Section 4.01. Place of Meetings. Any meeting of the members of the Association may be held at any place within Garrett Co., Maryland. The place at which a particular meeting of the members is to be held shall be stated in the notice of that meeting.

Section 4.02. Semi-Annual Meetings. The fall semi-annual meeting of the members of the Association shall be held on the Saturday immediately preceding Labor Day in September of each year. The purpose of this meeting will be to elect the Directors in accordance with these By-Laws whose terms have expired and to handle such other business as may properly come before the meeting. The spring semi-annual meeting of the members of the Association shall be held on the Saturday immediately preceding Memorial Day of each year. The purpose of this meeting will be to review the rules and regulations and to discuss matters of interest to the Association with respect to the forth-coming summer season and to transact such other business as may properly come before the meeting. Failure to hold the semi-annual meetings on the designated dates shall not work any forfeiture or dissolution of the Association.

Section 4.03. Special Meetings. A special meeting of the members of the Association may be called by the President, by a majority of the Board of Directors, or by a written petition signed by a member who has, or members who have, the right (under the Articles of Incorporation and the By-Laws) to cast one-fourth (1/4) of the votes on any question upon which the vote of the membership of the Association shall be required or desirable.

Section 4.04. Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting (or when required by any provision of the Act or the Articles of Incorporation, or by any other provision of the By-Laws), the purpose for which such meeting shall have been called, shall be delivered or mailed by the Secretary to each member (or group of members constituting a tenancy by the entireties, a joint tenancy, or a tenancy in common) owning a numbered lot in Sky Valley at least twenty (20) days before the date of the meeting. Unless the Secretary shall have been otherwise notified in writing, adequate notice of a meeting shall be deemed to have been given to any member if said notice is mailed to the address of the member appearing in the official Sky Valley Directory maintained by the secretary or supplied by such member of the Association for the purpose of notice. It is the responsibility of the owner to notify the Association of any change of mailing address or ownership of property. Notice of any meeting of members may be waived in writing filed with the Secretary of the Association before the time of the meeting, at the time of the meeting, or after the time of the meeting, or by attendance in person.

Section 4.05. Voting at Meetings.

Clause 4.051. Voting Rights. The voting rights of the members of the Association shall be as follows:

Clause 4.052. Method of Voting. A vote attributable to a numbered lot in Sky Valley shall be cast as follows:

- (a) If the lot is owned by one person, the vote shall be cast by that one person.
- (b) If the lot is owned by more than one person, either as tenants in common, as joint tenants, or as tenants by the entireties, the vote attributable thereto shall be deemed properly cast if cast by one of the tenants in the absence of any objection, or contrary vote, by any other of them.
- (c) If a lot is owned by more than one person, either as tenants in common, as joint tenants, or as tenants by the entireties, and if two or more of them desire that the vote attributable to that lot be

cast in different way, or one of them desire that it not be cast, then the vote attributable thereto shall be deemed properly cast if cast by not less than a majority in number of the tenants.

Clause 4.053. Proxies. Any person who is entitled to vote (as the sole owner of a numbered lot in Sky Valley or as one of a group of tenants by the entireties, joint tenants, or tenants in common owning such a lot) at any meeting of the members of the Association may vote in person or by proxy executed in writing or by a duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided for upon the face of the proxy instrument. As used in these By-Laws, the term "proxy" shall be deemed to include ballots published in the newsletter of the Association or otherwise distributed to all members of the Association, which are executed in writing by a member or duly authorized attorney in fact for a member.

Clause 4.054. Quorum. A quorum shall be deemed to be present at any semi-annual or special meeting of the membership of the Association if at such meeting, at least one fourth (1/4) of the total votes capable of being cast in accordance with Clause 4.052 are present in person or by proxy unless otherwise specified as in Articles IX and X.

Clause 4.055. Election tellers. If a vote is needed at any meeting of the members of the Association, the President shall appoint at least two election tellers to count votes for that meeting. Election tellers shall be members in good standing of the Association. No person who is a candidate for the Board of Directors may be an election teller. The tellers shall have the time needed and shall exercise diligence to assure a fair and accurate count of the votes cast.

