

Clerk of the Circuit Court for
Anne Arundel County
8 Church Circle
Annapolis, MD 21401

410-222-1434 Licensing
410-222-1425 Land Records
410-222-1394 Document Control

LR - HOA Dep Amendment
5x 5.00 25.00
HOA Name: Harbor Hills

SubTotal: 25.00
Total: 25.00

REV-check-WFB
Number : 108374

04/11/2023 14:41
#17137129/16/8

DUPLICATE #001 *****

04/11/2023 14:43
CC02-JD
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**SUPPLEMENTAL HOMEOWNERS ASSOCIATION
DEPOSITORY FILING FOR**

**HARBOR HILLS HOMEOWNERS'
ASSOCIATION, INC.**

For deposit with the Circuit Court Depository for Anne Arundel County

1. The following documents of the Association are attached to this filing and is binding on and enforceable against the owners of lots in Harbor Hills (except for owners of P lots) and the owners' tenants:

- A. Resolution of Board of Directors (Updated April 10, 2023)
- B. By-Laws of Harbor Hills Homeowners Association, Inc. (December, 2014)

// Frederick C. Sussman

Frederick C. Sussman, Esquire, Of Counsel
Council, Baradel, Kosmerl & Nolan, P.A.
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Attorney for Harbor Hills Homeowners
Association, Inc.

AFTER RECORDING RETURN TO: Frederick C. Sussman, Esquire, Of Counsel, Council, Baradel, Kosmerl & Nolan, P.A., 125 West Street, 4th Floor, Annapolis, Maryland 21401

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CIRCUIT COURT ANNE ARUNDEL COUNTY
2023 APR 11 P 2:43

LR - HOA Dep Amendment
25.00
HOA Name: Harbor Hills
Ref:
Total: 25.00
04/11/2023 02:42
CC02-20
#17137129 CC0501 -
Anne Arundel
County/CC05.01.20 -
Register 10

HARBOR HILLS HOMEOWNERS ASSOCIATION, INC.
Resolution of Board of Directors regarding the Yacht Club Facilities Capital Contribution Fee
Updated April 10, 2023

EXPLANATORY STATEMENT AND HISTORY: The community of Harbor Hills was laid out on subdivision plats approved by Anne Arundel County and recorded among the Land Records of Anne Arundel County. The plats depicted various open space and recreation areas for use by the community. With the exception of certain lots (the "P Lots"), lots in the community were subjected to a Declaration of Covenants, Conditions and Restrictions that, among other things, provided, that owners of lots in Harbor Hills (other than owners of the P Lots), would be members of the Harbor Hills Homeowners Association, Inc.(the "Homeowners' Association"), a homeowners association that was established at or about the time that the Plats and Declaration of Covenants were recorded among the Land Records. The Declaration of Covenants also gave owners of lots (other than owners of the P Lots) certain rights of use and enjoyment of the open space and recreation areas, referred to as "community areas", as shown on the Harbor Hills subdivision plats.

Concurrently with the development of the Harbor Hills community, a separate organization was established known as the Harbor Hills Yacht Club, Inc. (the "Yacht Club"). This was a private membership club whose membership included many lot owners and residents of Harbor Hills, as well as persons who lived outside of Harbor Hills. The Yacht Club owned 9.34 acres of water front land and maintained on that land various recreational amenities that included, but were not limited to, a clubhouse, marina, swimming pool and tennis courts ("Yacht Club Facilities"). The Yacht Club Facilities were not part of the community areas that were depicted on the Harbor Hills Plats and were not part of the community areas to which the Declaration of Covenants granted owners of lots in Harbor Hills a right of use and enjoyment. Members of the Yacht Club paid initiation fees to become members of the Yacht Club and other fees for annual membership and use of the Yacht Club Facilities. These fees included fees for a member's privilege of transferring membership in the Yacht Club to another person. All of these Yacht Club fees were in addition to any fees that Yacht Club members who owned lots in Harbor Hills paid to the Homeowners' Association.

Because, in part, there was a significant overlap in the membership of the Yacht Club and the Homeowners' Association, in the mid-1990's the Boards of Directors and members of both organizations undertook a study to determine the feasibility of a merger of the Homeowners' Association and Yacht Club. This study culminated in the overwhelming approval of the merger by votes of the Boards of Directors and members of the Homeowners' Association and the Yacht Club. As a result of the favorable votes for the merger, on December 30, 1996, the Yacht Club delivered a Deed to all the Yacht Club Facilities to the Association. On that date the Yacht Club Facilities became an asset of the Association, and an enhancement to the value of every lot in Harbor Hills that is a member of the Homeowners' Association. This transfer notwithstanding, Harbor Hills lot owners had, and continue to have, no right to use the Yacht Club Facilities except upon such terms and conditions as the Homeowners' Association (as the owner of the Yacht Club Facilities) may prescribe.

