

THE WALNUT RIDGE COMMUNITY ASSOCIATION, INC.
CONSTITUTION AND BY-LAWS
(As Amended October 13, 1988)

Article I – Name

Section 1. The name of the Corporation is Walnut Ridge Community Association, Inc., hereinafter referred to as the “Association.”

Article II – Definitions

Section 1. “Association” shall mean and refer to Walnut Ridge Community Association, Inc., its successors and assigns.

Section 2. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. “Properties” shall mean and refer to that certain real property described in the Declaration of Covenants, Restrictions and Affirmative Obligations, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. “Common Area” shall mean and refer to all real property including recreation and open space land, in accordance with the Declaration.

Section 5. “Declaration” shall mean and refer to the Declaration of Covenants, Restrictions and Affirmative Obligations, “Resubdivision of Walnut Ridge,” applicable to the Properties recorded in the Office of Land Records for Anne Arundel County, Maryland.

Section 6. “Subdivision” shall mean and refer to the Properties as hereinbefore described.

Article II – Objectives

Section 1. To promote the general welfare of the residents of the community of Walnut Ridge, Anne Arundel County, Maryland; for the improvement of said locality and to regulate and control the community common areas of the said Walnut Ridge community, the streets thereof, and all matters affecting the aforesaid community.

Section 2. To secure a compliance with, and to prevent a violation of, any of the restrictions applicable to said Walnut Ridge Community.

Article III – Membership and Voting Rights

Section 1. Members. Every owner of a lot which is in the Subdivision shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is part of the Properties.

Section 2. Associate Members. “Associate Members” shall consist of the members of the immediate families of lot owners provided that said lot owners resides in the Subdivision. Associate members shall also include tenants occupying the premises under a lease in the case where the member is not a resident of the Subdivision.

Section 3. Voting Rights. All members shall be entitled to one vote for each developed lot owned. When more than one person holds an interest in any developed lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Article IV – Assessments

Section 1. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Areas. Said Assessments may also be used to secure those services, including but not limited to the services of a property management company and other companies or contractors, to achieve the aforesaid objectives of the Association, as deemed appropriate by the Board of Directors.

Section 2. Regular Assessments. Regular Assessments shall be levied by the Association to be used primarily for the usual and ongoing expenses of the Association. The initial amount of the Regular Assessments shall be recommended to the membership by the Board of Directors and shall be approved by a majority vote of a quorum of the membership at the first general membership meeting following incorporation of this regime. Regular Assessments shall be billed and payable quarterly by members of the Association. Following the adoption of the initial Regular Assessment amount, the amount of the Regular Assessments shall thereafter be fixed at the annual membership meetings of the Association.

Section 3. Maximum Increases in Regular Assessments. The Board of Directors may fix the amount of Regular Assessments at the annual meetings without approval of membership provided that any increases proposed do not exceed ten (10) percent of the amount fixed in the previous year. Any increases in the amount of Regular Assessments recommended by the Board which exceed a ten (10) percent increase must be approved by a majority vote of a quorum of the membership at the annual meeting.

Section 4. Special Assessments for Capital Improvements. In addition to the regular assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in

whole or in part, the cost of any construction, reconstruction, repair or replacement or a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that, any such assessment shall have the assent of a majority vote of a quorum of the members of the Association at a meeting duly called for this purpose.

Section 5. Uniform Rate of Assessment. Both Regular and Special Assessments must be fixed at a uniform rate for all lots.

Section 6. Effect of Non-Payment of Assessments – Remedies of the Association. Any assessment not paid within ninety (90) days after the due date shall bear interest from the due date at the maximum rate allowed by law. The Association may bring an action at law against the owner personally obligated to pay the same. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 7. Returned Checks – Remedies to the Association. Any party that has had a check returned to the Association twice for dishonor or non-payment will be responsible to reimburse the Association any fees charged by the bank. In the event of said returned check, future assessments may be required to be paid in cash or money order upon notification by the Association.

Article V – Board of Directors

Section 1. Officers. The officers of the Association shall consist of the President, Vice-President, Treasurer and Secretary, who shall also be members of the Board of Directors.

Section 2. Board of Directors. In addition to the aforesaid officers, three shall be three (3) directors elected so as to comprise a Board of Directors of seven (7) members.

Section 3. Term of Office. Each of the officers and directors shall serve a term of office for one (1) year. Officers and directors shall be elected once a year at the annual meeting.

Section 4. Nomination for Office. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall be appointed by the Board of Directors prior to the annual meeting. The nominating committee shall attempt to secure at least two (2) consenting candidates for each post to be filled. All nominees must consent to serve in the post for which nominated. The ballot of nominees obtained by the nominating committee shall be mailed to each member of the Association with the notice for the annual meeting. The nominating committee shall present its report and its ballot of nominees at the annual meeting.

Section 5. Election. Election to the Board of Directors shall be conducted at the annual meetings by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise. For each vacancy being filled, the person receiving the largest number of votes shall be elected.