## Article V

### The Board of Directors

Section 5.011. Qualification and Election. The affairs of the Association shall be managed by a Board of seven (7) Directors. The Board of Directors of Sky Valley Association, Inc. shall be members in good standing of the Association. The first Board of Directors shall be elected as follows: three Directors for a term of one year, four Directors for a term of two years. The terms of the elected Directors will commence on March 1 of the subsequent year following the fall semi-annual meeting. Thereafter the Board of Directors shall be elected at the fall semi-annual meeting of the Association in a sequence as follows: three Directors for the first year, four Directors the second year, three Directors the third year, and then a rotating four Director, three Director basis henceforth.

Section 5.012. Interim Board. An Interim Board of seven (7) Directors shall be elected at the May 1979 meeting of the membership. Their term shall expire on March 1, 1980, when the elected Directors shall take office as described in Section 5.011.

Section 5.02. Vacancies. Any vacancy that shall occur in the Board of Directors by death, resignation, or otherwise shall be filled by a majority vote of the remaining Directors. In filling vacancies, the Board shall select from among candidates not elected to the Board but who received votes at the last election for Directors, in descending order based on number of votes received, then, if unable to fill any such vacancy, shall select from among the remainder of the

Association membership. In appointing Directors to fill vacancies, the Board may appoint Directors to serve (a) the remainder of the term if fewer than two fall semi-annual meetings would normally be held during the period covered by the temporary appointment or (b) until the next fall semi-annual meeting, if the remainder of the term would normally include two semi-annual meetings.

At the fall semi-annual meeting, the Association will elect Directors, casting votes for as many Directors whose terms are due to expire plus for each vacancy that was filled by temporary appointment under item (b) above. Directors will be chosen in order of the number of votes each receives; that is, candidates with the greater numbers of votes will fill the positions of those Directors whose terms are due to expire. When all such regular 2-year terms are filled, the person(s) with the next highest number of votes will serve the unexpired portion of any term that was filled by temporary appointment under item (b) above. If two or more candidates receive equal votes, the tie will be broken, if necessary, by cutting a deck of playing cards (from which jokers have been removed) under the supervision of the election tellers who counted the votes. In determining the order of finish, aces will be the highest cards, then kings, queens, and so on; among suits the order (highest to lowest) will be spades, hearts, diamonds, and clubs.

Section 5.03. Annual Meeting. The Board of Directors shall hold an annual meeting, after the fall semi-annual meeting of the members of the Association but before December 1, for the purpose of organization, election of officers for the term beginning March 1, and the consideration of any other business that properly may be brought before the meeting. Current Directors and Directors-elect (whose terms are to begin March 1) may vote in the election of officers. The failure to hold any annual meeting by the designated time shall not work any forfeiture of the Charter, or dissolution of the Association.

Section 5.04. Special Meeting. Special meetings of the Board of Directors may be called at any time by the President and shall be called on the written request of any two Directors. The Board of Directors of the Association shall meet at least, but not limited to, once each quarter.

Section 5.05. Notice of Meeting and Attendance Requirements.

Clause 5.051. Notice of Meeting. A written or printed notice stating the place, day and hour of the annual or a special meeting shall be delivered or mailed by the Secretary to each Director at least ten (10) days before the date of the meeting. Notice of any meeting of Directors may be waived by any Director in writing filed with the Secretary before the time of the meeting, at the time of the meeting, or after the time of the meeting, or by attendance in person.

Clause 5.052. Attendance Requirements. Any member of the Board who is absent from three (3) consecutively scheduled meetings of the Board of Directors without prior approval of the President shall deem to have resigned from his or her position on the Board. Scheduled meetings for this purpose shall mean meetings for which at least ten (10) days advance notice had been given. It shall be within the discretion of the Board to waive such resignation for good cause such as illness, emergency situations, or other extenuating circumstances. The individual Board member shall be notified in writing by the President whether or not a waiver of resignation has been granted. If a waiver has not been granted a successor shall be appointed by the Board in

accordance with these By-Laws.

Section 5.06. Place. All meetings of the Board of Directors of the Association shall be held at such place as may be specified in the respective notices, or waivers of notice thereof.

