

BY-LAWS  
OF  
SPRING CHASE COMMUNITY ASSOCIATION, INC.  
(As Amended September, 1998)

ARTICLE I

Name, Membership, Applicability and Definitions

Section 1. Name. The name of the Association shall be Spring Chase Community Association, Inc., (hereinafter sometimes referred to as the "Association").

Section 2. Principal office. The principal office of the Association in the State of Maryland shall be P.O. Box 194, Salisbury, Maryland 21803-0194.

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Spring Chase Community Association, Inc., (hereinafter referred to as "Declaration"), (as amended or renewed), unless the context shall prohibit.

ARTICLE II

Association: Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have two (2) classes of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meeting. Meetings of the Association shall be held at a suitable place convenient to the members as may be designated by the Board of Directors.

Section 3. Annual Meetings. The annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year, December 31st. Subsequent regular annual meetings of the Members shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board.

Section 3a. Additional Meetings. Additionally, general meetings of the Members shall be held in two (2) other months each year as designated by the Board. One (1) of these shall be held in April, May or June and shall be the "Spring General Meeting." The other shall be held in September or October and shall be the "Fall General Meeting."

Section 3b. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the board of Directors or upon a petition signed by at least twenty percent (20%) of the total votes of Class A Members of the Association.

Section 4. Registration. For purposes of establishing a quorum and for voting, a written registration according to residential units, shall be kept at all meetings, including

proxies.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, hour and purpose of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting, no business other than that stated in the notice shall be transacted.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at the address as shown on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of meeting of the Members shall be deemed the equivalent of proper notice. Any member may in writing waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waived by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such a meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than fifteen (15) days from the time the original meeting was called. At such adjourned meetings at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for a regular meeting.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that at least twenty-five percent (25%) of the total votes of the Association remains present in person or by proxy, and provided further that any action taken shall be by at least a majority of the Members required to constitute a quorum.

Section 8. Voting. The voting rights of the Members shall be as set forth in the First Amended Declaration of Covenants, Conditions and Restrictions, and such voting rights provisions are

specifically incorporated herein.

Section 9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member of his or her Residential Unit or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a Member or upon the expiration of eleven (11) months from the date of the proxy.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes totalling more than fifty percent (50%) of the total number present.

Section 11. Quorum. Except as otherwise provided in these By-laws or in the Declaration, the presence in person or by proxy of one-third (1/3) of the members, i.e. thirty-five (35), shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, or the Vice President in his or her absence. The secretary shall keep the minutes of the meeting and record in a meeting book all resolutions adopted at the meeting, as well as all transactions occurring thereat.

Section 13. Action Without a Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting in a consent in writing setting forth the action so taken and shall be signed by all the Members entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of the members.

### ARTICLE III

#### Board of Directors, Numbers, Powers, Meetings

##### A. Composition and Selection.

Section 1. Governing Body, Composition. The affairs of the Association shall be governed by a Board of Directors, all of whom shall be Members of the Association.

Section 2. Number of Directors. The number of Directors in the Association shall not be less than five (5) nor more than nine (9) as the Board of Directors may from time to time determine by resolution.

Section 3. Nomination of directors. Nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or

more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than forty-five (45) days prior to the September meeting at which the election will be held. The Nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled. Each candidate must have accepted the nomination. Nominations from the floor may be made with the same proviso.

Section 4. Election and Term of Office. The term of office shall be for two (2) years. Elections shall be held at the Fall General Meeting.

Section 5. Removal of Directors and Vacancies. Any individual Director may be removed prior to the expiration of his or her term with or without cause by affirmative vote of sixty-seven percent (67%) of the votes at any regular or special meeting of Members.

In the event of the death, removal or resignation of a Director, his or her successor shall be selected by a majority of the remaining members of the Board to serve out the unexpired term.

B. Meetings

Section 6. Organizational Meetings. The first meeting of a new Board of Directors shall be held within ten (10) days after the annual meeting at which they take office at such time and place as shall be fixed by the Board.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held as such time and place as shall be determined from time to time by a majority of the Directors.

Section 8. Special Meetings. Special Meetings of the Board of Directors shall be held when called by written notice signed by the President 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 at least four (4) days before the time set for the meeting by one of the following methods: (a) by personal delivery; (b) by written notice by first class mail; (c) by telephone communication; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the Directors addresses or telephone numbers as shown on the records of the Association.

Section 9. Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver or notice, a consent to hold the

meeting, or an approval of the minutes.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of the 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 at least a majority of the required quorum at that meeting. At such adjourned 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.

Section 11. Compensation. No Director shall receive any compensation from the association for acting as such unless approved by a majority vote of the total vote of the Association at a regular or special meeting of the Association.

