

SECTION III

BY-LAWS

**CRESTWOOD VILLAGE AT FREDERICK HOMEOWNERS ASSOCIATION, INC.**

6902 Crabapple Drive, Frederick, Maryland, 21703

Phone: (301) 662-0401; Fax: (301) 694-5616

BOOK

5 PAGE 1084

***PREAMBLE TO RESTATEMENT OF THE  
CRESTWOOD VILLAGE AT FREDERICK  
BY LAWS***

The attached Composite By Laws document is a restatement of the Crestwood Village at Frederick Homeowners Association By Laws. These By Laws were originally filed in 1979 in the Frederick County Land Records as Exhibit A to the Covenants Conditions and Restrictions of Crestwood Village at Frederick Homeowners Association

The restatement includes all valid amendments as of April 28, 2005 and does not include the items that have been changed by these amendments. All references to the Delegate system which was originally provided for and changed by the 1986 Amendment are excluded. Also, any references to the developer and items related to the protections included to benefit the developer have been removed. It is the opinion of the Board of Trustees, Crestwood Management and the Ad hoc Committees that these restated By Laws accurately and fairly state all of the valid provisions of the By Laws as of the Date of this filing.

Anyone desiring to see the original document may see a copy at the Crestwood Management Office in the Clubhouse or in the Land records at the Frederick County Court House. ( Book 1094, page 218 - 236 and The 1986 Amendment in Book 41, page 1066 - 1069).

For the Board of Trustees,



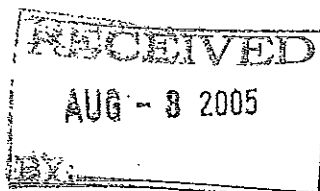
Mary Belcher, President

For Crestwood Management



Charles D. Oland, Jr.  
Property Manager

RECORDING FEE	25.00
TOTAL	25.00
Rec'd FR01	Rec'd # 86180
SKD JMK	Blk # 3813
Jul 27, 2005	07:02 am



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COMPOSITE BY-LAWS (As Amended May 1986)

CRESTWOOD VILLAGE AT FREDERICK HOMEOWNERS ASSOCIATION, INC.

CV HOA By-Laws Committee  
Per BOT Resolution #03-5

August 15, 2003

EDITOR'S NOTE:

This Composite Edition of the Crestwood Village By-Laws (as amended May 1986) represents the work of a Crestwood Village By-Laws Committee of Homeowners Association Members appointed by the President of the HOA in June 2003.

The Committee was created pursuant to a Board of Trustee's Resolution approved in May 2003 (copy enclosed) requesting that an effort be made to present our original By-Laws in a manner that would bring forward only the most relevant and germane portions of the existing Laws.

Accordingly, this Composite Edition basically excludes provisions in the original By-Laws which clearly relate to the 1979-1988 construction and development phase of Crestwood Village and are now obsolete.

The precise text of this Composite Edition and the original By-Laws are essentially the same. Italics are used to highlight those few instances where the Committee corrected grammatical errors or made minor clarifying changes in the original text.

## COMPOSITE BY-LAWS as amended 5/6/86

## CRESTWOOD VILLAGE AT FREDERICK HOMEOWNERS ASSOCIATION, INC.

## ARTICLE I – NATURE OF BY-LAWS

These By-Laws govern the administration of Crestwood Village at Frederick Homeowners Association, Inc., hereinafter referred to as the "Homeowners Association," a non-profit (*not-for-profit for tax purposes*) and non-stock corporation organized under the laws of the State of Maryland, together with the management and administration of the improvements, recreation and community facilities located within that community known as Crestwood Village at Frederick *situated* on the west side of New Design Road in Frederick County, Maryland, hereinafter referred to as the "Community." *The principal office of the Homeowners Association is located at 6902 Crabapple Drive, Frederick, Maryland 21703.* Unless the context clearly indicates otherwise, all definitions set forth in the Declaration of Covenants, Conditions and Restrictions for the Community, are incorporated herein by reference.

## ARTICLE II – MEMBERSHIP

SECTION 1. Definition and Rights All Owners of Homes in the Community shall be Members of the Homeowners Association. Said membership shall entitle the Member to vote for Boards of Trustees and to participate *in* and *to* utilize all of the recreational facilities available to the Homeowners Association *and its Members* subject to the Declaration, the Articles of Incorporation, *the* By-Laws and the Rules and Regulations of the Homeowners Association as may be amended from time to time.

SECTION 2. Allocation of Votes There shall be one (1) vote for each Home in the Community based upon the plats for the Community *and* as recorded among the Land Records for Frederick County, Maryland.

