



BYLAWS OF CAPE ST. CLAIRE IMPROVEMENT ASSOCIATION, INC.

PREAMBLE

The purposes of the Cape St. Claire Improvement Association are:

1. To carry on and promote any activity which may add to the convenience and attractiveness of the community known as Cape St. Claire;
2. To promote, develop and maintain a cooperative community at Cape St. Claire; and
3. To secure compliance with and to prevent violation of the restrictions on property use designated in deeds executed by the River Bay Company.

ARTICLE I: Definitions

Section 1. "Articles of Incorporation" shall mean and refer to the Association's articles of incorporation.

Section 2. "Association" shall mean and refer to the Cape St. Claire Improvement Association, Inc., its successor and assigns.

Section 3. "Common Area" shall mean and refer to all real property owned, leased, or licensed by the Association for the common use, benefit, and enjoyment of the Owners, as described in the plats of Cape St. Claire and the Declaration.

Section 4. "Declaration" shall mean and refer to the declaration of covenants, conditions, and restrictions dated June 14, 1949, heretofore recorded among the Land Records of Anne Arundel County, Maryland, in liber 528, folio 6, et seq., and any additions, amendments, or modifications thereto.

Section 5. "Lot" shall mean and refer to the plots of land subject to the Declaration and shown upon any recorded subdivision map or plat of the Cape St. Claire subdivision, with the exception of the Common Area.

Section 6. "Member" or "Members" shall mean and refer to those persons entitled to membership in the Association, as provided in Article II of these Bylaws.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple or leasehold title to any Lot which is a part of the Properties, including

contract sellers, but excluding ground rent owners and those having such interest merely as security for the performance of an obligation or payment of a debt.

ARTICLE II: Membership

Section 1 – Eligibility: Owners of property in the platted community of Cape St. Claire are Members of the Association.

Section 2 – Renters: The rental or lease of property owned in the platted community of Cape St. Claire automatically conveys to the renter or lessor all of the rights and privileges of membership except (i) the right to hold elected office in the Association, and (ii) the right to vote in person or by proxy subject to Article III, Section 7 of these Bylaws.

Section 3 – Charter Members: The title “Charter Member” will be reserved for those individuals and their families designated as such in the original charter of the Association’s predecessor, the Cape St. Claire Club.

ARTICLE III: Membership Meetings

Section 1 – Meetings: All membership meetings shall be held in the Clubhouse or at such other location within the State of Maryland as selected by the Board of Governors. Membership meetings shall be open to all Members of the Association or their agents and shall be for the transaction of Association business.

Section 2 – Annual Meetings: The Association shall hold annually a meeting of its Members in January of each year, at a time selected by the Board of Governors, to elect Governors and to transact general business.

Section 3 – Quarterly Meetings: In addition to the annual meeting, the Association shall hold three (3) other quarterly meetings per year in April, July, and October, at such times selected by the Board of Governors.

Section 4 – Special Meetings: At any time in the intervals between annual and quarterly meetings, special meetings may be called by the president or a majority of the Board of Governors. Special meetings must be called when requested by a petition signed by fifty (50) Members of the Association. Business conducted at special meetings shall be restricted to the subject(s) stated in the notice of the meeting.

Section 5 – Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or the person authorized to call the meeting, by fax, e-mail, newsletter, web posting, hand delivery, electronic communication, posting, or via mailing a copy of such notice, postage prepaid, at least ten (10) days before the meeting, to each Member, 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, date, and time of the meeting, and in the case of a special meeting, the subject(s) of the meeting.

Section 6 – Quorum: At all meetings of the Association, the presence of twenty-five (25) Members shall constitute a quorum for any action except as otherwise provided in the Association's articles of incorporation, the Declaration, these Bylaws, or applicable law. If, however, such quorum shall not be present or represented at any meeting, the Members at the meeting shall have the 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 7 – Proxies: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 8 – Procedure: Robert's Rules of Order (latest revised edition) shall govern membership meetings unless overridden by specific provisions of these Bylaws.

ARTICLE IV: Board of Governors – Selection; Term of Office

Section 1 – Number. The affairs of the Association shall be managed by a Board of Governors, the number of which may be increased or decreased pursuant to the provisions of these Bylaws, but shall never be less than six (6) nor more than twelve (12). The number of governors shall be determined from time to time by a majority vote of the Board at a meeting of the Board of Governors. Increases and decreases in the number of governors shall be in multiples of three (3). The Members of the Association must fill by election any seats created by increases in the size of the Board of Governors. In decreasing the number of governors, seats on the Board of Governors cannot be eliminated unless the terms for those seats have expired or the Governors concerned have resigned or been removed.

