

SEMINARY RIDGE OWNERS ASSOCIATION, INC.

BY-LAWS (As amended on November 6, 1996)

Article I- Members

Section 1. Annual Meeting – The annual meeting of the members of the Corporation shall be held on the first Wednesday in November at a place designated by the Board of Directors (or at such other hour and/or place within the State of Maryland as may be fixed by the Board of Directors), for the election of Directors and for the transaction of general business. Such annual meetings shall be open for the transaction of any business within the powers of the Corporation.

Section 2. Special Meetings- Special meetings of the members may be called at any time, by the President or by the Board of Directors, either by vote or in writing. Upon request in writing by not less than 25% of the members, specifying the purpose, delivered to the secretary, it shall be the duty of the Secretary to call forthwith a meeting of members. Notice thereof shall be given as provided in Section 3 of this Article I. No business other than that stated in the notice of the meeting shall be transacted at any special meeting.

Section 3. Notice of Meetings- Twenty days' notice of every annual meeting and ten days' notice of every special meeting shall be given by the Secretary to each member. Such notices shall state the place, day and hour of such meetings and, in the case of special meetings, shall also state the business proposed to be transacted thereat. Such notice shall be given to each member by leaving the same with him or at his residence or usual place of business, or by mailing it postage prepaid.

Section 4. Quorum – At any meeting, the presence, in person or by proxy, of not less than 15% of voting members shall be necessary and sufficient to constitute a quorum for the election of Directors or for the transaction of other business, and any such meeting may be adjourned from time to time until the transaction of business has been completed. In the absence of a quorum, those present in person or by proxy may, by a majority adjourn the meeting but not for a period of over thirty (30) days at any one time, by announcement at the meeting until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 5. Proxies- Members may vote, either in person or by proxy. Every proxy shall be in writing subscribed by a member, or by his duly authorized attorney, and shall be dated, but need not be sealed, witnessed or acknowledged; each proxy shall be presented at the meeting and be then deposited with the Secretary.

Section 6. Voting- At every meeting of members, every member shall be entitled to one vote per lot owned. Upon demand of 10% of the members present in person or by proxy, the votes for directors or upon any question before a meeting shall be by ballot. Except in cases in which it is provided by statute, by the Charter, or by these By-Laws otherwise provided, a majority of the votes cast shall be sufficient to elect or pass any measure.

Eighty-four affirmative votes shall be necessary to approve any consolidation or merger of the Corporation, any sale, lease, exchange or transfer of all or substantially all of the property and assets of the Corporation, any reorganization, dissolution or liquidation of the Corporation, or any amendment of these By-Laws.

Section 7. List of Members- Prior to each meeting of the members, the Secretary or an assistant Secretary shall prepare a full, true and complete list, in alphabetical order, of all members and shall be responsible for the production of such list at the meeting.

ARTICLE II- BOARD OF DIRECTORS

Section 1. Election and Powers- The business and property of the Corporation, except as otherwise provided by statute, or by the Charter, or by these By-Laws, shall be conducted and managed by its Board of Directors, which shall consist of five members (subject to increase or decrease as hereinafter provided). The members of the Board of Directors shall be elected by the members, in person or by proxy, at the annual meeting. Each Director shall hold office until his successor shall have been elected and qualified, or until he shall die or resign, or shall have been removed. The number of Directors fixed by these By-Laws may, by the vote of a majority of the entire Board of Directors, be increased to not exceeding fifteen or decreased to not less than three. The Board of Directors shall keep minutes of its meetings and a full account of its transactions. The powers of the Board of Directors shall include particularly, but not by way of limitation, the right to do the following:

- (a) Supervise, manage, operate, examine, inspect, care for, preserve, repair, replace, restore and maintain the local open space tracts and other real and personal property of the Corporation (herein collectively referred to as the "property" or the "property of the Corporation"); keep and maintain the property in a clean, neat, trim, orderly, sanitary and safe condition, free of garbage, trash, rubbish and other refuse, free of insects, rodents, vermin and other pests, free from objectionable odors, and free of ice and snow; procure all labor, materials, services and utilities necessary or desirable to the foregoing; obtain all permits and licenses required for the property; comply with all laws, ordinances, rules, and regulations of the Government of the United States, State of Maryland, or Baltimore County, or any agency or subdivision of the foregoing, applicable to the maintenance and care of the property; and generally carry out all matters and things deemed necessary or advisable to the economic or efficient maintenance and operation of the property.
- (b) Employ all personnel necessary or desirable for the operation and management of the property; and engage any attorney or attorneys to handle the legal affairs of the Corporation, including collection of assessments, charges or funds due by any member.
- (c) Procure bids or otherwise establish the fixed cost of all labor, materials, services, utilities and other items required for the operation, maintenance and care of the property and the convenience of the members; review and analyze all cost and expense factors arising out of or otherwise related to the property, together with the benefits and advantages to be derived therefrom; determine and fix a detailed annual budget for the Corporation and, upon the establishment of such budget, assess and collect the funds from the members, all as provided in Article IV of these By-Laws.