SECTION 3. Annual Meetings The Annual Meeting of the *Homeowners* Association shall be held on the first Monday in May in each year. The purpose of the *Annual* Meeting shall be to elect Trustees and to transact any other business authorized to be transacted by the members of the Board of Trustees.

SECTION 4. Special Meetings Special meetings of the membership for any purpose or purposes, unless otherwise prescribed by law, may be called by the President and shall be called by the Secretary at the request in writing of a majority of the Board of Trustees or at the request in writing of voting Members representing twenty-five percent (25%) of the Members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at the special meetings shall be confined to the *topics* stated in the notice thereof.

### ARTICLE III – ELECTION AND MEETINGS OF MEMBERS

SECTION 1. Election of Trustees On the first Monday in May in each year, the Board of Trustees shall cause a meeting to be held of all the Owners of Homes in the *Community*, a purpose of which shall be the election of Trustees in accordance with Article IV of *these* By-Laws. *The* election shall be conducted in accordance with Robert's Rules of Order. Except as otherwise provided by law, written notice of each such meeting shall be given to the appropriate Owner(s) at least ten (10) days in advance thereof. If any election of Trustees shall not be held on any day designated herein, the Board shall cause the election to be held at a special meeting as soon thereafter as may be practicable.

SECTION 2. Place of Meeting All meetings of the *Members* shall be held at the principal office of the Homeowners Association or at such other suitable place convenient to the Members as may be designated by the Board.

SECTION 3. Nominating Committee and Other Nominations Not more than sixty (60) nor less than thirty (30) days prior to any Annual Meeting where Trustees are to be elected, the Board of Trustees shall appoint a nominating committee from the membership at large to consist of five (5) Members in good standing. The nominating committee shall try to nominate a minimum of two (2) and a maximum of three (3) candidates for each Trustee's office to be elected at the Annual Meeting.

In addition to those candidates selected by the nominating committee, any Member in good standing of the *Homeowners* Association may nominate candidates for the office of Trustee by submitting to the Board of Trustees not later than twenty-one (21) days prior to the Annual Meeting a nominating petition which must be endorsed by

not less than five (5) other Members in good standing of the *Homeowners* Association. A nominating petition may not name a number of candidates in excess of the offices to be filled but may name less. Nominations from the floor shall be accepted at the Community Meeting prior to the Annual Meeting.

SECTION 4. Quorum At any Annual or Special Meeting of the *Members*, representation of a majority of votes entitled to be cast in person or by proxy shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the representatives present in person entitled to vote by majority vote may adjourn the Meeting from time to time until a quorum shall be present or represented. At any such adjourned meeting, a quorum shall be present if twenty-five percent (25%) of the votes entitled to be cast in person or by proxy shall be represented and any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 5. Organization At each meeting of the *Members*, the President, or in his absence, the Vice President, or in the absence of both of them, a Chairman chosen by a majority vote of those votes entitled to be cast, shall act as Chairman, and the Secretary, or in his absence, a person whom the Chairman shall appoint, shall act as Secretary of the meeting.

SECTION 6. Voting Except as otherwise required by law, a quorum being present, a majority of all those votes entitled to be cast in person or by proxy shall be sufficient on those matters which are to be voted upon. Cumulative voting shall not be permitted.

#### ARTICLE IV – BOARD OF TRUSTEES

SECTION 1. Number, Qualification and Term of Office *The Board of Trustees shall consist of seven (7) Trustees elected for a two-year (2) term by the Owners of Homes in the Community. To assure continuity, the Trustees shall serve staggered terms.*

SECTION 2. Regular Meetings Regular meetings of the Board may be held at such times and places as shall be determined from time to time by a majority of the Board, but at least two (2) such meetings shall be held during each fiscal year. Notice of



regular meetings of the Board shall be given to each Trustee personally, by mail, or by telephone, at least five (5) days prior to the date named for such meeting.

SECTION 3. Special Meetings Special meetings of the Board may be called by the President on three (3) days notice to each Trustee given personally, by mail, or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Trustees.

SECTION 4. Waiver of Notice Before or at any meeting of the Board, any Trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Trustee at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof. If all the Trustees are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 5. Quorum At all meetings of the Board, a majority of the votes entitled to be cast shall constitute a quorum for the transaction of business, and the acts of the majority of the votes present at a meeting at which a quorum is present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 6. Removal of Trustees At any regular or special meeting of the Homeowners Association duly called, any one or more of the Trustees may be removed with or without cause by a ninety percent (90%) vote of those votes entitled to be cast and a successor may then and there be elected to fill the vacancy thus created. Any Trustee whose removal has been proposed by a *Member* shall be given an opportunity to be heard at the meeting.