Since the Homeowners' Association took ownership of the Yacht Club Facilities in 1996, the Homeowners' Association has continued to operate, maintain, repair and improve the facilities formerly belonging to the Yacht Club, and periodically has required the payment of a

"transfer fee" imposed by the Homeowners' Association payable upon transfer of a lot in Harbor Hills. Use of the Yacht Club Facilities is available to all lot owners upon payment of such transfer fee and other fees, and under such terms and conditions, as the Homeowners' Association may prescribe.

Accordingly, the Board previously deemed it appropriate that since all lots benefit from the existence of the Yacht Club Facilities, all members of the Homeowners' Association who had not theretofore paid initiation or transfer fees to the Yacht Club or transfer fees to the Homeowners' Association should be required to make a contribution to the Homeowners' Association for the Yacht Club Facilities. The exceptions to this fee were P Lot owners who would be required to make this contribution at such time as each elects to join the HOA subject to the same fees and annual assessment dues as Harbor Hills HOA members. The Board further noted that the term "transfer fee" as previously used by the Yacht Club and the Homeowners' Association was obsolete and a more appropriate term for such a contribution was a "Yacht Club Facilities Capital Contribution Fee" ("YCFCCF").

ON APRIL 27, 2006, THE BOARD OF DIRECTORS, RESOLVED AS FOLLOWS:

1. From and after the date of the Resolution, there was imposed a Yacht Club Facilities Capital Contribution Fee in the amount of Four Thousand Dollars (\$4,000) upon all members of the Homeowners' Association who were not members of the Yacht Club on December 31, 1996, and who theretofore had not paid a transfer fee to the Homeowners' Association. The Resolution further detailed how the fee was to be paid by members who had not previously paid the fee.

The Resolution further detailed that, as part of a resale package to be provided in connection with the sale of the home of a member, the Homeowners' Association shall provide a copy of this Resolution (as the same may be amended from time to time), disclose the requirement for the payment of the Yacht Club Facilities Capital Contribution Fee and request that such fee be collected from the purchaser at settlement and paid to the Homeowners' Association. If the Homeowners' Association is not paid the Yacht Club Facilities Capital Contribution Fee at settlement, the Homeowners' Association shall provide written notice to the new member of the Homeowners' Association advising of the member's obligation to pay the fee and specifying the date upon which the fee is due and payable, which due date shall be thirty (30) days from the date of the notice ("due date") after which the new member will be deemed delinquent.

2. A member or new member who is delinquent in the payment of the Yacht Club Facilities Capital Contribution Fee may not use any of the Yacht Club Facilities until the Yacht Club Facilities Capital Contribution Fee has been paid in full or, in the sole discretion of the Board of Directors, until the member has made alternate arrangements with the Board for payment of the fee.

CURRENT ACTION: The HOA Board from 2022, and the incoming Board for 2023, have had extensive discussion regarding the YCFCC Fee, which had not been increased since the Yacht Club Facility property became an asset of the HOA on December 28, 1996. They have also reviewed the need to increase the fee for the good of the community to allow for continued maintenance and improvements to the Yacht Club Facilities, notwithstanding significant cost

escalation over the intervening 26 years.

As a result of those discussions, at its meeting on January 16, 2023, the Board of Directors of the Harbor Hills Homeowners Association, Inc., as reflected in the minutes of the meeting, voted to increase the YCFCC Fee from \$4,000 to \$8,000, for Lots going under contract for resale thereafter. The \$8,000 fee will also apply to any members who had heretofore not chosen to pay the fee, including but not limited to any holders of "P Lots" as described hereinabove. Other than the fee increase, the other terms of the 2006 Resolution remains in effect.

This Resolution was subsequently approved by vote of the Board of Directors on April 10, 2023. The referenced vote is hereby acknowledged by the signing of this Resolution.

Jaye Cuthie
Secretary

4/10/2023
Dated

BY-LAWS
OF
HARBOR HILLS HOMEOWNERS ASSOCIATION, INC.

This is a replication of an official document. To obtain an official version of this document go to the Anne Arundel County Courthouse.

ARTICLE I
MEMBERS

SECTION 1.01. ANNUAL MEETINGS: The Association shall hold each year an annual meeting of the members for the election of directors, the election of officers, and the transaction of any business within the powers of the Association, at 4:00 o'clock P.M., on the 1st Sunday of December, each year if not a legal holiday, and if a legal holiday, then on the first day following which is not a legal holiday, or such other time and date as the Board of Directors shall determine. Any business of the Association may be transacted at an annual meeting without being specially designated in the notice, except such business as is specifically required by statute or by the charter to be stated in the notice. Failure to hold an annual meeting at the designated time shall not however, invalidate the corporate existence or affect otherwise valid corporate acts.

