

# **BY-LAWS**

## **STILWATER PROPERTY OWNERS ASSOCIATION, INC.**

### **ARTICLE I**

#### **NAME AND LOCATION**

The name of the association is STILWATER PROPERTY OWNERS ASSOCIATION, INC., herein after referred to as the "Association". The corporation was formed by the filing of its articles of incorporation with the Maryland Department of Assessments and Taxation on or about the 14<sup>th</sup> day of June, 2003. The principal address of the corporation is D & D Property Management, P.O. Box 391, McHenry, MD 21541. Meetings of the members and/or Directors shall be held at such locations within Garrett County, Maryland, as shall be designated by the Board of Directors, with proper notice.

### **ARTICLE II**

#### **DEFINITIONS**

**Section 1.** "Association" shall mean and refer to the Stilwater Property Owners Association, Inc., its successors and assigns.

**Section 2.** "Properties" shall mean and refer to that certain real property or real properties as described in the Declaration of Covenants, Conditions and Restrictions filed among the records of the Clerk of the Circuit Court for Garrett County, Maryland, on June 18, 2003, and recorded therein in Liber 976 page 0280 and subsequent.

**Section 3.** "Common Areas" shall mean those lots or areas of land within the Properties shown on the subdivision plats prepared for the developer herein recorded among the Land Records of Garrett County, Maryland, and shall include the entire property, save and except for the individual lots. The Common Areas shall include docks, dumpster site, all common areas, protected open space(s), roads, streets and parking areas within the properties as shown on said plats, unless the same are dedicated to the County or State for public use.

**Section 4.** "Lot" shall mean and refer to any plot of land shown upon any

recorded subdivision plat or map of the Properties with the exception of the Common Areas. Lots shall be designated as "Class One" or "Class Two" Lots which are defined as follows: A Class One Lot shall have, as originally declared by the Declarant at the time of the creation and/or transfer of said lot, an assigned slip in the common boat docking facility maintained by the Association in Deep Creek Lake; A Class Two lot, in accordance with the designation of said lot in the conveyance thereof by the Declarant, shall not have a slip in the said common boat docking facility.

**Section 5.** "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Stilwater Property Owners Association, Inc. and recorded in the Office of the Clerk of the Circuit Court for Garrett County, Maryland, at Liber 976, page 0280.

**Section 6.** "Subdivision" shall mean and refer to the property described in and subject to the Declaration, and any additions such as may be hereafter annexed and brought within the jurisdiction of the Association.

**Section 7.** "Declarant" shall mean and refer to New Glen Properties, LLC, a Maryland limited liability company, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot for the purpose of development.

**Section 8.** "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of the 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. Every such owner shall automatically become a member of the Association.

**Section 9.** "Community Facilities" shall mean and refer to any property or interests therein outside the Subdivision held by the Association and devoted to the common use of the owners.

**Section 10.** "Architectural Committee" shall mean that committee provided for in Article I, Section 1.1 of the Declaration to be composed of three or more individuals so designated from time to time by the Board of Directors.

**Section 11.** "Structure" shall mean any thing or device the placement of which upon the Property, or any part thereof, which may affect the appearance of the property, or any part thereof, including, by way of illustration and but not limitation, any building, trailer, garage, porch, shed, green house, covered or uncovered patio, swimming pool, fence, sign, curbing, paving, wall, roadway, walkway, exterior light, exterior landscaping, hedge, trees, shrubbery, planting,

signboard or any temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of purchase by each Owner (other than Declarant).

**Section 12** "Guest" shall mean any person entering upon, by expressed or implied invitation, any of the subdivision property, the community facilities or any individual lot other than the owner of said lot. The term "Guest" shall include, but not be limited to, renters, contractors, workers, and the personal guests and invitees of the owner of any lot.

**Section 13.** "Member in Good Standing" shall mean a member who is current in all his or her obligations to the Association. No member shall be considered a "Member in Good Standing" unless he or she has paid all dues, special assessments or other fees or charges, legally levied by the Association pursuant to the law of Maryland and the Declaration. No person whose rights to the use of the common areas have been suspended by the Association due to an infraction of the rules and regulations shall be recognized as a "Member in Good Standing."

**Section 14.** "Vote" shall mean the privilege to cast a vote for or against any matter or proposition which comes before the Association enjoyed by any Member in Good Standing. No person who is not a Member in Good Standing shall have the right to a vote. Each individual lot is allocated one vote irrespective of the number of owners of said lot.