SECTION 7. General Powers The property, affairs and business of the Community shall be managed by the Board of Trustees, which shall have all those powers granted to it by law, the Articles of Incorporation of the Homeowners Association, these By-Laws, the Declaration of Covenants, Conditions and Restrictions or other instrument which vests any rights or obligations in the Homeowners Association with respect to the Community or otherwise.

In addition, the Board of *Trustees* shall have the following powers herein granted or necessarily implied which it shall exercise *at* its discretion:

(a) employ, *by* contract or otherwise, a manager or an independent contractor to oversee, supervise and *carry* out the responsibilities of the Board of Trustees. Said manager or said independent contractor shall be compensated upon such term or terms as the Board deems necessary and proper;

(b) employ any person, firm or corporation to repair, maintain and renovate all common facilities; seed, sod, plant, transplant, prune, fertilize, water, cut, destroy, *remove* plants, spray substances, put pesticides or other chemical or biological agents in, under or above the water or grounds, grass, trees, streams, waterways; dam or alter the flow thereon on the community lands; build, erect, repair, maintain and renovate recreation facilities, roads, walks or paths, lay pipes, culverts; bury utilities; put up lights or poles, erect signs and traffic and safety controls of various sorts;

(c) employ professional counsel and obtain advice from persons, firms or corporations such as but not limited to, landscape architects, recreation experts, architects, planners, biologists, lawyers *or* accountants;

(d) employ or contract for water and sewer and supply and resell or lease the same; electricity, gas or other forms of utilities; cable or master antenna television; snow plowing or removal; painting, building, repairing, renovating *or* remodeling;

(e) employ necessary managerial personnel or enter into a managerial contract for the efficient discharge of the duties of the Board hereunder. Those employees who handle or are responsible for the handling of monies shall be bonded by a fidelity bond;

(f) investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the Common Property. Compensation for services of such employees (as evidenced by certified payroll) shall be considered an operating expense of the Homeowners Association;

(g) cause all facilities, buildings and improvements, and Common Property to be maintained according to accepted standards, including but not limited to the exterior of all buildings within the Property, the interior of all buildings under the ownership or

control of the Homeowners Association, and all common elements or portions of any condominium units which it is obligated to repair or maintain;

(h) take such actions as may be necessary to comply properly with any and all orders or requirements affecting the premises maintained by the Homeowners Association placed *thereon* by any federal, state, county or municipal authority having jurisdiction thereover and by order of the Board of Fire Underwriters or other similar bodies;

(i) arrange for maintenance of roads, walkways and parking areas;

(j) arrange for the removal of refuse;

(k) arrange for security protection as necessary;

(l) place and keep in force all insurance coverages required to be maintained by the Homeowners Association, together with the following coverages applicable to the Homeowners Association, its Members and the Property:

(i) broad form insurance against loss by fire, lightning, windstorm and other risks normally included within extended coverages, insuring all structural portions of the property, including all Homes, together with all service machinery contained therein and covering the interest of the Homeowners Association, the Board of Trustees and all Members, in an amount equal to the full replacement value of the Buildings, without deduction for depreciation;

All such policies shall provide that adjustment of loss shall be made by the Board with the approval of the Insurance Trustee, and that the net proceeds thereof, if fifty thousand dollars (\$50,000) or less, shall be payable to the Board of Trustees, and if more than fifty thousand dollars (\$50,000) shall be payable to the Insurance Trustee.

All policies of physical damage insurance shall, to the extent obtainable, contain waivers of subrogation and waivers of any defense based on coinsurance or of invalidity arising from any acts of the insurance, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board shall obtain a qualified appraisal of the full replacement value of all the Property which the Homeowners Association is responsible to insure,

without deduction for depreciation, for the purposes of determining the amount of fire insurance to be effected pursuant to this Section;

(ii) public liability insurance, to the extent obtainable, in such limits as the Board may determine, covering each member of the Board, the managing agent, the manager, and each Member. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board shall review such limits once a year. The public liability insurance shall be *in an* amount not less than one million dollars (\$1,000,000.00) for claims for bodily injury and property damage and in no event shall said coverage be reduced without approval of at least seventy-five percent (75%) of the votes entitled to be cast by the membership;

(iii) Workmen's Compensation Insurance as required by law;

(iv) automobile collision and liability insurance which *shall* be written with deductible coverage in an amount determined by the Board and said liability insurance shall be in an amount not less than that provided under the public liability policy hereinbefore described;

(v) Directors and Officers Liability Insurance, to the extent available, in an amount not less than one million dollars (\$1,000,000);

(vi) such other insurance as the Board may determine;

The Board shall appoint an Insurance Trustee for the purposes mentioned herein. Said Insurance Trustee shall not be a member of the Homeowners Association *nor* an employee of the managing agent, and shall discharge his duties in accordance with these By-Laws. *The Insurance Trustee* shall serve at the pleasure of the Board.