SECTION 1.02A. SPECIAL MEETINGS CALLED BY PRESIDENT OR BOARD: At any time in the interval between annual meetings, special meetings of the members may be called by the President of the Association or by a majority of the Board of Directors by vote at a meeting or in writing with or without a meeting.

SECTION 1.02B. SPECIAL MEETINGS CALLED BY MEMBERSHIP: At any time in the interval between annual meetings, special meetings of the Association may be called by the submission of a written petition, executed by a majority of the membership and delivered to the President or Secretary of the Association setting forth the purpose of the meeting, and specifying the time and place the meeting is to be conducted.

(i) If, upon the accomplishment of the above, the President or the Board of Directors refuses or neglects to actually call the meeting, the membership is free to actually hold the meeting, designate a chairman and conduct business in conformity with all other provisions of these By-Laws.

SECTION 1.03. PLACE OF MEETINGS: All meetings of members shall be held in the Harbor Hills Yacht Club, except in cases in which the notice thereof designates some other place; but all such meetings shall be held within the State of Maryland.

SECTION 1.04A NOTICE OF ANNUAL MEETINGS: If the annual meeting is held on the date and place designated in Sections 1.01 and 1.03 respectively, each member need not be notified individually. If the annual meeting is not held on the date and at the place designated in Sections 1.01 and 1.03 respectively, then each member will be notified in accordance with Section 1.04B. In either case, notice of annual meetings will be given in the community newsletter (The Eagle) and posted at the front entrance to the community.

SECTION 1.04B NOTICE OF SPECIAL MEETINGS: Not less than five days nor more than thirty days before the date of special members' meetings, the Secretary shall give to each member entitled to vote at such meeting, written or printed notice stating the time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, either by mail or by presenting it to him personally, or by leaving it at his residence or usual place of business or by publication in the community news letter (The Eagle) which is mailed or delivered to the residence of every member. If mailed, such notice will be deemed to be given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, with postage thereon prepaid. Notwithstanding the foregoing provision a waiver of notice in writing, signed by the person or person entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting in person, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of members, annual or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 1.05. QUORUM: Unless otherwise provided in the charter, at any meeting of members the presence in person of members entitled to cast 10% of the votes there at shall constitute a quorum; but this section shall not affect any requirement under statute or under the charter of the Association for the vote necessary for the adoption of any measure. In the absence of a quorum the members present in person, by majority vote and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. In addition, at such a meeting where a quorum of members is not present in person, a majority of the members present may call a further meeting of members, in accordance with the provisions of Section 135 of Article 23 of the Annotated Code of Maryland (1957 Ed.) and at such further meeting the members present in person shall constitute a quorum and by majority vote of those present may approve or authorize any proposed action, and take any other action, including, without limitation, the election of directors, which might have been taken at the original meeting, if a sufficient number of members had been present.

SECTION 1.06. VOTES REQUIRED: A majority of the votes cast at a meeting of the members, duly called and at which a quorum is present, shall be sufficient to take an authorized action upon any matter which may properly come before the meeting, unless more than a majority of votes cast is required either by statute, by charter, by the Declaration of Covenants and Restrictions or elsewhere within these By-Laws. Every member, as hereinafter defined as all those owners and tenants who are members of the association, shall be entitled to vote a maximum two votes per home site, whether said home site is improved or unimproved. Every such member shall be entitled to participate and vote in all association affairs during such period as said member is considered in good standing. However, no member shall be entitled to any vote:

- (i) If any dues established by the Board of Directors and payable by such member are due and unpaid at the time of such meeting; and,
- (ii) If any assessment established by the Board of Directors and payable by such member is due and unpaid at the time of such meeting; and,
- (iii) If such member, as determined by the Board of Directors, shall be, at the time of such meeting in violation of any of the covenants, restrictions, charges and liens contained in the Declaration of Covenants of "Harbor Hills" dated the 17th day of January, 1973, and recorded among the Land Records of Anne Arundel County, in Liber MSH 2555, Folio 100.