Section 5.07. Quorum. A majority of the whole Board of Directors shall be necessary to constitute a quorum thereof, except for the filling of vacancies, which shall require a majority of the existing Directors for a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except that matters relating to the annual budget and the fixing of the annual dues shall require a majority vote of the Board of Directors.

Section 5.08. Power and Duties of Directors.

Clause 5.081. Powers. The powers of the Board of Directors shall include (but not be limited to)

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- (a) The power to adopt and publish rules and regulations governing the use of those parts of Sky Valley that are or will be owned by, or are otherwise under the control of, the Association.
- (b) The power to exercise for the Association all the duties and responsibilities of the Association whose exercise is not reserved or committed to the membership of the Association by the By-Laws or the Articles of Incorporation.
- (c) The power to levy assessments on individual members of the Association equivalent to actual damages sustained by the Association or any member thereof by reason of the activity of any such other member, any members of his or her family, any guests, tenant or other visitors to such member who visit the member with his consent and permission.
- (d) The power to assess fines upon individual members of the Association for violating the rules and regulations of the Association (for instance with regard to misuse of common grounds, speeding, etc.). A member shall be subject to a fine of \$50.00 for the first violation in a given fiscal year, \$100.00 for the second violation in said year and the Board shall be authorized to impose a fine of \$250.00 and to suspend the privileges of membership for the third violation in a given year. A member shall be entitled to appeal from the imposition of any such fine to a special committee established by the Board of Directors and shall have the right to present reasons for the appeal in person or in writing to such committee. The committee, after considering the appeal of the member and any information the member chooses to present, shall make a recommendation to the Board to sustain the fine imposed, reduce the amount of the fine or eliminate the fine entirely. The Board may accept or reject the committee's recommendation. The decision of the Board shall be final.

Clause 5.082. Duties. The duties of the Board of Directors shall include (but not be limited to):

- (a) The duty to fix, at least thirty (30) days prior to the first day of the fiscal year, the amount of annual charges, consistent with the annual budget, that are to be made against each member of the Association pursuant to the provisions for such charge that are contained in the Articles of Incorporation.
- (b) The duty to determine lot status. For purposes of this Section, a lot shall be considered improved as soon as ground is broken.



Section 5.09. Adoption of Rules and Regulations. The Board of Directors shall adopt rules and regulations relating to the use and enjoyment of the streets, parks, pedestrians easements, and any other recreational facilities within Sky Valley that are owned by the Association, which rules shall include, but not be limited to, a schedule of fines for violations of speed limits established for Sky Valley.

Section 5.10. Committees. The Board of Directors may create such temporary and standing committees as it shall deem necessary and shall assign to each committee so created such duties as the Board of Directors shall consider proper for assignment to such committee. The Board of Directors shall choose committee members from the membership of the Association, and each such committee member shall serve at the pleasure of the Board of Directors

Section 5.11. Additional Authority. The Board of Directors shall have the authority to hire, appoint and remove any employees of the Association and to enter into contracts for services and supplies for the Association. The Board shall be responsible to determine the terms and conditions (including wages) of employment of Association employees.

Section 5.12. Budget Approval. The Board of Directors shall have the authority to establish the operating budget annually for the Association. A proposed operating budget shall be prepared by the Treasurer of the Association and presented to the Board for its review. The Board, thereafter, shall present the proposed operating budget, with any amendments approved by the Board, to the membership prior to the fall semi-annual meeting so that the membership has an opportunity to comment upon the proposed operating budget. Following the fall semi-annual meeting, at the next regularly scheduled meeting of the Board, the Board of Directors shall establish the annual operating budget for the succeeding fiscal year. The decision to approve, alter, change, or reject the operating budget shall rest solely with the Board.

Section 5.13. Capital Budget. In addition to the operating budget established in accordance with provision Section 5.12 above, the Board, each year, shall prepare a proposed capital budget. The term "capital" shall be deemed to refer to any expenditures for real property, equipment costing more than \$5,000.00, repairs and improvements to real property such as the lodge or the like. The proposed capital budget shall be prepared by the Board and be presented to the membership prior to the fall semi-annual meeting so that the membership has an opportunity to comment upon the proposed capital budget. Following the fall semi-annual meeting, the Board of Directors shall establish the annual capital budget for the succeeding fiscal year. The Board shall not be authorized, however, to expend more than \$50,000 for any capital expense in a given fiscal year without obtaining the approval, by vote, of a majority of a quorum of the members present in person or by proxy at a duly constituted membership meeting.