- (d) Adopt reasonable rules and regulations, not inconsistent with the Charter or By-Laws of the Corporation, for the care and preservation of the property, the comfort, health, safety and general welfare of the members of the Corporation with respect thereto, and the efficient operation of the property.
- (e) Establish and maintain an accurate and efficient case and accounting system, make collections and deposit of funds in such banks, trust companies, or other depositories as the Board shall from time to time approve, verify and account for all receipts and expenditures involved in the operation of the property, approve or disapprove all requisitions, bills, statements and vouchers, pay all costs and expenses incurred in the operation and maintenance of the property, designate signatories to which bank or other accounts shall be subject, keep and preserve books, accounts and records covering the operation of the property, and execute and file any statement, certificate, affidavit, return or other forms required to be filed with the Federal, State, or local government in connection with any income or unemployment, social security or employee benefit tax, or the withholding of any tax, or any information relative to the foregoing, and prepare and submit such account or accounts of the financial condition of the Corporation as may from time to time be required or advisable.
- (f) Procure and maintain all policies of insurance deemed advisable by the Board, including fire or other casualty, workmen's compensation, general liability and other insurance for the protection of the Corporation against claims of every kind or nature; negotiate and adjust any loss occurring under any policy of insurance; and make any repair, replacement or restoration of the property damaged or destroyed by fire or other casualty insured against.
- (g) Employ a manager or caretaker to do and perform all matters, acts and things necessary or desirable for the care, maintenance, and improvement of the property.
- (h) The Board may enforce all restrictions, rules and regulations imposed on the use or enjoyment of the property, against any one violating or attempting to violate any said restrictions, rules or regulations. Enforcement may be by appropriate legal proceedings, either an action at law for damages, or suit in equity to enjoin a breach or violation, or enforce performance of any restriction, rule or regulation. Further, the Board of Directors, for itself, its agencies, servants, employees and contractors, after notice to a member of any breach or violation of any restriction, rule or regulation, and the failure of such member to correct the same within a reasonable time thereafter, shall have the right, at such member's expense, summarily to cure the breach or violation of or caused by the member.

Section 2. Nominations

On or before the sixtieth day preceding the annual meeting of the members, the Board of Directors shall appoint a nominating committee comprised of at least 5 members, one of whom shall be the President of the Corporation, and shall notify the Secretary of the Corporation, in writing, of the names of the committee. This nominating committee shall, at least thirty (30) days prior to the annual meeting of the members, nominate candidates to fill the Board of Directors, and forthwith submit its nominations to the Secretary of the Corporation. The Secretary of the Corporation shall, at least twenty (20) days prior to the annual meeting of the members, notify each member, in writing, of the name and address of the

nominees submitted by the nominating committee for the Board of Directors. The provisions of the following paragraph shall also be reported to the members of the Corporation with the notice. The decision of a majority shall be reported as the decision of the nominating committee.

Additional nominations may be made in the following manner: within fifteen (15) days after notice of the nominations made by the nominating committee, as prescribed in the preceding paragraph, three (3) or more members of the Corporation may by written notice nominate candidates for the Board of Directors. Such notice, accompanied by the written acceptance of the nominee, must be delivered to the Secretary of the Corporation at least five (5) days prior to the annual meeting of the members.

No one shall be nominated to the Board of Directors except in the manner prescribed in this Section 2 of Article II of the By-Laws.

Section 3. Meetings- After each meeting of the members at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet for the purpose of organization and the transaction of other business. At this meeting a covenants committee shall be appointed by the Board of Directors.

Section 4. Additional Regular Meetings- In addition to the first regular meeting, regular meetings of the Board of Directors shall be held at such other times and places as may be fixed from time to time by the Board of Directors.

Section 5. Special Meetings – Special Meetings of the Board of Directors shall be held whenever called by the President or at the request of a majority of the Directors.

Section 6. Place of Meetings- The Board of Directors may hold its regular and special meetings at such place or places within the State of Maryland as it may from time to time determine.