SECTION 1.07A. VOTES TO BE CAST IN PERSON OR BY PROXY: Except as specified herein and in the succeeding Section 1.07B, no member shall be entitled to assign his right to vote by Power of Attorney or written statement, except by actual proxy, as more fully defined herein and no vote shall be valid unless cast in person by the individual member, provided, however,

- (i) That in the case of a corporate member or in the instance of a foreclosure, the vote may be cast by the President or other officer of the corporation or by the Trustee named in the foreclosure proceeding;
- (ii) That members unable to attend the meeting at which directors and officers of the Association are to be elected or charges, dues and assessments are to be established, increased or decreased, shall be entitled to file a written vote under the procedure set forth below:
 - (a) Any member unable to attend a meeting of the type specified in paragraph (ii) in the proceeding sentence may vote for the election of directors and officers of the Association or for the establishment, increase or decrease of charges, dues and assessments, by sending a written letter or telegram addressed to the individual serving as Secretary of the Association (or if there be no Secretary, then to the Board of Directors of the Association), stating:
 - (1) that the member will be unable to attend the meeting in question; and
 - (2) that he casts his vote in such a manner as is reflected within his letter or telegram on the issues then before the Association; and
 - (3) that he designates the Secretary of the Association (or if there be no Secretary, then the President of the Board of Directors of the Association) to serve as his proxy in casting his ballot in the specific manner designated within his letter or telegram. If such letter is received

by the Secretary (or by the Board of Directors) on or before the day of the meeting, the ballot embodied in said letter or telegram shall have the same force and effect as if the party sending the same had voted in person.

SECTION 1.07B. VOTES TO BE CAST IN PROXY: On any other matter submitted to the membership for vote, other than those specified above in Section 1.07A, pertaining to the election of Directors and Officers of the Association or for the establishment, increase or decrease of charges, dues and assessments any member entitled to vote may cast such vote without attending the meeting in question by executing a written statement or proxy designating a particular individual to cast his vote in a committed or uncommitted manner on any issue coming before a particular meeting (other than on the previously excluded matters), which said statement or proxy shall be valid only with respect to the meeting specified therein. Any vote cast by the procedure set forth above shall have the same force and effect as if the member in question had appeared at the meeting and had cast his vote personally.

SECTION 1.08. LIST OF MEMBERS: At each meeting of members a full, true and complete list in alphabetical order of all members entitled to vote at such meeting, certifying the number of votes to which each such member is entitled, shall be furnished by the Secretary. At each meeting of members a full, true, and complete list in alphabetical order of all members not entitled to vote at such meeting shall be furnished and read by the Secretary (See Section 1.09). The method employed by the Secretary in determining the names and addresses of members entitled to vote and the number of votes, which may be cast by each of them, shall have been approved by resolution of the Board of Directors.

SECTION 1.09. MEMBERS: The qualification for membership shall be as set forth herein:

(i) The following shall automatically be members of the Association:

(a) Owners: Owner, for the purpose of this section shall mean and include the record owner, whether one or more persons or entities, of the fee simple title to any home site, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(b) Tenants: Tenant, for the purpose of this section shall mean and refer to a tenant, whether one or more persons or entities, who (i) actually resides on the property under a written lease from an owner in which such person, persons or entities is named as lessee, and (ii) delivers an executed copy of such lease to the Board of Directors.

No person or other entity shall be a member of the Association after he ceases to own or hold the interest in a portion of the property which theretofore qualified him for membership under the provision set forth above.

SECTION 1.10. VOTING REQUIREMENTS RELATIVE TO ASSESSMENTS: The rules and regulations concerning the right to vote as it relates to annual and special assessments are as set forth herein:

(i) The annual assessment may be changed provided that any such change shall have the assent of two-thirds of the votes of the membership voting in person or by proxy at a meeting duly called for this purpose and at which a minimum of not less than fifty-one (51%) percent of the members in good standing shall be present or voting by written proxy, as defined in Section 1.07A, herein;

(ii) Special assessments for the purpose of defraying in whole or in part the cost of any construction or reconstruction unexpected repair or replacement of a capital improvement of the community areas or facilities, including the necessary fixtures and personal property related thereto, may be levied on a year to year basis provided that any such assessment shall have the assent of two-thirds of the members in good standing who are voting in person or by written proxy at a meeting duly called for this purpose and at which a minimum of not less than fifty-one (51%) of the members in good standing shall be present or voting by written proxy, as defined in Section 1.07A, herein.

SECTION 1.11. NOTICE REQUIRED FOR CONSIDERATION OF ASSESSMENT CHANGE: Written notice of any meeting called for the purpose of considering a change or establishment of either the annual or any special assessment shall be sent to all home site owners or members, not less than (30) days in advance of the meeting setting forth the purpose of the meeting.

ARTICLE II BOARD OF DIRECTORS

SECTION 2.01. POWERS: Its Board of Directors shall manage the business and affairs of the Association. The Board of Directors may exercise all the powers of the Association, except such as are by statute or the charter or the By-Laws conferred upon or reserved to the members. The Board of Directors shall keep full and fair accounts of its transactions.

SECTION 2.02 NUMBER OF DIRECTORS: The number of directors of the Association shall normally be twelve. By vote of a majority of the entire Board of Directors, the number of directors may be increased or decreased, from time to time, to not exceeding fifteen nor less than four directors, as provided in the charter, but the tenure of office of a director shall not be affected by any decrease in the number of directors so made by the Board.