Section 2 – Term of Office. Each Governor's term of office shall be for three (3) years, and the terms of one-third (1/3) of the Governors shall expire each year. Should it be necessary, and in order to fill a term of less than three (3) years, the candidate with the most votes shall serve the longest term, the candidate with the second most votes shall have the second longest term, etc., until all terms have been decided.

Section 3 – Removal. Any governor may be removed from the Board, with or without cause, by a vote of two-thirds (2/3) of Members of the Association at a special meeting called for that purpose in accordance with Article III, Section 4 of these Bylaws. A governor shall automatically be deemed to have resigned his position on the Board upon no longer being a Member of the Association or in the event such governor shall be absent from three (3) consecutive regular meetings of the Board of Governors or six (6) regular meetings of the Board of Governors in any twelve (12)-month period. In the event of death, resignation, or removal of a governor, his or her successors shall be selected by the remaining governors of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4 – Compensation. No governor shall receive compensation for any service he or she may render to the Association. However, any Governor may be reimbursed for actual expenses incurred in the performance of his or her duties if approved by a majority of the Board of Governors and documented in records of the Association.

Section 5 – Action Taken Without a Meeting. The governors shall have the right to take any action in the absence of a meeting which they could take under Maryland law, including but not limited to, pursuant to Section 2-408 of the Corporations and Associations Article of the Annotated Code of Maryland, by obtaining the written approval of all the governors to take such action. Upon such approval, the matter being voted upon by the Board of Governors shall be adopted upon a majority vote of the governors. Any action so approved shall have the same effect as though taken at a meeting of the Governors and shall be made part of the minutes of the next Board meeting.

ARTICLE V: Board of Governors – Nomination; Election

Section 1 – Nomination. Nominations for election to the Board shall be made, with the consent of the nominee, by one of the following methods:

- (a) By a seconded nomination from the floor at the October quarterly meeting;
- (b) By a petition signed by at least two (2) Members other than the nominee and submitted to the Board of Governors on or before November 1; or
- (c) Nominations from the floor at the annual meeting.

Section 2 – Qualification.

- (a) Any Member of the Association may be nominated for election to the Board of Governors but only one Owner per Lot shall be elected or appointed to the Board. To qualify for election to the Board of Governors, a Member must also demonstrate that he/she:
 - (i) Occupied a home in Cape St. Claire for a majority of any six (6) month period in the twelve (12) months preceding the election;
 - (ii) Possesses a valid driver’s license, if licensed, with a Cape St. Claire address; and
 - (iii) Registered address for elections, if registered to vote, is a Cape St. Claire address.
- (b) Active members of the United States armed forces are excused from the qualification requirements of Section 3(a)(i)-(iii).

Section 3 – Election. Governors shall be elected by the members at the Annual meeting. Election to the Board of Governors may be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under these Bylaws. There shall be two (2) votes allowed for each Lot but only one (1) vote per Member. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI: Board of Governors – Meetings

Section 1 – Regular Meetings: Regular meetings of the Board of Governors shall be held at such places and on dates fixed from time to time by resolution the Board.

Section 2 – Special Meetings: Special meetings of the Board of Governors shall be held whenever called by the President of the Board, by a majority of the Board, or by a majority of the Executive Committee.

Section 3 – Quorum: A majority of the Board of Governors shall constitute a quorum for transacting business. Every act or decision done or made by a majority of the governors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Governors may participate in a meeting via electronic communication so long as all governors participating in the meeting can hear each other at the same time. If a quorum is not present at a Board meeting, the presiding officer may set a date rescheduling the meeting within the next ten (10) days. Should there be business on the agenda of such a timely nature that action by the Board at a rescheduled meeting would be ineffective, then the Board may, by consensus, be redefined as an Emergency Executive Committee meeting, if three (3) of the four (4) officers are present.

Section 4 – Open Meetings: All meetings of the Board of Governors shall be open to all Members of the Association or their agents, except as permitted under the Maryland Homeowners Association Act or other applicable law. As the last order of business, the Board shall hear comments from Members. Each Member shall have three (3) minutes to speak. The Board may extend the time limit.

Section 5 – Notice of Meetings: Notice of each meeting of the Board of Governors shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by fax, email, newsletter, web-posting, hand-delivery, electronic communication, posting, or via regular mail at least five (5) days prior to regular meetings and twenty-four (24) hours prior to special meetings. The presence of any governor at a meeting shall constitute their waiver of the notice requirements for that meeting.