Section 5.14. Limitations of Indebtedness. The Board of Directors shall administer the finances of the Association. If needed to conduct the business of the Association, the Board shall be authorized to borrow money for the general operation and business of the Association.

5.14a Equipment Purchases. The Board of Directors shall have authority to replace existing equipment when necessary for operations and maintenance of Sky Valley.

5.14b Purchase of Other Items. If needed to conduct the business of the Association, The Board shall be authorized to borrow money for the general operation and business of the Association;

provided, however, that money borrowed during any single fiscal year shall not exceed \$50,000.00, without authorization by vote of a majority of a quorum of the members present in person or by proxy at a duly constituted membership meeting. Existing indebtedness incurred during previous fiscal years, but not yet repaid, shall be included as borrowed money for purposes of determining the amount of indebtedness which may be incurred in a fiscal year, without seeking membership approval.

Section 5.15. Emergency Reserve Fund. The Board of Directors shall have the authority to establish and maintain a reserve fund which would be available to address any unexpected or emergency expenses of the Association. Monies for the emergency reserve fund may be obtained from a) donations by members of the Association; b) monies collected as dues (including interest thereon) in excess of sums needed to satisfy operating and capital budgeted expenses for the year; c) income earned from Association property; and/or, if needed, d) special assessments. The emergency reserve fund shall be maintained in an interest bearing insured account.

Section 5.16. Collection of Delinquent Accounts. The Board of Directors shall have the authority to initiate legal action against any member, if required, to collect dues or assessments which any member has failed timely to pay. The Board of Directors shall follow the following procedure before initiating legal action against any member:

(a) The Board shall specify the date upon which any dues payment or assessment is due to be paid;

(b) If a member fails to pay any dues or assessments on or before that date, the member shall be sent a delinquency notice;

(c) If the member, following the sending of such notice, does not make payment of any delinquent dues or assessment, he or she shall be sent a second notice which will advise said member that unless payment of the delinquent dues, assessments and any penalties is made within fifteen (15) days of the date of receipt of the second notice, the Board shall suspend the member's privileges of membership and also initiate legal proceedings to collect sums due. The Association shall be entitled to recover from a member against whom legal proceedings are initiated, the costs incurred, including reasonable attorneys' fees, to collect the amounts due;

(d) A late charge of one percent (1%) per month shall be assessed upon any member for each month that payment is not made, beginning with the thirtieth day following the due date; and

(e) The Association also shall be entitled to a lien with regard to any delinquency, in accordance with the provisions of Section 3.05 of these By-Laws.

Section 5.17. Audits. The Board of Directors shall obtain an independent auditor to perform an annual review of Sky Valley's financial operations for the prior fiscal year. The audit performed is to assure Association finances meet all criteria for use, accounting, and distribution pursuant to Sky Valley By-Laws. The auditor shall submit its report to the Board of Directors at its meeting preceding the Fall Semi-annual General Membership Meeting. The Treasurer shall present the findings at the Fall Semi-annual General Membership Meeting and provide copies of the auditors report upon request by a member.

Article VI  
The Officers of the Association

Section 6.01. Number. The officers of the Association shall be a President, a Secretary and a Treasurer, and, in addition, the Directors may choose not more than two Vice Presidents. Any person may hold two (2) offices at the same time except the offices of President and Secretary. All officers shall be Directors and members in good standing of the Association.

Section 6.02. Election and Term of Office. The officers shall be chosen annually by the Board of Directors at the annual meeting of the Board of Directors. Each officer shall hold his office until his successor shall have been chosen and qualified, or until his death, resignation, or removal.

Section 6.03. Removal. Any officer may be removed, with or without cause, at any time, by a majority vote of the Board of Directors, at a special meeting of the Board of Directors called for the purpose of considering the removal.

Section 6.04. Vacancies. Any vacancy in any office because of death, resignation, or removal, or otherwise caused, shall be filled for the unexpired portion of the term by a Director chosen by the Board of Directors.