(m) borrow and repay monies, giving notes, mortgages or other security upon such term or terms as it deems necessary;

(n) invest and reinvest monies; sue and be sued; collect interest, dividends, *and* capital gains; exercise rights; pay taxes; make and enter into contracts; insure; enter into leases or concessions *so* as to pass good and marketable title without the necessity of any third party seeing to the application of the funds; make and execute any and all proper affidavits for various purposes, including but not limited to title of real estate; compromise any action without leave of court; insure its own liability for claims against

it or for damage to the Homeowners Association, including moral claims; and all other powers contained herein, and those necessary and incidental thereto;

(o) exercise the power granted to the Board herein to borrow money on a real estate mortgage, pass title to real estate, or purchase real estate only with the assent of seventy-five percent (75%) of votes entitled to be cast by the membership;

(p) accept all or any of the powers, duties and responsibilities of the Council of Unit Owners of any condominium regime established for any portion of the property; and

(q) *unless excepted elsewhere in these By-Laws*, the powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board, except that in addition to all other duties lawfully imposed upon it and the Homeowners Association, the Board shall have the duty to exercise all of such powers as required by law and by subparagraphs (g), (h), (l) and (p) of this Section 7 of Article IV.

SECTION 8. Rules and Regulations Without limiting the generality of the foregoing, the Board shall have the right to make reasonable rules and regulations as to the Property and as to the conduct of the Members or occupants with respect to the Property and community facilities to preserve, protect and enhance the same; to prevent waste, erosion, depletion; to protect plantings, to protect seeded areas, trees, shrubs, grass, bushes, wildlife, water, banks, streams, dams, bridges, fish, birds; to destroy pests and pursuant to such authority; to temporarily prohibit the Members *or* such occupants from the enjoyment of access to or over Common Property and community facilities for such reasonable periods as the Board, in its sole discretion, shall deem necessary from time to time. The Board shall have the further right, upon the same terms and conditions as set forth in this paragraph to make and enforce reasonable rules for the use of the recreational facilities and the conduct, dress, manner and deportment of the Members, including the scheduling of use and other such rules and regulations as may be necessary for the health, safety and welfare of the users thereof. The power to promulgate rules and regulations shall be deemed to include the power to (i) bar, limit or charge fees for the use of recreational facilities and/or (ii) to limit the number of persons, time, use or deportment *while using* such facilities. *As specifically authorized by the Board of*

*Trustees*, action by any manager, or managing agent, shall be deemed to be action by the Board.

SECTION 9. Non-Waiver All the rights, duties and privileges of the Board shall be deemed to be continuing and shall not be exhausted by any single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future or shall any custom bind the Board.

#### ARTICLE V – OFFICERS

SECTION 1. Designation The principal officers of the Homeowners Association shall be a President, a Vice-President, a Secretary and a Treasurer. The Board may also appoint such other Assistant Secretaries and Assistant Treasurers as in their judgment may be necessary, and such officers shall hold office at the pleasure of the Board. Any two offices except that of President and Vice-President may be held by one person.

SECTION 2. Election of Officers The officers of the Homeowners Association shall be elected annually by the Board at the first Board meeting following each annual meeting of *Members*.

SECTION 3. Removal of Officers Upon an affirmative vote of a two-thirds majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

SECTION 4. President The President shall be the chief executive officer of the Homeowners Association. He shall preside at all meetings of the *Members* and of the Board. He shall have all of the general powers and duties which are usually vested to the office of President of the Homeowners Association. *The President shall also have the power to appoint committees from among the Members of the Homeowners Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Homeowners Association.*

SECTION 5. Vice President The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act.

If neither the President nor the Vice President is able to act, the Board shall appoint some other Member to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

SECTION 6. Secretary The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Members of the Homeowners Association. He shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

SECTION 7. Treasurer The Treasurer shall have the responsibility for the Homeowners Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Homeowners Association. He shall be responsible for the deposit of all monies and other *documents and valuable effects* to the credit of the Homeowners Association in such depositories as may from time to time be designated by the Board.

SECTION 8. Other Duties and Powers The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board.

#### ARTICLE VI – FISCAL YEAR

The fiscal year of the Homeowners Association shall commence on July 1 and terminate on June 30 of the following year.

#### ARTICLE VII – AMENDMENTS

These By-Laws or any of them may be altered, amended or repealed, or new By-Laws may be made, at any meeting of the Homeowners Association duly constituted for such purpose, a quorum being present, by an affirmative vote of seventy-five percent (75%) of the votes entitled to be cast in person.