Section 6 – Recording Meetings: Unless previously authorized by a majority of the Governors, no portion of a Board of Governors meeting may be electronically recorded.

Section 7 – Rules Governing Meetings: Robert’s Rules of Order (latest revised edition) shall govern meetings of the Board of Governors unless overridden by specific provisions of these Bylaws.

ARTICLE VII: Board of Governors – Officers and Duties

Section 1 – Executive Officers: The executive officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board of Governors may from time to time by resolution create.

Section 2 – Election of Officers: The executive officers shall be chosen from among the Governors. Immediately after the adjournment of the annual meeting of members, the Board of Governors shall convene to elect officers for the year and organize itself. If no quorum of the Board is achieved, the election of Officers will occur at the next regularly scheduled meeting of the Board.

Section 3 – Term: The executive officers of the Association shall be elected annually by the Board of Governors for one-year terms. Each officer shall hold office until the next annual meeting unless any officer shall sooner resign, or shall be removed, or otherwise disqualify to serve. No officer, except the Treasurer, may serve more than two (2) full consecutive terms in the same office. The Treasurer may serve more than two (2) consecutive terms by a unanimous vote of the Board of Governors.

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 may be removed from office with or without cause by a majority vote of the Board of Governors. 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.

Section 6 – Vacancies: A vacancy in any office may be filled by appointment by the Board of Governors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaced.

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 (1) of any of the other offices except in the case of offices created pursuant to Section 4 of this Article.

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

- (a) President:** As chief executive officer, the President shall supervise the conduct of the affairs of the Association under the direction of the Board of Governors. The President shall preside at meetings of the Members, the Board of Governors, and the Executive Committee, and shall report on the affairs of the Association at each regular meeting of Members. The President shall see that orders and resolutions of the Board are carried out. The President shall have the authority to sign and execute all leases, deeds, mortgages, bonds, contracts, or other instruments in the name of the Association, and shall co-sign all checks and promissory notes.

- (b) **Vice-President:** At the request of the President or in the absence or disability or refusal to act by the President, the Vice-President shall perform the duties and exercise the powers of the President. The Vice-President shall likewise have authority to sign leases, mortgages, deeds, and other written instruments and co-sign all checks and promissory notes. The Vice-President shall perform additional duties as assigned by the Board of Governors and the President.
- (c) **Secretary:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Members, the Board of Governors, and the Executive Committee; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Members, the Board, and the Executive Committee; keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties as required by the Board.
- (d) **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 Governors; shall keep all books of account; cause an annual report of the Association's budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer shall perform additional duties as assigned by the Board.

Section 9 – Materials and Records: When officers resign, complete their terms of office, or are removed, they must turn over to the President all materials and records in their possession pertinent to the functioning of their offices. Such officer shall brief his successor on his duties, responsibilities, and current and planned functions of the office.

ARTICLE VIII: Board of Governors – Powers, Rights, and Duties

Section 1 – Powers: The Board of Governors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, including but not limited to the assessment of reasonable fines;
- (b) exercise for the Association all powers, duties, and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (c) declare the office of a member of the Board of Governors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Governors;

- (d) employ a manager, independent contractor, or such other individuals, entities, or employees, as the Board of Governors deems necessary and to prescribe their duties; and
- (e) such other acts as the Board of Governors deems is in the best interest of the Association and its Members.

Section 2 – Duties: Except as otherwise provided by the Articles of Incorporation, the Declaration, these Bylaws, or applicable law, it shall be the duty of the Board of Governors to:

- (a) cause to be kept a complete record of all 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 a statement is requested in writing by one-third (1/3) of the Members who are entitled to vote;
- (b) supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- (c) issue, or 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 maybe made by the Board of Governors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (d) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (e) cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate, and
- (f) cause to be maintained the Common Area.

Section 3 – Managing Agent/Town Manager: The Board of Governors may employ for the Association a corporate managing agent or individual town manager(s) to perform such duties and services as the Board of Governors shall from time to time authorize. Any management agreement entered into by the Association with a corporate management company shall provide that such agreement may be terminated with or without cause upon sixty (60) days written notice to the managing agent. The term of the agreement shall not exceed one year; provided, however, that the term of such management agreement may be renewable by agreement of the parties for successive one (1)-year periods. Any employment of an individual town manager shall be terminable at will by the Association.