SECTION 2.03. ELECTION OF DIRECTORS: Until the first annual meeting of members or until successors are duly elected and qualify, the Board shall consist of the persons named as such in the charter. At the annual meeting, the members shall elect approximately half the directors for a two year term or until their successors are elected and qualify. The nominating committee, appointed by the President, will recommend the slate of new directors to the Board for approval. When the nominees are approved, the nominating committee will prepare the ballot. At any meeting of members, duly called and at which a quorum is present, the members may, by the affirmative vote of the members entitled to cast the majority of votes thereon, remove any director or directors from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed directors.

SECTION 2.04. VACANCIES: Any vacancies occurring in the Board of Directors for any cause other than by reason of an increase in the number of directors may be filled by a majority of the remaining members of the Board of directors, although such majority is less than a quorum. Any vacancy occurring by reason of an increase in the number of directors may be filled by action of majority of the entire Board of Directors. A director elected by the Board of Directors to fill a vacancy shall be elected to hold office until the next annual meeting of members or until his successor is elected and qualifies.

SECTION 2.05. REGULAR MEETINGS: After each meeting of members at which a Board of Directors shall have been elected, the Board of Directors so selected shall meet as soon as practicable for the purpose of organization and the transaction of other business, at such time as may be designated by the members at such meeting; and in the event that no other time is designated by the members, the Board of Directors shall meet 7:00 o'clock P.M. on the 3rd Monday of the month immediately following the month in which such meeting was held, or such other time and date as the Board of Directors shall determine. Such first meeting shall be held at such place within or outside the community of "Harbor Hills" as may be designated by the members, or in default of such designation at the place designated by the Board of Directors for such first regular meeting. No notice of such first meeting shall be necessary if held as hereinabove provided. Other regular meetings of the Board of Directors shall be held on such dates and at such places within or outside the community of "Harbor Hills" as may be designated from time to time by the Board of Directors.

SECTION 2.06. SPECIAL MEETINGS: Special meetings of the Board of Directors may be called at any time by the President of the Association or by two-thirds of the Board of Directors by a vote at a meeting, or in writing with or without a meeting. Such special meeting shall be held at such a place or places within or outside the community of "Harbor Hills" as may be designated from time to time by the Board of Directors. In the absence of such designation, such meeting shall be held at such place as may be designated in the notice.

SECTION 2.07. NOTICE OF MEETINGS: Except as provided in Section 2.05, notice of the place, day and hour of every regular and special meeting shall be given to each director two days (or more) before the meeting, by delivering the same to him personally, or by detailing the same to him by telephone, or by leaving the same at his residence or usual place of business, or, in the alternative, by mailing such notice three days (or more) before the meeting, postage prepaid, and addressed to him at his last known post office address, according to the records of the Association. Unless required by these By-Laws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any director who

attends, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 2.08. QUORUM: At all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, by the Charter, by the Declaration of Covenants or by the By-Laws otherwise provided, the vote of the majority of such a quorum at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 2.09. COMPENSATION: Directors as such shall not receive any compensation for their services, with the exception that a bookkeeper may receive compensation in amount to be determined by the Board of Directors. Furthermore, the Treasurer may perform the duties of the bookkeeper and receive such compensation as determined by the Board of Directors.

SECTION 2.10. INFORMAL ACTION BY DIRECTORS: Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

SECTION 2.11. OPERATING PROCEDURES OF DIRECTORS: The Board of Directors shall establish operating procedures for the Board and for each director to discharge the responsibilities and duties provided for in this charter and the Declaration of Covenants and Restrictions. These operating procedures may be revised by The Board of Directors as appropriate.

ARTICLE III COMMITTEES

SECTION 3.01. COMMITTEES: The Board of Directors may, by resolution, provide for an Executive Committee and for such other standing or special committees, as it deems desirable and discontinue the same at pleasure. One such standing committee which may not be discontinued at the pleasure of the Board of Directors shall be the Architectural Control Committee whose duties and functions are as set forth in the Declaration of Covenants and Restrictions and such other duties as may be assigned to it from time to time by the Board of Directors. All other committees, be they standing or special, shall have such powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors. A standing nominating committee will be established by the Board of Directors for the purpose of nominating members to the Board of Directors to be elected at the annual meeting.

ARTICLE IV OFFICERS

SECTION 4.01. PRESIDENT: The Board of Directors shall in each year elect a President of the Association from among the directors. The President shall preside at all meetings of the Board of Directors and meetings of members at which he shall be present and shall and may exercise such additional powers and duties as are from time to time assigned to him by the Boards of Directors.

SECTION 4.02. VICE-PRESIDENT: The Board of Directors shall in each year elect a Vice-President of the Association from among the Directors. In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors which duties shall include that of being the point of contact for violations to the Declaration of Covenants and Restrictions.