#### ARTICLE VIII – ENFORCEMENT

The Homeowners Association shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant hereto, by any or all of the following *actions*: *by self help*; by sending notice to the offending party to

cause certain things to be done or undone; by restoring the Homeowners Association to its original position and charging the breaching party with the entire cost of any part thereof; by taking any other action before any court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities upon notice; and by having to impose penalties and fines for any breach.

#### ARTICLE IX – NOTICE

Any notice required to be sent to any Member under the provisions of the Declaration or the Articles of Incorporation or these By-Laws shall be deemed to have been *properly* sent and notice thereby given, when delivered personally or when mailed by regular post with postage prepaid, addressed to the Member or Owner at the last known *address* at the time of such mailing. Notice to one of two or more co-owners of a Home shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Homeowners Association in writing of any change of address.

#### ARTICLE X – CONFLICT, INVALIDITY

SECTION 1. Conflict Anything to the contrary herein notwithstanding, if any provision of this Instrument is in conflict with or contradiction of the Declaration, or with the requirements of any Law, then the requirements of said Declaration or Law shall be deemed controlling.

SECTION 2. Invalidity The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability of, *or* affect the balance of the By-Laws.

#### ARTICLE XI – CORPORATE SEAL

The Homeowners Association shall have a seal in circular form having within its circumference the words "Crestwood Village at Frederick Homeowners Association, Inc."



ARTICLE XII – COMPENSATION, INDEMNIFICATION AND  
EXCULPABILITY OF OFFICERS, TRUSTEES AND COMMITTEE MEMBERS

SECTION 1. Compensation No compensation shall be paid to the President or the Vice-President or any Trustee or Committee Member for acting as such Officer or Trustee. The Secretary and/or Treasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer, Trustee or Committee Member from being reimbursed for out-of-pocket expenses or compensated *for* services rendered in any other capacity to or for the Homeowners Association, provided that any such expenses incurred or services rendered shall have been authorized in advance by the Board.

SECTION 2. Indemnification Each Trustee, Officer or Committee Member of the Homeowners Association shall be indemnified by the Homeowners Association against the actual amount of net loss, including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Trustee, Officer or Committee Member of the Homeowners Association except as to matters as to which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Homeowners Association is advised by counsel that the person to be indemnified *has* not been guilty of gross negligence or willful misconduct.

SECTION 3. Exculpability Unless acting in bad faith, neither the Board as a body nor any Trustee, Officer or Committee Member of the Homeowners Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his office. Each *Member* shall be bound by the good faith actions of the Board, Officers and Committee Members of the Homeowners Association, in the execution of the duties of said Trustees, Officers and Committee Members. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Trustees from their fiduciary responsibilities.

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CRESTWOOD VILLAGE HOMEOWNERS ASSOCIATION  
COMPOSITE BY-LAWS (As Amended May, 1986)

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## AMENDMENTS TO THE BYLAWS OF

## CRESTWOOD VILLAGE AT FREDERICK HOMEOWNERS ASSOCIATION, INC.

The specific amendments and appropriate sections of the aforesaid By-Laws will now read as follows:

## ARTICLE II - MEMBERSHIP

SECTION 1. Definition and Rights. All owners of Homes in the Community shall be Members of the Homeowner's Association. Said membership shall entitle the Member to vote for Board of Trustees and to participate and utilize all of the recreational facilities available to the Homeowner's Association and its members subject to the Declaration, the Articles of Incorporation, By-Laws and the Rules and Regulations of the Homeowner's Association as may be amended from time to time.

Add new Sections 3 and 4, as follows:

SECTION 3. Annual Meetings. The annual meeting of the Association shall be held on the first Monday in May in each year commencing in that year following the year in which possession of 196 homes have been conveyed for individual purposes but in no event after May 1982. The purpose of the meeting shall be to elect Trustees and to transact any other business authorized to be transacted by the members of the Board of Trustees.

SECTION 4. Special Meetings. Special meetings of the membership for any purpose or purposes unless otherwise prescribed by law, may be called by the President and shall be called by the Secretary at the request in writing of a majority of the Board of Trustees or at the request in writing of voting members representing 25% of the members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at special meetings shall be confined to the objects stated in the notice thereof.

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## ARTICLE III - ELECTION OF MEETINGS AND MEMBERS

SECTION 1. Election of Trustees. On the first Monday in May in each year commencing that year following the year in which possession of one hundred ninety-six (196) Homes have been delivered to individual purchasers, but in no event after May 1982, the Board of Trustees shall cause a meeting to be held by all the Owners of Homes in each Section; regardless of the form of ownership of the Community, a purpose of which shall be the election of Trustees in accordance with ARTICLE IV of their By-Laws. Such election shall be conducted in accordance with Robert's Rules of Order. Except as otherwise provided by law, written notice of each such meeting shall be given to the appropriate Owner(s) at least ten (10) days in advance thereof. If any election of Trustees shall not be held on any day designated herein, the Board shall cause the election to be held at a special meeting as soon thereafter as may be practicable.