Section 6. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of his duties.

Section 7. Eligibility for Office. Any member of the Association in good standing shall be eligible to hold office, except that the President, Vice-President, Treasurer and Secretary must also be year round residents of the Subdivision. No person shall be permitted to hold more than one office simultaneously.

Section 8. Vacancies in Office. A vacancy in office shall occur in any of the following events: death of a director; resignation of a director; or failure of a director to retain eligibility for the office held. Except for the office of President, the successor for a vacancy shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor. In the event of a vacancy of the office of President, the Vice-President shall succeed to the office of President. The vacated office of Vice-President shall then be filled as aforesaid.

Article VI – Meetings

Section 1. Regular Meetings. There shall be a minimum of three (3) regular meetings per year, one of which will be the annual membership meeting in November of each year.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President of the Board of Directors, or by a majority of the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the Association.

Section 3. Notice of Meetings. Written notice of all meetings shall be mailed to each member of the Association at least one week before such meeting.

Section 4. Meetings of the Board of Directors. The Board of Directors shall meet at least quarterly at a time and place designated by the President. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Directors. A majority of Directors shall constitute a quorum at meetings of the Board.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the Association shall

constitute a quorum for any action except as otherwise provided in the Declaration or these By-laws.

Section 6. 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 of the Association. Every proxy shall be revocable.

Section 7. Presiding over Meetings. Meetings of the members shall be presided over by the President of the Association or, if he is not present, by the Vice-President, or, if none of said officers is present, by a member of the board so appointed by the President.

Section 8. Agenda. The agenda of all meetings of members shall be determined by the President or by the presiding officer.

Article VII – Duties of the Board of Directors

Section 1. President. The President shall preside at all meetings of the Association. The President shall submit to the Directors for their consideration and decision all subjects which, in his opinion, the interests of the Association may require.

Section 2. Vice-President. The Vice-President, in the absence of the President, shall perform all duties of the President.

Section 3. Treasurer. The Treasurer shall receive the dues of the members, and all other money received, or contributions made, to the Association. The Treasurer shall keep an accurate account thereof and be responsible for sending out all bills for membership dues. The Treasurer shall deposit in a bank designated by the Board of Directors all funds of the Association which may come into his possession, and shall pay all authorized expenditures upon receipt of approved statement.

Section 4. Secretary. It shall be the duty of the Secretary to keep accurate records of all the proceedings (minutes) of each meeting of the Association and the Board of Directors. The Secretary shall notify all members of the Association, in writing, at least one week in advance of all meetings of the Association. The Secretary shall have custody of all official papers, reports and records pertaining to the Association.

Section 5. Board of Directors. The Board of Directors shall be the governing body of the Association subject to instructions received from the membership at regularly constituted meetings. The board shall be empowered to authorize payment of bills, contract for services, and carry on such other business as may be required between scheduled membership meetings, provided that any expenditure involving one-half (1/2) or more of the monies on hand, shall be referred to the Association at a regular or special meeting of members or consideration and approval.

Section 6. Fiscal Authority. All members of the Board of Directors shall be empowered to execute financial instruments of the Association subject to the following provision. All financial instruments shall require the signatures of two (2) Board members provided that the two officers executing such instruments are not members of the same household.

Article VIII – Indemnification

Section 1. Hold Harmless. The Officers and members of the Board of Directors shall not be liable to the Association or the owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Association or the owners shall indemnify and hold harmless each of the Officers and Directors from and against all contractual liability to others arising out of contracts made by the Officers and Board of Directors on behalf of the Association or the owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By Laws. It is intended that the Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association or the owners. It is also intended that the liability of the Association or any owner arising out of any contract made by the Officers or the Board of Directors or out of the aforesaid indemnify in favor of the Officers and the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his percentage interests bears to the percentage interests of all of the owners. Every agreement made by the Officers and the Board of Directors or by a Managing Agent on behalf of the Association or the owners shall, if obtainable, provide that the Officers and members of the Board of Directors, or a Managing Agent, as the case may be, are acting only as agents for the Association or the owners and shall have no personal liability thereunder (except as owners), and that each owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage interests bears to the percentage interests of all owners. The Association or the owners shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a Director or Officer, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in the best interest of the Association or the owners.

The Board of Directors shall not be liable for any failure to obtain or provide services to or for any property subject to the Declaration, or for injury or damage to person or property caused by the elements or by the owner or any home, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Area or from any wire, pipe, drain, conduit, appliance or equipment. The Board of Directors shall not be liable to the owner of any home for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Area. No diminution or abatement of Regular or Special Assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort

arising from the making of repairs or improvements to the Common Area, or to any home, or from any action taken by the Association or the Board of Directors to comply with any law, ordinance or with the order of directive of any municipal or governmental authority.

Article IX – Amendments to By-Laws

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present, in person or by proxy.