SECTION 4.02.1 COMMODORE: The Board of Directors shall in each year elect a Commodore of the Association from among the directors. The Commodore shall provide oversight of the club manager(s) and all community facilities in addition to other such duties as may be determined by the Board of Directors.

SECTION 4.03. SECRETARY: The Board of Directors shall in each year elect a Secretary of the Association from among the Directors. The Secretary of the Association shall keep the minutes of the meetings of the members, and the Board of Directors; he shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law, he shall be custodian of the records of the Association; he shall see that the corporate seal of the Association is affixed to all documents the execution of which, on behalf of the Association, under its seal, is duly authorized, and when so affixed attest the same; and in general, he shall perform all duties incident to office of a Secretary of a corporation.

SECTION 4.04. TREASURER: The Board of Directors shall in each year elect a Treasurer of the Association from among the Directors. The Treasurer of the Association shall have charge of and be responsible for all funds, receipts and disbursements of the Association, and shall deposit or cause to be deposited, in the name of the Association, all monies or other valuable effects in which banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he shall render to the Board of Directors, whenever requested, an account of the financial condition of the Association, and, in general, he shall perform all the duties incident to the officer of a Treasurer of a corporation. The Treasurer's books shall be reviewed after the close of each year by an independent accountant or a committee established for that purpose.

SECTION 4.05. ADDITIONAL DIRECTORS: Board of Directors may in each year elect from among the Directors, a director responsible for the following duties:

Architectural Control Committee Chairman	Whose duties will be the same as presently defined in the members Declaration of Covenants, Conditions, Charges and Liens.
Fleet Captain	Who shall have the responsibility of the coordination of the marina slip holders and to provide oversight of the community piers, boat ramp and slips.
Eagle Editor	Who shall have the responsibility for publication of the community newsletter.
Pool Manager	Who shall have the responsibility for maintenance and upkeep of the pool.
Sports Manager	Who shall have the responsibility for maintenance and upkeep of the tennis courts and the ball field.
Beaches and Piers	Who shall have the responsibility of maintenance and upkeep of the beaches, non-marina piers and kayak racks.
Roads/Beautification	Who shall have the responsibility for ground maintenance of the roads, beaches, ball field and other common areas.
Security	Who shall have the responsibility for oversight of community security.
Social Committee	Who shall have the responsibility for coordinating volunteers for community social events.
Realtor Representative	Who shall have the responsibility as point of contact with Realtors and distribution to them of the community story and copies of the community by-laws, covenants and other rules and regulations for potential homebuyers. Shall also distribute community car stickers, and keys for the beach and ball field gates.

The specific duties of each director shall be as assigned to each director by the Board of Directors.

SECTION 4.06. ADDITIONAL EXECUTIVE OFFICERS: The Board of Directors may choose one or more assistant secretaries and one or more assistant treasurers, none of whom need be a Director, but all of whom shall be members of the Association. Any two or more of the offices mentioned in this Article IV may be held by the same person; but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument be required by statute, by the charter, by the By-Laws or by resolution of the Board of Directors to be executed, acknowledged, or verified by any two or more officers. Each such officer shall hold office until the first meeting of the Board of Directors after they qualify, or until he shall have resigned or shall have been removed. Any vacancy in any of the above offices may be filled for the unexpired portion of the term of the Board of Directors at any regular or special meeting. The assistant officers, if any, described in this Section 4.06 shall have such duties as may from time to time be assigned to them by the Board of Directors.

SECTION 4.07. SUBORDINATE OFFICERS: The Board of Directors may from time to time appoint such subordinate officers, as it may deem desirable. Each such officer shall hold office for such period and perform such duties as the Board of Directors may prescribe. The Board of Directors may, from time to time, authorize any committee or officer to appoint and remove subordinate officers and prescribe the duties thereof.

SECTION 4.08. COMPENSATION: None of the Officers of the Association shall be compensated by the Association for services rendered in the capacity of such office.

SECTION 4.09. REMOVAL: Any officer or agent of the Association may be removed by the Board of Directors, or by vote of the Association, whenever, in their respective judgments, the best interest of the Association will be served thereby.

- (i) The removal of an officer by the Board of Directors shall require the vote of two thirds of the entire Board, excluding that individual proposed for removal.
- (ii) The removal of an agent of the Association by either the Board of Directors or the membership of the Association shall require a simple majority of the votes of either body.
- (iii) The removal of an officer by the membership of the Association shall require a simple majority of the votes of the members of that body qualified to vote.

SECTION 4.10. DUTIES OF DIRECTORS: At its first meeting the Board of Directors shall establish and approve a list of duties to be performed by each director. The Board of Directors may revise the duties of each director, as it deems appropriate. The revision to the duties will be documented either by preparation of a new list of duties or by entering the revisions into the minutes of the Board of Directors meeting.