Section 7. Notice of Meetings- Notice of the place, day and hour of every regular and special meeting (and, in the case of the special meetings, the notice shall also state the business proposed to be transacted thereat) shall be given to each Director in writing or by telephone not later than the day before the day set for the meeting.

Section 8. Quorum- A majority of the Board of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business at every meeting of the Board of Directors; but if at any meeting there be less than a quorum present, a majority of those present may adjourn the meeting from time to time, but not for a period of over ten (10) days at any one time, without notice other than by announcement at the meeting until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. All questions shall be decided by a majority of the Board of Directors present, but on request of any member, the yeas and nays shall be taken and entered on the minutes.

Section 9. Informal Action- Any matter, act or thing required or permitted to be taken at any meeting of the Board of Directors may be taken without such meeting if a written consent to such action, matter or thing is signed by a majority of the Directors, and such written consent is filed with the minutes of the proceedings of the Board of Directors.

Section 10. Removal- At any meeting of the members any Director may, by majority vote be removed from office, for cause shown, and another may be appointed in the place of the person so removed, to serve for the remainder of his term.

Section 11. Vacancies- If any Director shall die or resign, or if the members of the Corporation shall remove any Director without appointing another in his place, a majority of the remaining Directors (although such majority is less than a quorum) may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall become vacant, and until his successor shall have been duly chosen and qualified. Vacancies in the Board of Directors created by an increase in the number of Directors may be filled by the vote of a majority of the entire Board as constituted prior to such increase, and Directors so elected by the Board to fill such vacancies shall hold office until the next succeeding annual meeting of the members and thereafter until their successors shall be elected and qualified.

Section 12. Compensation- No Director as such shall receive any compensation for his services.

Section 13. Fidelity Bonds- The Board of Directors may procure and maintain adequate Fidelity Bonds for all officers and employees of the Corporation handling or responsible for any funds of the Corporation. The premiums of such bonds shall constitute an expense necessary for corporate purposes.

Article III- OFFICERS

Section 1. Executive Officers- The executive officers of the Corporation shall be president, vice-president, a secretary, and a treasurer, each of whom shall be a member of the Board of Directors (unless there be only three (3) Directors, in which event the treasurer need not be a Director), and such other officers as the Board from time to time considers necessary for the proper conduct of the affairs of the Corporation. The executive officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of members of the Corporation. Each such officer shall hold office for a term of one (1) year, and thereafter until his successor is elected and qualified, or until his death, resignation or removal.

Section 2. President- The President shall be the chief executive officer of the Corporation. The President shall, when present, preside at all meetings of the members and Directors; shall have the power of general management and direction of the affairs of the Corporation, subject to the control of the Board of Directors; and shall, in general, perform all acts incident to the office or which may be prescribed by the Board of Directors. The President shall also submit a report of the affairs of the Corporation at the annual meeting of the members.

Section 3. Vice-President- In the absence, inability or disqualification of the President, Vice-President shall have the right to perform all the duties of the President and, when so acting, shall have all the powers of the President.

Section 4. Secretary- The Secretary shall keep or cause to be kept the minutes of meetings of the members and of the Board of Directors, in books provided for the purpose; shall see that all notices are

duly given in accordance with the provisions of the By-Laws or as required by law; shall be the custodian of the records and of the corporate seal or seals of the Corporation; and, in general, shall perform all duties ordinarily incident to the office of a secretary of a corporation, and such other duties as from time to time may be assigned by the Board of Directors, or by the President.

Section 5. Treasurer- The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; shall keep or cause to be kept a just, true and correct copy of all receipts and expenses, and make and submit an account of the financial condition of the Corporation when so requested by the President, Vice-President, or by resolution of the members or Board of Directors ; and shall make or cause to be made all reports, financial or otherwise, now or hereafter required by law; and, in general, shall perform all the duties ordinarily incident to the office of a treasurer of a corporation, and such other duties as may be assigned by the Board of Directors or by the President.

Section 6. Assistant Officers- The Board of Directors may elect one or more Assistant Secretaries and one or more Assistant Treasurers. Each such Assistant Secretary and Assistant Treasurer shall hold office for such period and shall have such authority and perform such duties as the Board of Directors may prescribe.

Section 7. Subordinate Officers- The Board of Directors may elect such subordinate officers as it may deem desirable. Each such officer shall hold office for such period, and shall have such authority and perform such duties as the Board of Directors may prescribe. The Board of Directors may, from time to time, authorize any officer to appoint subordinate officers and to prescribe the powers and duties thereof.