Section 12. 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.

Section 13. Open Meetings. All 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 the quorum of the Board.

Section 14. Executive Session. The Board may with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 15. Actions without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the directors may be taken without a meeting of consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties

Section 16. 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 By-Laws

directed to be done and exercised exclusively by the Members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limited to:

(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 installment payments of the annual assessments;

(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 Association property and the Area of Common Responsibility and where appropriate, providing for the compensation of such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

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

(h) making or contracting for the repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws including those required after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

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

(k) paying the cost of all services rendered to the Association and its members and not chargeable to Owners;

(l) keeping books of detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and other expenses incurred. All books and records shall be kept in accordance with generally accepted accounting practices and be available during general business hours for examination by owners and mortgagees;

(m) make available current copies of the Declaration.

the Articles of Incorporation, the By-Laws, Land Use Restrictions for Community 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 operation of the property.

Section 17. 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 By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g) and (i) of Section 16 of this Article. The Declarant, or an affiliate of the Declarant may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination of fee on ninety (90) days or less written notice.

Section 18. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Area and facilities without the approval of the members of the Association; provided however, the Board shall obtain membership approval in the same manner provided in Article IX, Section 3 of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities and the total amount of such borrowing exceeds or would exceed ten (10) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 19. Rights of the Association. With respect to the common areas or other Association responsibilities owned, and in accordance with the Articles of Incorporation and By-Laws of the Association, 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, homeowners or residents associations, both within and without the property.

Section 20. Hearing Procedure: The Board shall not impose a fine, suspend voting, or infringe upon any other rights of a Member or other occupant for violations of rules unless and until the following procedure is followed:

(a) Demand Written demand to cease and desist from an

alleged violation shall be served upon an alleged violator specifying;

- (i) the alleged violation
- (ii) the action required to abate the violation; and
- (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one; or a statement that any further violation of the same rule may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a hearing to be held by the Covenants Committee in executive session. The notice shall contain:

- (i) the nature of the alleged violation
- (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence and witness on his or her behalf; and
- (iv) the proposed sanction to be imposed.

(c) Hearing The hearing shall be held in executive session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness and any sanctions hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meetings, and Article IX, Section 3 of the Declaration shall be deemed to have been fulfilled. 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 sanction, if any, imposed.

(d) Appeal If an unfavorable decision is reached by any Committee, a 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.



## ARTICLE IV

### OFFICERS

Section 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, as it shall deem desirable, such officers to have the authority to perform the duties described from time to time by the Board of Directors. Any two (2) 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.

Section 2. Election, Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 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.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective officers, as well as such powers and duties as may from time to time be 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 management agent.

Section 5. Resignation. Any officer may resign at anytime by giving written notice to the Board of Directors, 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 therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 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 such other person or persons as may be designated by resolution of the Board of Directors.

## ARTICLE V

### COMMITTEES

Section 1. General. In addition to the committee established by Article X, Section 1. (i.e. Construction &

Modifications Committee) of the First Amended Declaration of Covenants, Conditions and Restrictions for Spring Chase Community Association, committees to perform such tasks and to serve for such periods as may be designated by resolution adopted by a majority of the Directors present 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 and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with the rules adopted by the Board of Directors.

Section 2. Covenants Committee. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Construction and Modifications Committee created by Article X, Section 1. of the Declaration shall be the hearing tribunal of the Association.

#### ARTICLE VI

##### MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year shall be January 1 through December 31.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Maryland Law, the Articles of Incorporation or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Maryland Law, the Articles of Incorporation, the Declaration and these By-Laws, the provision of Maryland Law, the Declaration, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the members, the Board and 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 subject to reasonable rules established by the Board as such place within the Property as the Board shall prescribe.

(b) 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 copies of documents at the expense of the association.