ARTICLE V FINANCE

SECTION 5.01. CHECKS, DRAFTS, ETC.: All checks drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Association, shall unless otherwise provided by resolution of the Board of Directors, be signed by the President and countersigned by the Treasurer of the Association. Disbursement of monies up to \$300.00 must first be approved by the Board member's in whose area of responsibility the expenditures will be assigned. Disbursement of allocated budget funds in excess of \$300.00 should be requested in advance and approved at the regular monthly Board meeting. For any emergency disbursement of the funds in excess of \$300 which will not allow for advance approval received at the regular monthly Board meeting, such disbursement must then be approved by any three of the following Board members: President, Vice-President, Commodore, Treasurer, and Secretary; or by a majority of the Board members.

SECTION 5.02. ANNUAL REPORTS: The following reports shall be prepared annually:

1. The President shall publish in The Eagle, prior to the annual meeting, a report of planned improvements and expenditures outside of the normal operations for the annual budget.
2. The President will be required to present a report on the "State of the Association", which shall contain a full and correct statement of the affairs of the Association, at the regular annual meeting.

3. The Treasurer shall prepare a detailed financial report for the current and prior year, and a detailed annual income, expense and capital budget for the following year, for presentation and approval of a majority of those members present at the regular annual meeting. Such expense budget shall include an annual capital reserve expense, if necessary, for future capital improvements.

SECTION 5.03. FISCAL YEAR: The fiscal year of the Association shall be the twelve calendar month period, ending December 31st of each year, unless otherwise provided by the Board of Directors.

SECTION 5.04A.1 ANNUAL ASSESSMENT: The maximum annual assessment shall be as provided in the Declaration of Covenants and Restrictions. The annual assessment of One Thousand Three Hundred Thirty (\$1,330.00) was set at the Annual Membership Meeting, December 6, 2009, by a vote of the Members in accordance with the Declaration of Covenants and Restrictions. At the same meeting in 2009, an increase to such annual assessment of One Hundred Dollars (\$100.00) was approved to go into effect in January of 2011. This increase has been held in abeyance by the Board of Directors and not yet enacted as of December 7, 2014: provided that the Board of Directors reserves the right to enact this increase at such time in the future as deemed necessary. Notwithstanding this abeyance, a Thirty Dollar (\$30.00) increase was enacted by the Board of Directors in 2014, in accordance with the By-Laws current at that time. Accordingly, as of 2014, the annual assessment was One Thousand Three Hundred Sixty Dollars (\$1,360.00). The annual assessment will be due January 15th, payable 50% on January 15th, and 50% payable on July 15th. The Board of Directors shall fix the amount of the actual annual assessment, after consideration of the current maintenance costs and future needs of the Association, at least 30 days in advance of each annual assessed period. The Board of Directors shall send notice to each member of the amount of the actual annual assessment at least 30 days in advance of each annual assessed period. The Board of Directors, by a 2/3 majority, may increase the annual assessment by not more than Twenty Dollars (\$20.00) in any one calendar year, without the requirement of further amending the By-Laws.

SECTION 5.04A.2: LATE FEE: A late fee of Forty Dollars (\$40.00) will be charged per ½ payment for assessments not paid within 30 days of the due date. This fee is not to be less than 6% of the amount due, and not to exceed 10% as allowed by the Maryland Homeowners Act and may be adjusted as deemed necessary by the Board of Directors by a 2/3 vote, subject to any limits imposed by Maryland law current at that time.

SECTION 5.04B. SPECIAL ANNUAL ASSESSMENT EXEMPTION: Those Association members who are not members of the Harbor Hills Yacht Club, Inc. as of September 15, 1996, and who do not wish to make use of the yacht club facilities (which shall include the club house, pool, tennis courts and marina), may be exempted from the combined rate and be only subject to the current rate of \$220.00 (as may be modified under the current By-Laws and covenants). That such an exemption will terminate upon the members request to participate in the use of the yacht club facilities or upon the sale of, or transfer of deed, of the member's property at which time the member will pay the current Yacht Club Facilities Capital Contribution Fee in addition to the current year's full assessment.

SECTION 5.04C. GRANDFATHERING PROVISION: The provision authorizing certain members of the Association to waive and disclaim their right to use the yacht club facilities is intended as a special "grandfathering" provision for those few current members of the Association who are not members of the yacht club at the time of the adoption of this amended Section 5.04, and who elect to continue that separate status and not be burdened with the financial obligation of maintaining the yacht club facilities. Should any such member at any time hereafter elect to use the yacht club facilities, the grandfather provisions herein contained shall no longer be available to them and they, like all other members, will pay the full annual dues, including any portion of those dues which is applied to or used for the yacht club facilities. Any member becoming a member after the date of the adoption of this amended provision shall have no benefit or rights with respect to this "grandfathering" provision.