SECTION 3. Nominating Committee and Other Nominations. Not more than sixty (60) nor less than thirty (30) days prior to any annual meeting where Trustees are to be elected, the Board of Trustees shall appoint a nominating committee from the membership at large to consist of five (5) members in good standing. The nominating committee shall try to nominate a minimum of two (2) and a maximum of three (3) candidates for each Trustee's office to be elected at the annual meeting. Nominations from the floor shall be accepted at the Community Meeting prior to the annual meeting.

In addition to those candidates selected by the nominating committee, any member in good standing of the Association may nominate candidates for the office of Trustee by submitting to the Board of Trustees not later than 21 days prior to the annual meeting a nomination petition which must be endorsed by not less than five (5) other members in good standing of the Association. A nominating petition may not name a number of candidates in excess of the offices to be filled but may name less.

Sections 4 and 5 to be deleted and former Section 6 be changed as follows:

SECTION 4. Quorum. At any annual or special meeting of the Owners, representation of a majority of votes entitled to be cast in person or by proxy shall constitute a quorum for the transaction of business except where otherwise provided by law. In the absence of a quorum, the representatives present in person entitled to vote by majority vote may adjourn the meeting from time to time until a quorum shall be present or represented. At any such adjourned meeting, a quorum shall be present if 25% of the votes entitled to be cast in person or by proxy shall be represented and any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 6. Voting. Except as otherwise required by law,

"(a) A quorum being present, a majority of all those votes entitled to be cast in person or by proxy shall be sufficient on those matters which are to be voted upon."

"(b) Cumulative voting shall not be permitted."

#### ARTICLE IV - BOARD OF TRUSTEES

"(h) Notwithstanding anything to the contrary in the foregoing, at the annual meeting of the Membership or Owners next following ten years from the initial conveyance of a Home in the Community, or upon the surrender of Crestwood Village, Inc. of its right to elect a majority of the Trustees, whichever comes first, the Trustees at such meeting and thereafter shall be elected for the following terms:

(a) Those three Trustees receiving the highest number of votes at such election shall serve a term of two (2) years.

(b) The balance of those Trustees elected at said meeting and thereafter shall be elected for a term of one (1) year.

## ARTICLE VI - FISCAL YEAR

The fiscal year of the Homeowners Association shall commence on July 1 and terminate on June 30 of the following year.

ARTICLE XII - COMPENSATION, INDEMNIFICATION AND  
EXCULPABILITY OF OFFICERS, TRUSTEES AND COMMITTEE MEMBERS

SECTION 1. Compensation. No compensation shall be paid to the President or the Vice-President or any Trustee or Committee Member for acting as such Officer or Trustee. The Secretary and/or Terasurer may be compensated for their services if the Board determines that such compensation is appropriate. Nothing herein stated shall prevent any Officer, Trustee or Committee Member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association, provided however that any such expenses incurred or services rendered shall have been authorized in advance by the Board, and that no representative of the Declarant shall be entitled to compensation for services while the Board is under Declarant's control.

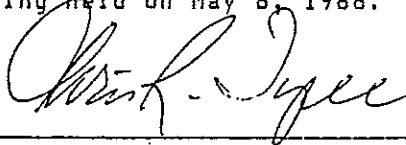
SECTION 2. Indemnification. Each Trustee, Officer or Committee Member of the Homeowners Association, shall be indemnified by the Homeowners Association against the actual amount of net loss, including counsel fees, reasonably incurred by or imposed upon him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Trustee, Officer or Committee member of the Homeowners Association, or delegate, except as to matters as to which he shall be ultimately found in such action to be liable for gross negligence or willful misconduct. In the event of a settlement of any such case, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Homeowners Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct.

SECTION 3. Exculpability. Unless acting in bad faith neither the Board as a body nor any Trustee, Officer or Committee Member of the Homeowners Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his office. Each Lot Owner shall be bound by the good faith actions of the Board, Officers and Committee Members of the Homeowners Association, in the execution of the duties of said Trustees, Officers and Committee Members. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Directors appointed by the Sponsor from their fiduciary responsibilities.

The purpose of the foregoing amendments are to bring the By-Laws in line with current practices by eliminating the Delegate system so that Trustees may be elected directly by the Membership rather than by a Delegate system. It is also proposed that upon the resident membership assuming a majority of the Board of Trustees that Trustees should serve staggered terms so that there is a certain continuity on the Board to assure continued and smooth Community operations. The new ARTICLE XII is proposed to be added to the By-Laws so that Trustees, Officers and Committee Members will be immune from personal liability from claims arising out of such Officers, Trustees and Committee Members carrying out their appointed responsibilities.