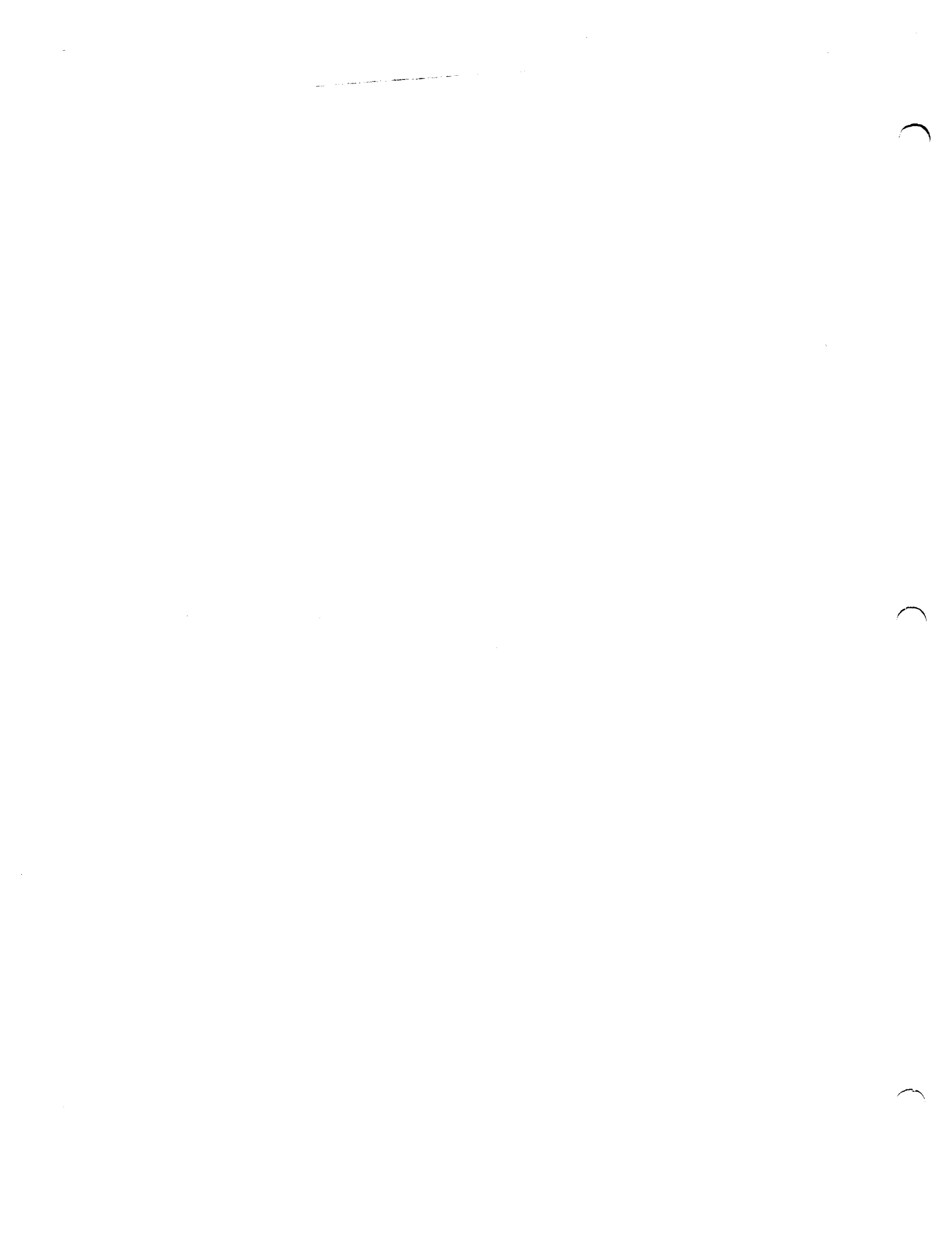
Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or is sent by registered or certified mail, return receipt requested, first class postage prepaid.

(a) if no 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, if any, or at such other address as shall be designated by the notice in writing to the owners pursuant to this section.

Section 6. Amendment. These By-Laws may be amended only by the affirmative vote (in person or by proxy) or written consent of sixty-seven percent (67%) of the votes of the Membership.

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I, Elaine Wallingford, Secretary of the Spring Chase Community Association, Inc., hereby attest that, at a meeting duly called to order on September 27, 1998, at 3:00 p.m. at which a quorum of the members of Spring Chase Community Association, Inc. were present in person or by proxy, the matter of the within BYLAWS OF SPRING CHASE COMMUNITY ASSOCIATION, INC., AS AMENDED SEPTEMBER, 1998 having been duly been brought to a vote sixty-seven percent (67 %) of the members entitled to vote voted to adopt and ratify the within BYLAWS OF SPRING CHASE COMMUNITY ASSOCIATION, INC., AS AMENDED SEPTEMBER, 1998.

November 17, 1998

BY: Elaine A. Wallingford

STATE OF MARYLAND, COUNTY OF WICOMICO, TO WIT:

I HEREBY CERTIFY that on this 17th day of November 1998, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Elaine Wallingford, the Secretary of Spring Chase Community Association Inc., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained, and in my presence signed and sealed the same.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Laura S. McCray  
NOTARY PUBLIC



Commission expires: 10/1/01

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RECORDING FEE 50.00  
TOTAL 50.00  
Rest #183  
MSB 8958 Rct # 18368  
Dec 07, 1998 Bk # 412 03:40 PM