

BYLAWS OF  
SHADY GROVE VILLAGE  
COMMUNITY COUNCIL CORPORATION

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ARTICLE I  
NAME AND LOCATION

The name of the corporation is Shady Grove Village Community Council Corporation, hereinafter referred to as the "Association." The mailing address for the corporation shall be: P.O. Box 844, Gaithersburg, Maryland 20760. Meetings of members and directors may be held at such places within or without the State of Maryland as may be designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

Section 1. "Association" shall mean and refer to Shady Grove Village Community Council Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown within any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, but excluding those having such interest as security for the performance of an obligation, and excluding Declarant.

Section 7. "Declarant" shall mean and refer to Page Construction Corp., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded among the land records of Montgomery County, State of Maryland.

ARTICLE III  
MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association. The foregoing is not intended to include Declarant or persons or entities who hold an interest as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from Ownership of an Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV  
PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent of those of the member.

ARTICLE V  
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association.

Section 2. Election. Directors shall be elected by the members and shall serve until their successors are elected.

Section 3. Removal. Upon receipt of a petition signed by at least twenty-five (25) percent of the members of the Association requesting a recall of one or more Directors, the President of the Association shall call a special meeting of the Association to be held within thirty (30) days of the receipt of the petition, with written notice being sent to all members at least fifteen (15) days prior to the meeting. The written notice shall include the resolution contained in the petition. At that meeting, a discussion of the recall shall be held, and the affected Director or Directors shall be given the opportunity to respond to the petition. Following that, the affected Director or Directors shall be continued in office or removed from office as determined by a majority vote of all members who are voting in person or by proxy, provided that at least twenty-five (25) percent of the members are present at the meeting in person or by proxy. If fewer than twenty-five (25) percent of the members are so present, the affected Directors shall be continued in office. In the event of death or resignation of a Director, his successor shall be selected by the remaining members of the Board within thirty (30) days of such death or resignation and shall serve until the next election. If a Director is removed, or if all the Directors resign or die, or if a successor to a deceased or resigned Director is not selected within thirty (30) days, his or their successors shall be elected as hereinafter provided for election of Directors, except that nominations shall be made at a special meeting of the Association, and the Director or Directors thereafter elected shall take office upon their election and shall serve until the next election.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for this actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI  
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association or by any director, 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 the act of the Board.

ARTICLE VII  
ELECTION OF DIRECTORS

At election for the Board of Directors, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provision of the Declaration. Elections for the Board of Directors shall be held s hereinafter in the Article VII provided:

Section 1. Nominations. Nominations for the Board of Directors are to take place at the annual meeting of the Association.

Section 2. Ballots. Directors shall be elected by secret ballots which shall be cast by delivering the same to the residence of the Teller of the elections no later than the Fourth Tuesday in January.

Section 3. Teller of Elections. The Secretary shall serve as the teller of the election and in this capacity shall count the ballots and ascertain and certify to election of Directors, provided, however, that in the event the Secretary shall be a candidate for the Board of Directors, the teller of the election shall be appointed by the President from among those members of the Association not candidates for election to the Board of Directors.

Section 4. Election.

- (a) In the election held in January, 1980, of Directors whose term of office begins February 1, 1980, five (5) Directors shall be elected. The Directors elected shall be the five candidates receiving the highest number of votes. The term of office of the two Directors receiving the highest number of votes shall be fixed at two (2) years. The term of office of the other three Directors shall be fixed at one (1) year.
- (b) In the elections held in years following 1980, except as required by Section 4(c) of this Article, three Directors shall be elected. The Directors elected shall be the three candidates receiving the highest number of votes. The term of office for the two Directors receiving the highest number of votes shall be fixed at two (2) years. The term of office of the other Director shall be fixed at one (1) year.
- (c) If, in any given year, a Director serving the first year of a two-year term resigns, dies, or is removed from office, four (4) Directors shall be elected at the next annual election. If two such Directors resign, die, or are removed from office, five (5) Directors shall be elected at the next annual election. The Directors elected shall be the four or five candidates receiving the highest number of votes. The term of office for the two Directors receiving the highest number of votes shall be fixed at two (2) years. The term of office for the other Directors shall be fixed at one (1) year.
- (d) If two or more candidates receive the same number of votes, such that the required number of Directors can not be elected without resolving the tie, or such that the term of office of the affected Directors can not be determined without resolving the tie, the tie shall be resolved by the toss of a coin or coins. The coin or coins shall be tossed by the teller of elections in the presence of the affected candidates. The procedure shall be selected so that all affected candidates have an equal probability of winning.