Reference throughout the By-laws to the term "Delegates" be deleted and where appropriate the terms "owners" or "members" be inserted in lieu of "Delegates."

I hereby certify that the foregoing Amendments were duly voted on and approved by 75% of the members of the Crestwood Village at Frederick Homeowners Association at a meeting held on May 6, 1986.



Chris R. Tyree, Secretary

## EXTERIOR MAINTENANCE RESPONSIBILITIES OF CRESTWOOD VILLAGE HOMEOWNERS ASSOCIATION

The following services are provided by the Association for individual units as part of the monthly assessment fees (not including reserves) in compliance with the responsibility of the Association to provide exterior repair/maintenance. Services not listed below will be provided when possible and will be billed to the unit owner at the prevailing rate established by the Board of Trustees.

### Roofing

- \* Locate and repair minor leaks, replace damaged shingles in SMALL area(s), including flashing, drip strip or tar paper on roofs judged to be repairable
- \* Repair roof vents, includes painting

### Gutter/Downspouts

- \* Cleaned as needed
- \* Minor repairs as needed

### Siding

- \* Repair or replace damaged (aluminum or vinyl) siding at discretion of the Association
- \* Wood trim to be painted as needed, minor repairs (material to be at owner's expense)

### Doors (Garage and entry)

- \* Paint/scrape as needed, done on three year cycle, one coat only
- \* Minor repairs
- \* Caulking
- \* Doorbells

### Windows

- \* Caulk around frame

### Shutters

- \* Minor repair only (painted at owner's expense)

### Crawl Spaces

- \* Repair crawl space vents
- \* Paint crawl space doors as needed

### Hose bibs

- \* Repair or replace as needed

### Dryer vents

- \* Repair and replace
- \* Exterior vent cleaning
- \* Add screens

### Porch post

- \* Re-attach loose siding
- \* Secure porch post

### Exterior light fixtures

- \* Repair (does not include bulb replacement)

### Splash blocks

- \* Repair or replace



#### Water/Sewer Access Caps

- \* Paint as needed
- \* Replace

#### In-ground trash cans

- \* Repair
- \* Paint on a cyclical schedule
- \* Replace (charge for materials only)

#### Trash Enclosures (Box Elder, Chokeberry, Crestwood II)

- \* Repair/maintain

#### Mail/Paper Boxes (the cost of the curbside box is the responsibility of the homeowner)

- \* Repair
- \* Straighten, paint posts/bases

#### Caulking of Driveways & Sidewalks; and Patios in Crestwood II

- \* Caulking for: cracks in excess of 3/8" and displacement in excess of 1"

#### Lawns (or as specified in current contract)

- \* Mowing (7 to 10 day schedule, weather dependent)
- \* Edging, every other service
- \* Fertilization, two (2) times per year, spring and fall
- \* Broadleaf weed control, two (2) times per year, spring and fall

#### Trees/Shrubs

- \* The Association is responsible for trimming/mulching shrubs planted around utility boxes and multi-unit parking areas

#### Snow Removal (or as specified in current contract)

- \* 2" or more of snowfall: plow streets, path from front door of homes to street, access to mailboxes and trash enclosures, clear common walkways
- \* 2" or less: No clearing services of any type unless specifically directed by Management or the Board President.

#### Ice Control

- \* May be provided on common area walkways and streets

#### Condominiums

- \* In addition to services listed above provided on common elements, the following additional services will be provided:
  - \* Paint balcony railings (Condo I only) per established schedule, one coat only
  - \* Maintain/clean/paint walls/carpet/fixtures; replace light bulbs in Tahoe halls

#### Patio Fence Enclosures (Crestwood II)

- \* Repair/maintain

**Note:** Items not listed above will be chargeable to the owner at the regular hourly rate (\$20.00 per hour) and includes such tasks as power washing siding, plumbing water leaks, etc. Specifically excluded items include most electrical work, glass replacement, carpet, wall paper (small drywall repairs from water leaks are okay).



**CRESTWOOD VILLAGE**

**RULES AND REGULATIONS**

**SECTION IV**

## CRESTWOOD VILLAGE AT FREDERICK

### RULES AND REGULATIONS

The following Rules and Regulations, based primarily on our Documents, are for the purpose of ensuring that Crestwood Village remains a desirable and pleasant place in which to live. Residents are responsible for ensuring that they and their guests observe these Rules and Regulations at all times.