## ARTICLE III

### MEETING OF MEMBERS

**Section 1. Annual Meetings.** The Association shall hold an annual meeting of its members which shall be held on the first Saturday of October of each year. Meetings of the members shall be held at a locations within Garrett County, Maryland, as shall be designated by the Board of Directors, with proper notice.

**Section 2 Special Meetings.** Special meetings of the members may be called

at any time by the President or by the Board of Directors, or upon written request by one-fourth (1/4) of the Members in Good Standing of the Association.

**Section 3. Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid addressed to the Owner's address last appearing on the records of the Association, or if the Association has received written consent by an Owner to serve such notice upon said Owner by electronic mail, by sending a copy thereof by verified electronic mail to each such Owner at least fifteen (15) days, but not more than sixty (60) days, before such meeting. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

**Section 4. Quorum.** The presence of Members in Good Standing or of the proxies of Members in Good Standing entitled to cast a majority of all the votes of all the members shall constitute a quorum. If the required quorum is not present, another meeting may be called, by the President, after the expiration of not less than fifteen (15) minutes time, the required quorum at the subsequent meeting shall be one-half (1/2) the quorum required at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In any meeting where the Members in Good Standing of the Association shall vote on any increase of the existing annual assessment by more than ten (10) percent or shall vote on the institution of any special assessment, such action shall require a quorum of sixty (60) percent of the Members in Good Standing.

**Section 5. Proxies.** At all meetings of members, each Member in Good Standing may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his or her Lot.

## ARTICLE IV

### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

**Section 1. Number.** The affairs of the Association shall be managed by a Board of five (5) Directors, elected from among the Members in Good Standing of the Association.

**Section 2 Term of Office.** Generally, Directors shall be elected to a term of two years, except that five members shall be elected in the initial election. The two Directors receiving the least number of votes in the initial election shall be

elected for one (1) year, and shall be required to stand for election at the next annual meeting. The three (3) Directors receiving the greatest number of votes, respectively, shall be elected for a two year term and shall stand for election at the second annual meeting after the initial election. Thereafter, all Directors shall be elected for a term of two (2) years, with the elections staggered so that two members shall be elected one year and on alternating years three (3) members shall be elected. All Directors shall continue to hold their offices until replaced by a newly elected or appointed Board member in accordance with the Bylaws.

**Section 3. Removal.** Any Director may be removed from the Board, with or without cause, by a vote of a majority of the Members in Good Standing. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

**Section 4. Compensation.** No Director shall receive compensation for any service he or she may render to the Association in his or her capacity as a Director. Notwithstanding the foregoing, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties, if such performance is done at the request of the Board.

**Section 5. Action Taken Without a Meeting.** The Board of Directors shall have the right to take any action in the absence of a meeting that the Board could take at a meeting by obtaining the written approval of all the Directors consistent with applicable law. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

**Section 1. Nomination.** 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 consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members in Good Standing of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for elections to the Board of Directors as it shall, in its discretion,

determine to be appropriate, but shall not nominate less than the number of vacancies that are available to be filled. A Member in Good Standing may be elected to consecutive terms if nominated.

**Section 2. Election.** Election to the Board of Directors shall be by secret written ballot. At such election, Members in Good Standing or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest numbers of votes for each vacancy shall be elected.

## ARTICLE VI

### MEETINGS OF DIRECTORS

**Section 1. Regular Meeting.** Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. A member of the Board of Directors may participate in any meeting by telephone. A member participating by telephone shall be deemed to have been present at the meeting for all purposes, including for the determination of a quorum. The member participating by telephone shall have a full right to vote on any question that comes before the Board of Directors at any such meeting.

**Section 2. Special Meetings.** Special Meetings of the Board of Directors shall be held when called by the President of the Association, or at the request of any two Directors, after not less than three (3) days notice to each Director.

**Section 3. Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as a decision made by the full Board.

## ARTICLE VII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 1. Powers.** The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their

guests thereon, and to establish penalties for the infraction thereof all consistent with the Declaration;

(b) suspend the voting right and right to use the Common Areas of any member or members during any period in which such member or members shall be in default in any payment levied by the Association. Such rights may also be suspended after notice and a hearing before the Board, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the By-laws, the Articles of Incorporation, or the Declaration;

(d) declare, at the discretion of the Board, the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager or independent contractor, or such other employees as the Board may deem necessary and to prescribe the duties and compensation of the same.