Section 8. Delegation of Duties- In the absence, inability or disqualification of any officer, other than the President, the duties of such officer shall be discharged by the assistant or associate officer, if any there be; or, no other arrangements having been made for the performance of such duties, the President may delegate the powers and duties of such officer to another officer or Director, or may appoint some other person to act in the stead of such officer until the place shall be filled by the Board of Directors.

Section 9. Compensation – No officer of the Corporation shall receive any compensation for the services as such officer.

Section 10. Removal- The Board of Directors shall have power at any regular or special meeting to remove any officer with or without cause, and such action shall be conclusive on the officer so removed. The Board of Directors may authorize any officer to remove subordinate officers.

Section 11. Vacancies- The Board of Directors, at any regular or special meeting, shall have power to fill a vacancy occurring in any office for an unexpired portion of the term.

Section 12. Contracts, Agreements and Other Instruments – No deed, mortgage, bond, bill of sale, assignment, contract, agreement, bill of exchange, or promissory note, intended to bind the Corporation, shall be valid or binding unless signed by any two officers of the Corporation, one of whom shall be the President or Vice-President.

Section 13. – All directors and officers shall be residents of the community.

ARTICLE IV – CHARGES AND ASSESSMENTS

Section 1. Assessments

The fiscal year of the Corporation shall consist of twelve (12) calendar months to be fixed by the Board of Directors. Not later than the forty-fifth day preceding the close of the fiscal year of the Corporation, the Board of Directors shall estimate the total cost and expense required for the operation of the Corporation and the care, maintenance and improvement of its property during the ensuing year, including particularly, but not by way of limitation, all sums required to provide labor, material, services, utilities and insurance for the operation, maintenance and care of the property and the conveniences deemed desirable to maintenance and care of the property and the conveniences deemed desirable to the use and enjoyment thereof, together with a reasonable amount deemed necessary by the Board of Directors as an operating reserve for contingencies and a reserve for repair and replacement of the property, and within fifteen (15) days thereafter, shall notify each member, in writing, of the aggregate estimated expenses of the Corporation for the coming year, and each member's proportionate share thereof. The aggregate estimated expenses, as well as the aggregate expenses finally determined upon, shall be evenly apportioned among all lots in Seminary Ridge and the proportionate share of each member shall be determined on the basis of the number of lots owned by such member.

On or before the twentieth day preceding the commencement of the ensuing fiscal year, the Board shall finally determine and assess the cost and expense required for the operation of the Corporation and the care, maintenance and improvement of its property during said ensuing year, and, subject to the limitation set forth in Section 4 of this Article IV, formally levy against each member his share thereof, on the basis hereinabove specified by noting the assessment and levy on the books of the Corporation, and submitting a written billing to each member of the Corporation for the sum due by him. The assessment levied against each member under the provisions of this Section shall constitute a lien against his lot in Seminary Ridge as of the first day of the fiscal year of the Corporation following the levy of assessment.

The failure or delay of the Board of Directors to prepare an estimate or determine the cost of operation of the Corporation and the expense of care, maintenance and improvement of its property for any year, or notify any member of the Corporation of the total cost and expenses, or such member's proportionate share thereof, shall not in any manner constitute a waiver or release of the member's obligation to pay his share or such cost and expenses whenever the same may be determined or assessed. In the absence of an annual determination of the costs and expenses of the Corporation, or a formal assessment against the members, each member shall continue to pay the charge due by him in the next prior fiscal year in which an assessment or levy had been made.

Section 2. Reserve Funds- The Board of Directors may establish and maintain a reasonable reserve operating fund and reserve repair and replacement fund. Such reserves shall be deposited in a special account, but may be invested in obligations fully guaranteed as to principal by the United States of America, the State of Maryland, or Baltimore County.

Section 3. Additional Assessments- If the Board of Directors at any time determines that the operating cost and expenses of the Corporation assessed against the members under the provisions of Section 1, or the reserve funds established and maintained under Section 2, of this Article IV, are inadequate, or that additional funds are otherwise required for the operation and maintenance of the property of the Corporation, it may assess such further sums, as operating cost and expense of the Corporation, as it may deem necessary and, levy the same against each member, on the basis which the number of lots owned by such members bears to the total lots in Seminary Ridge. The assessment levied against each member under the provisions of this Section shall constitute a lien against his lot or lots as of the fifteenth day after levy of the assessment and notice thereof to the member.