Section 5. Time of Taking Office. All Directors shall take office on February 1 of the year in which they are elected except as provided in Article V, Section 3.

ARTICLE VIII  
POWER AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (c) to employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) if the annual assessment is changed, send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (d) 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 a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having financial responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained;
- (h) in consultation with Treasurer, each year prepare a budget for the fiscal year. This budget shall be communicated to the members of the association by March 15. The budget shall represent the expected income and expenses of the Association for the current fiscal year, but shall not bind the Association to allocate and expend funds only as indicated in the budget.

#### ARTICLE IX COMMITTEES

Section 1. The Board of Directors shall appoint and (sic) Architectural Committee as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

- (a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
- (b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion determines;
- (c) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting the Board of Directors, make such public releases and announcements as are in the best interests of the Associations; and,
- (d) An Audit Committee which shall supervise the annual audit of the books of the Association and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or office of the Association as is further concerned with the mater presented.

#### ARTICLE X MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meetings of the members shall be held on the third (3<sup>rd</sup>) Tuesday in the month of January of each year. At such meetings the following matters shall be proper subjects for business:

- (a) reports of officers
- (b) proposed changes in assessments, either general or special
- (c) such other matters as may be determined by the Board of Directors

- (d) matters raised by any member
- (e) nominations for Board of Directors

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 of the members who are entitled to vote one-fourth (1/4) of all the votes of the entire membership.

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, or otherwise delivering the same, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, on-tenth (1/10) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meeting of members, each member may vote in person or by proxy. All proxies shall be in writing and files with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

## ARTICLE XI OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The Board of Directors shall meet at a time between February 1 and February 10 an at a place acceptable to all Directors for the purpose of electing officers. The Board shall elect from among its members a president and a vice-president. The Board shall also at this time elect a secretary and a treasurer.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until the Board of Directors takes office after the next election thereof, unless they shall sooner resign or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the 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, other than president and vice-president, may be removed from office with or without cause by a majority vote of the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The president and vice-president may not resign their office and remain on the Board or Directors, and any resignation from the presidency or vice-presidency shall imply resignation from the Board.

Section 6. Vacancies. When a vacancy occurs in any office other than the presidency or vice-presidency, the Board shall within 30 days of the vacancy elect a successor to the office. When a vacancy occurs in the vice-presidency, the Board shall within 30 days of the vacancy elect a successor to that office after any vacant directorship has been filled. When a vacancy occurs in the presidency, the vice-president shall assume the responsibilities of the presidency until a new president can be elected. The Board shall within 30 days of the vacancy elect a president after any vacant directorship has been filled.

Section 7. Multiple Offices. The offices of 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 to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes.

Vice-President

The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board, and may co-sign all checks and promissory notes.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of 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.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual statement of income and expenditures to be presented to the membership.

## ARTICLE XII ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration, each member is deemed to covenant and agrees to pay to the Association: (1) Annual assessments or charges, and (2) Special assessments for capital improvements and emergency repairs. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively (sic) for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties (including administrative and overhead expenses), services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situation upon the Properties.

Section 3. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of the delinquency at the rate of eighteen (18%) per cent per annum, and the Association may bring an action at law against the property, and interest, costs, and reasonable attorneys' 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 Lot.

## ARTICLE XIII BOOK AND RECORDS

The books, records and papers of the Association shall be at all times, after reasonable notice and during reasonable business hours, subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the home of the president of the Association, and copies may be purchased at reasonable costs.

ARTICLE XIV  
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words SHADY GROVE VILLAGE COMMUNITY COUNCIL CORPORATION.

ARTICLE XV  
AMENDMENTS

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

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