#### A. USE OF PROPERTIES

1. Soliciting for any reason is prohibited.
2. Homes in the Community may be used only as private residences; business and other commercial uses that impact the community are prohibited. Any activities which give the appearance of business or commercial use and impact the community are prohibited. These include, but are not limited to activities which result in non-residents frequently entering Crestwood Village for other than social reasons.
3. No signs shall be permitted upon the exterior of any dwelling unit or grounds, except those permitted under the Guidelines of the Architectural Review Committee (ARC). No signs shall be maintained in the interior of any unit which are visible from the exterior, except required zoning and building permit notices, those posted for medical purposes, those associated with a home security system or the Neighborhood Watch emblem.
4. The boundaries of private property may be marked only by surveyor's markers at or below grade, for ease of mowing.
5. No fabricated fence, hedge, or other growing fence shall be erected or planted upon any lot except for those installed by the Developer.
6. Property modifications may be made, provided such modifications are consistent with the Guidelines of the Architectural Review Committee (ARC), and the prior written approval of the Board of Trustees is obtained. Residents planning property modifications requiring Frederick County approval must have that approval prior to submission of the request to the Board. Applications for all changes/modifications are at the Homeowners Association (HOA) office.
7. Neither residents nor visitors, including children, shall trespass on private property without the permission of the resident concerned.

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8. Private lots and bedding areas must be maintained in a neat and attractive manner. Common property must be kept free of refuse and debris. Dumping of clippings/trash on common property is prohibited.

9. There shall be no obstruction of access to any common property.

10. Children must be accompanied by an adult around the edge of any pond or retention basin.

11. Clothes lines are not permitted outside. They may be installed in attics or garages. When in use in garages, garage doors must be closed enough so that the clothes or other items hanging from the line are not visible from the street.

12. Neatly stacked firewood is permitted provided it does not interfere with lawn maintenance.

13. Trash, in enclosed receptacles made of metal or of similar durability or heavy black plastic trash bags, and recyclables, in blue plastic County-owned containers, shall be placed at curbside or a specifically designated area only on the days designated for pick-up or the evening before pick-up (after 5:00 p.m).

a. Refuse of any type, old furniture or other large disposable pieces must be stored in a garage or out of sight. Outdoor storage of these type articles is prohibited.

14. Tool sheds, compost piles, outside antennas, satellite TV dishes over one meter in diameter, and the burning of refuse are not permitted.

a. A storage bin may be used if placed on a patio, against the house. The bin must not exceed 4½ feet high, 3 feet 7 inches front, 60 inches wide and 30 inches deep.

15. Pets

a. Each unit may have only one domestic pet (cat or dog). This limitation does not apply to pets confined to a fish tank or cage (birds) kept within the home. It is necessary to notify the HOA office upon bringing a dog or cat into the community and/or replacing a dog or cat.

b. Pets may exercise freely, under owner's control, on pet owner's property only. If on other than pet owner's property, pet must be restrained at all times on a leash of six (6) feet maximum length.

c. It is the responsibility of every pet owner to remove his/her pet's feces from all property, including grass areas, woods, planting areas, streets, sidewalks, and paths.

16. Games or activities involving objects such as balls, frisbees or the like, which are thrown or hit above the ground shall be confined to the area between the swimming pool fence and the flood plain behind the Clubhouse. Skateboarding is prohibited in Crestwood Village I.

17. When any unit is rented, access to common property, including the Clubhouse, shall be solely for the benefit of the residents and their guests, not the owner or his/her guests (See B: 6).

**B. USE OF HOMES**

1. Occupancy of homes shall be in accordance with the Declaration of Covenants, Conditions and Restrictions of Crestwood Village at Frederick, Inc. and governmental rules, ordinances, and statutes.

2. No noxious, noisy, or otherwise offensive activities, except as permitted below, shall be carried on which may be or become an annoyance to other residents. This includes excessive volume from radios, phonographs, CDS, television, musical instruments, parties, sound amplifiers, and pets (i.e. barking dogs).

3. Power tools may be used only between the hours of 8 a.m. and 10 p.m.

4. For safety's sake, inflammable, combustible or other such material must not be stored or kept in any home unless in an underwriters laboratory approved and properly closed container with the UL label affixed. The same precautions must be observed with rags soiled by inflammable, combustible or other such material.

5. No public auctions may be held on private or common property except for such auctions as may be sponsored by the Homeowners Association or are conducted by a lending institution in association with a foreclosure.

6. Owners planning to rent or sell their homes should obtain specific informational packets from the HOA office regarding such rentals or sales. No owner may lease or rent less than the entire home, or for less than ninety (90) days, other than to a contract purchaser.

**C. STREETS, PARKING AND VEHICLES**

1. All vehicles, including motorcycles, bicycles, motorized golf carts, etc., must observe all STOP signs and the posted speed limit of twenty five (25) miles per hour. Use of such vehicles must conform to MVA/County regulations, including those applicable to lights, reflectors, and protective gear.