Section 4. Payment of Charges and Assessments- Each member shall be obligated to pay the Corporation the charges and assessments levied against him by the Board of Directors under the provisions of Section 1 or Section 3 of this Article IV or otherwise, as follows:

- (a) The annual assessment levied under the provisions of Section 1 of this Article IV shall be paid within thirty (30) days after commencement of the fiscal year for which levied; and
- (b) Any additional assessment levied under the provisions of Section 3 of this Article IV, or otherwise, shall be due and payable fifteen (15) days after the date of levy of such assessment and notice thereof to the member, or at such other time or times as may be provided by the Board of Directors in making the assessment.

Section 5. Collection of Charges and Assessments- If there be any default in payment of any charge or assessment, in the manner and at the time or times provided therefor in Section 4 of this Article IV, and same shall continue for a period of fifteen (15) days, the Board of Directors shall have the immediate right:

- (a) to charge the member(s) a monthly late fee of 1% of any amount due for each month any default continues;
- (b) to charge to the member the actual expenses, including attorney fees, incurred by the Corporation in connection with any default or in connection with the collection of any sums due to the Corporation;
- (c) to institute suit for collection of the sums dues, including late charges, actual expenses, court costs, and attorneys fees, with interest thereon, computed at the rate of ten percent (10%) per annum, accounting from the date of default;
- (d) to enforce against the lot in Seminary Ridge owned by the defaulting member, the lien of the unpaid assessment, late charges, actual expenses and attorneys' fees, with interest thereon,

through foreclosure or otherwise, and the defaulting member expressly assents to the passage of a decree for the sale of the lot owned by him and also authorizes the President of the Corporation to sell, for and on behalf of the Corporation, the lot owned by him to satisfy the lien, such sale, in either instance, shall be conducted in accordance with Public General Laws of the State of Maryland and the Maryland Rules of Procedure relating to foreclosure of mortgages;

- (e) to both institute suit for collection of the unpaid sums and to enforce the lien of such sums, provided that there be but one satisfaction of the claim.

The foregoing enumeration of the rights of the Board of Directors is made in furtherance, and not in limitation, of the rights and remedies available to the Board to collect the charges and assessments or enforce any lien against a lot of a defaulting member, and is not intended, by mention of any particular right or remedy, to limit or restrict the Board of Directors, which shall have all powers and rights necessary or convenient for collection or enforcement of charges and assessments against the members.

Section 6. Notice- The provisions of this Article IV of these By-Laws shall be incorporated in each conveyance of a lot in Seminary Ridge, by reference to this Article IV of the By-Laws, so that such incorporation shall be deemed notice as to the existence of a Declaration of Trust for the enforcement of the lien for collection.

ARTICLE V. SUNDRY PROVISIONS

Section 1. Corporate Seal- The corporate seal of the Corporation shall be circular in form, with the name of the Corporation inscribed around the outer edge and in the center shall be inscribed the words "Incorporated Maryland" or "Corporate Seal."

Section 2. Books and Records- The original or duplicate books and records, including ledgers containing the names and addresses of members of the Corporation shall be maintained.

Section 3. Funds- All moneys belonging to the Corporation or to which it is entitled in any representative capacity shall be deposited to its credit in such banks or depositories as may be designated or approved from time to time by resolution of the Board of Directors, and shall be drawn only upon checks or drafts signed by an officer or officers authorized by the Board of Directors to sign checks or drafts.

Section 4. Bonds- The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation for the faithful discharge of his duties, in such amount, on such conditions, and with such surety or sureties as may be required by the Board.

Section 5. Indemnity- The Corporation shall indemnify and hold harmless each person who shall serve at any time hereafter as director or officer of the Corporation, from and against any and all claims and liabilities to which such person shall have become subject by reason of his having been a director or officer, and shall reimburse each person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his own negligence or misconduct. The rights accruing to any person under the provisions of this Section shall not exclude any other right to which he may be lawfully entitled, nor shall anything therein

contained restrict the right of the Corporation to indemnify or reimburse such person in any proper case, even though not specifically herein provided for. The Corporation, its directors, officers, employees and agents, shall be fully protected in taking any action or making any payment under this Section, or in refusing so to do, in reliance upon the advice of counsel.

Section 6. Amendments- These By-Laws, or any of them or any additional or supplementary By-Laws, may be altered or repealed and new By-Laws may be adopted at any annual meeting of the members without notice, or at any special meeting, the notice of which shall set forth the terms of the proposed amendment, by at least eighty four (84) affirmative votes, represented in person or by proxy. The President, however, shall report to each meeting of members any alterations or amendments of the By-Laws made since the last meeting of the members together with the reason therefor.

Section 7. – To the extent of any possible inconsistency between these By-Laws and the Articles of Incorporation, the provisions of the Articles of Incorporation shall control.