ARTICLE IX: Indemnification of Officers and Governors

Section 1. The Association shall indemnify, defend and hold every officer and Governor of the Association harmless from and against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer or Governor in connection with any action, suit, or other proceeding (including the settlement of any such suit or proceeding if approved by the Board of Governors of the Association), to which he may be made a party by reason or being or having been an officer or Governor of the Association, whether or not such person is an officer or Governor at the time such expenses are incurred. The officers and Governors of the Association shall not be liable to the Members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Governors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association shall indemnify, defend, and forever hold each officer and Governor free and harmless from and against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Governor of the Association or former officer or Governor of the Association may be entitled.

ARTICLE X: Committees

Section 1 – Executive Committee: The Executive Committee shall consist of the President, Vice-President, Secretary, and Treasurer, and shall have the power to act in emergency matters only as determined by the President and Vice-President. Minutes of the Executive Committee meetings shall be read and approved by the Executive Committee at the next regular Board of Governors meeting, and recorded in the minutes of that Board meeting.

Section 2 – Budget Committee:

- (a) The Board of Governors shall appoint a Budget Committee.
- (b) It shall be the duty of the Budget Committee to analyze the financial needs of the Association and prepare a proposed budget for the following year for submission to the Board of Governors. The Board of Governors may establish the conditions and criteria by which the Budget Committee conducts its analysis and preparation of the proposed budget which may be accepted in whole or in part, amended, modified, or rejected in the discretion of the Board of Governors.
- (c) The Budget Committee shall be comprised of five (5) committee members as follows:
 - (i) The Board of Governors shall appoint two (2) committee members by a majority vote of the Board of Governors. The terms of the appointed committee members shall be for one (1) year; and
 - (ii) The Members of the Association shall elect three (3) at-large committee members. At-large committee members must be Members of the Association.

- (A) Members of the Board of Governors may not be at-large committee members.
- (B) At-large committee members may not reside in the same household as a member of the Board member.
- (C) No two at-large committee members may be from the same household.
- (D) The terms of the at-large committee members shall be as follows:
 - (1) The at-large committee member who receives the highest number of votes shall serve for two (2) consecutive years.
 - (2) The remaining at-large committee members shall serve one (1) year terms and are permitted to stand for re-election.
- (E) In successive elections, two (2) at-large committee seat vacancies shall be filled. The at-large committee member who receives the highest number of votes shall serve for two (2) consecutive years and the other at-large committee member shall serve for one year.
- (F) Vacancies for at-large committee member seats shall be filled in accordance with Article VII, Section 6.

(d) Removal from office of any committee member shall be in accordance with of the Budget Committee will follow the procedures set forth in Article VII, Section 5.

Section 3 – Other Committees: The Board of Governors shall appoint such other committees it deems appropriate in carrying out its purpose. The President shall appoint a Governor as chairman to each committee and two (2) or more Members not serving on the Board, provided there are sufficient volunteers.

Section 4 – President as Ex-Officio Member: The President shall be an ex-officio member of all committees.

ARTICLE XI: Finance

Section 1 – Financial Instruments: The Board of Governors shall authorize individuals to sign checks and other orders of withdrawal from Association accounts and to sign loan forms and other evidences of Association indebtedness. At least two (2) of those so authorized shall be required to sign each financial instrument with at least one of those being an executive officer named in these Bylaws.

Section 2 – Bonds: The Board of Governors shall bond or insure all persons handling funds or signing financial instruments for the Association.

Section 3 – Fiscal Year: The fiscal year of the Association shall be determined by the Board of Governors in its discretion.

ARTICLE XII: Amendment

Section 1. These Bylaws may be amended at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of a quorum of Members present in person or by proxy. An amendment may be proposed by two-thirds (2/3) of the members of the Board of Governors present and voting at a regular or special meeting of the Members or by any ten (10) members of the Association. The proposed amendment shall be considered at a membership meeting within 120 days after its proposal and notice of the meeting shall include the text of the proposed amendment.

ARTICLE XIII: Books and Records

Section 1. The books and records of the Association shall at all times, during reasonable business hours, be subject to inspection and copying by any Member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member where copies may be purchased at reasonable cost.

ARTICLE XIV: General Provisions

Section 1 – Seal: The corporate seal of the Association shall bear the name of the Association and the words “Maryland 1959.”

Section 2 – Dissolution: To prevent a dissolution of the Association, as long as seven (7) members are desirous of its continuance, they can hold the property and Charter of the Association, and no proposition to alter, amend, expunge, or suspend this article shall be entertained.

Section 3 – Conflict. In 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.