Section 6.05. The President. The President, who shall be chosen from the Directors, shall have active executive management of the operations of the Association, subject, however, to the control of the Board of Directors. He shall, in general, perform all duties incident to the office of President and such other duties as, from time to time, may be assigned to him by the Board of Directors.

Section 6.06. A Vice President. A Vice President shall have such powers and perform such duties as the Board of Directors may prescribe or as the President may delegate to him. In the case of absence or inability of the President to act, a Vice President shall temporarily act in his place.

Section 6.07. The Secretary. The Secretary shall keep or cause to be kept, in books that shall be provided for the purpose and shall remain in the Secretary's custody, the minutes of the meetings of the members of the Association and of the Board of Directors; shall at all times keep at the principal office of the Association a complete and accurate list of the names and addresses of all members of the Association; shall attend to the giving of all notices in accordance with the provisions of these By-Laws and as required by law; shall be the custodian of the records (except the financial records) of the Association and of any die or other instrument usable in affixing the seal of the Association to paper; shall affix the seal of the Association (by means of a die or by hand) to every document whose execution on behalf of the Association under its seal shall have been properly authorized; and shall, in general, perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to him by the Board of Directors or the President.

Section 6.08. The Treasurer. The Treasurer shall be the financial officer of the Association; shall

keep, or cause to be kept, in books that shall be provided for the purpose and shall be kept at the principal office of the Association, complete books and records showing the financial condition of the Association and shall keep a separate financial account of each member of the Association; shall have charge and custody of, and be responsible for, all funds of the Association and shall deposit all such funds in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; shall receive, and give receipts for, moneys due and payable to the Association from any source; shall disburse the funds of the Association in accordance with the instructions of the Board of Directors of the Association; shall render to the President, on request, an account of all his transactions as Treasurer and of the financial condition of the Association; shall provide the membership in writing a fiscal statement semi-annually; and shall, in general, perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to him by the Board of Directors or the President.

#### Article VII Corporate Books and Records

Section 7.01. Place of Keeping in General. Except as otherwise provided by the laws of the State of Maryland or these By-Laws, the books and records of the Association may be kept at the principal office of the Association and all of such books and records shall be open for inspection by any member of the Association for proper purposes at any reasonable time.

#### Article VIII Execution of Checks and Contracts

Section 8.01. Execution of Checks. Every check for the payment of money of the Association, and every promissory note of the Association shall, unless otherwise ordered by the Board of Directors or required by law, be signed by the Treasurer of the Association.

Section 8.02. Execution of Contracts. Every contract (in addition to those mentioned above in these By-Laws) to which the Association shall be a party, shall be executed in its name by its President or Vice President and attested by the Secretary. The Secretary shall, when doing so shall be appropriate, affix the seal of the Association to such contract.

#### Article IX Maintenance and Disposition of Association Real Estate

Section 9.01. Maintenance of Association Real Estate. The Board of Directors is authorized to maintain the green area and roads consistent with their original intended use. Discretionary authority is so limited that they may not make significant changes in either the character of the green area or alignment of existing roads without specific approval of the Association membership as defined in Section 9.03.

Section 9.02. Disposition of Association Real Estate. The Board of Directors are not authorized to dispose or otherwise encumber any real estate without specific consent of the Association membership. Specific consent is defined as a vote of not less than three-fourths (3/4) of the entire membership as described in Section 9.03.

Section 9.03. Amendments to Article IX. The power to add to, alter, amend, or repeal (wholly or in part) Article IX of these By-Laws shall be vested in the members of the Association, which shall approve such amendments by a vote of not less than three-fourths (3/4) of the entire membership, either in person or by proxy, at any semi-annual meeting and notice of any

proposed change in the By-Laws must be furnished with notice of the semi-annual meeting and conform to the requirements of the notice for semi-annual meetings.

#### Article X Amendments

Section 10.01. In General. The power to add to, alter, amend, or repeal (wholly or in part) these By-Laws except Article IX shall be vested in the members of the Association, which shall approve such amendments by a vote of not less than two-thirds (2/3) of those present, either in person or by proxy, at any semi-annual meeting of the Association. By-Laws may not be amended except at semi-annual meetings and notice of any proposed change in the By-Laws must be furnished with notice of the semi-annual meeting and conform to the requirements of the notice for semi-annual meetings