**Section 2. Duties.** It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) enforce the covenants, restrictions and terms of the Declaration as they apply to the use of the properties, including the Common Areas, the payment of assessments and all other such provisions;

(c) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(d) as more fully provided in the Declaration, to:

1. fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period; and

2. send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. foreclose the lien against property for which assessments are not paid within ninety (90) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If any certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) cause the Common Areas to be maintained, consistent with the requirements and provisions of the Declaration;

(i) cause the exterior of the dwellings and the property surrounding the dwellings to be maintained;

(j) appoint the members of the Association's architectural committee, in accordance with the provisions of the Declaration, and provide whatever assistance or support may be needed by the said architectural committee to carry out its function as provided for in the Declaration; and

(k) manage the affairs of the Association in conformance with the laws of Maryland and in accordance with the mandates of the Declaration.

## ARTICLE VIII

### OFFICERS AND THEIR DUTIES

**Section 1. Enumeration of Officers.** The offices of the Association shall consist of a President, Vice-President, Secretary and Treasurer who shall be members of the Board of Directors, and such other officers as the Board may from time to time by its resolution create.

**Section 2. Election of Officers.** The election of officers shall take place at the

first meeting of the Board of Directors following their election at each annual meeting of the members. The members of the Board shall elect from among themselves said officers by a majority vote thereof.

**Section 3. Terms.** The officers of the Association shall be elected annually by the Board and shall each hold office for two (2) years unless any such officer shall sooner resign or shall be removed, or otherwise be disqualified to serve.

**Section 4. Special Appointments.** The board may elect such other officers as the affairs of Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 5. Resignation and Removal.** Any officer may be removed from office with or without cause by the Board, by its majority vote. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 6. Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

**Section 7. Multiple Offices.** The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant Section 4 of this Article.

**Section 8. Duties.** The duties of the officers shall be as follows:

(a) **President.** The President shall preside at all meetings of the Board of Directors and at all meetings of the general membership; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, contracts, deeds and other written instruments and shall co-sign all promissory notes. The President may also appoint committees and such other persons to special offices where he or she deems it to be beneficial and of assistance to the Board of Directors to do so. The President shall not, however, be empowered to borrow funds or make financial obligations binding the Association without the specific approval of a majority of the Board of Directors. Any obligation that would bind the Association to the payment of more than four thousand (\$4,000.00) dollars shall be submitted to the general membership for approval.

**(b) Vice President.** The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

**(c) Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and all proceedings of the Board and of the members; serve notice of the meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board or the office of the Secretary.

**(d) Treasurer.** The Treasurer shall oversee the receipt and deposit in appropriate bank accounts all monies of the Association and shall oversee the disbursement of such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall oversee the keeping of proper books of account; shall cause an annual review of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenses to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The Treasurer shall also research and make recommendations to the Board of Directors with respect to the investment of any monies in the Association's reserve fund.

## **ARTICLE IX**

### **COMMITTEES**

The Board of Directors may appoint such committees as it deems appropriate for the purpose of carrying out its duties.

## **ARTICLE X**

### **BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Board of Directors may provide, by its resolution, reasonable criteria for the production of said books and records to the members including the assessment of the costs thereof, including costs of mailing and copying, and such other costs as may be

incurred upon the production of said records, giving consideration to the fact that many of the members, including the officers, may not reside full time upon the property; and that the Association may not be in a position to afford a full time office and/or manager. Further, the Board shall provide to any member, upon such reasonable terms and conditions as the Board may, by its resolution, set, including the cost thereof, copies of the Declaration, the Articles of Incorporation and these By-laws.

## **ARTICLE XI**

### **ASSESSMENTS**

**Section 1. Payment.** As more fully provided in the Declaration, each member shall be obligated to pay the Association's annual and special assessments that are secured by a continuing lien upon the property against which the assessment is made. Any assessments that are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date thereof, the assessment shall bear interest from the date of delinquency at a rate of 10 percent, or at such rate as may be set by the Board of Directors, not to exceed the legal rate of interest as provided by Maryland law, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, in accordance with the laws of the state of Maryland, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. 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 or her lot.

## **ARTICLE XII**

### **CORPORATE SEAL**

The Association shall not have a corporate seal.

## **ARTICLE XIII**

### **AMENDMENTS**

**Section 1.** These By-laws may be amended at a regular or special meeting of the members after prior notice to all members of the proposed amendment, by a

two-thirds (2/3) majority of the votes present, at any meeting of the members, a quorum being present, in person or by proxy.

**Section 2.** In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

## **ARTICLE XIV**

### **MISCELLANEOUS**

The fiscal year of the Association shall begin on the 1st day of January, of each year and shall continue until the 31<sup>st</sup> day of December of the next year.