SECTION 5.05. SPENDING AUTHORITY: The boards spending authority shall be limited as follows:

1.The board shall have the authority to spend the total budgeted expenditure amounts approved by the membership at the annual meeting.

2.The board shall have the authority to spend amounts for an unbudgeted expense for emergency maintenance of any facility of the Association provided that, after the emergency, the board will be required to report the nature of the emergency, and the amount spent, to the membership at the next membership meeting.

ARTICLE VI SUNDRY PROVISIONS

SECTION 6.01. SEAL: The Board of Directors shall provide a suitable seal, bearing the name of the Association, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

SECTION 6.02. ANNUAL REPORT OF ASSOCIATION ACTIVITIES: There shall be prepared annually by the Secretary, a full and complete report of the activities of the Association, setting forth all endeavors and accomplishments of the Association for the current calendar year, which shall be submitted at the annual meeting of the members and filed within twenty (20) days thereafter at the principal office of the Association.

SECTION 6.03. AMENDMENTS: Any and all provisions of these By-Laws may be altered or repealed and new By-Laws may be adopted by any annual meeting of the members, or at any special meeting called for that purpose, by a two-thirds (2/3) vote of the membership voting in person or by proxy at said meeting and at which a minimum of not less than fifty-one percent (51%) of the members in good standing shall be present or voting by written proxy.

SECTION 6.04. NOTICE OF PROPOSED CHANGES TO AMENDMENT: Written notice of any meeting wherein a change to the amendments to these By-Laws is to be considered, shall be sent to all home site owners not less that thirty (30) days or more than sixty (60) days in advance of the meeting setting forth the specific amendments proposed to be altered or repealed and new By-Laws to be adopted.

SECTION 6.05. ROBERT'S RULES OF ORDER: Any matters of parliamentary procedure pertaining to the conduct of any meetings called of this Association or its Board of Directors which are not addressed by a specific section herein shall be controlled pursuant to the provisions of the most recent edition of Robert's Rules of Order.

SECTION 6.06. WATERFRONT LIGHTING: Lighting fixtures installed at the expense of The Harbor Hills Development Corporation on waterfront home sites, numbers 28, 29, 30, and 31, of Plat 4, "Harbor Hills", shall be maintained by the respective owner of said home site lots for the purpose of illuminating the waterfront area.

SECTION 6.07. SIGNAGE: Signage on private property is restricted with the exception of Political Election Signs as provided for by Maryland state law. These signs may appear no more than 30 days before an election and must be removed no later than 10 days after the election. In no circumstance does the Board of Directors have the authority to allow Political Election signs to appear in common areas.

ARTICLE VII
COVENANT, RESTRICTION ENFORCEMENT AUTHORITY

SECTION 7.01. ENFORCEMENT: The Homeowners Association Board of Directors is generally charged with the responsibility of enforcing all of the Harbor Hills Homeowners Association Covenants and Restrictions. However, alleged violations to the Covenants and Restrictions are always enforceable by any other homeowner (in accordance with County, State, and Federal laws and guidelines) at their discretion and cost. The Board of Directors, by a 2/3 vote, may at its discretion, however, authorize a Harbor Hills variance to any of those restrictions that are deemed contrary to County, State or Federal laws and guidelines. An example would be to allow above ground fuel tanks, which are prohibited in the Covenants and Restrictions, and are now considered a viable option to the environmentally hazardous, buried fuel tanks.

SECTION 7.02. REMEDIES: In the cases where a dispute may arise between a Member and the Association regarding an alleged violation to the Covenants and Restrictions, the Board of Directors is authorized to retain legal counsel to protect the rights of the Association. While such disputes may be settled in a court of law, the Board may, alternatively and at its discretion, choose to have the matter mediated by trained professionals who are neutral parties from outside of the community and that are recommended by the Maryland Attorney General's Office, or OAG, (Office of Attorney General) or Maryland's MACRO (Mediation and Conflict Resolution Office). Any Covenant/Restriction violation that has been settled through any form of mediation, arbitration, court action, or any other resolution shall not void that Covenant/Restriction from future enforcement throughout the rest of the community.

ARTICLE VIII
UNIFIED BUSINESS

SECTION 8.0. FIVE SECTIONS: The Declaration of Covenants, Restrictions, Charges and Liens that provide for these By-Laws are recorded in the Anne Arundel County land records as five separate sections. The wording in those documents to each section regarding Covenants and Restrictions are identical in all five sections. It is the desire of the Members in each and all of the sections of Harbor Hills to operate as one unified group with one Board of Directors, one operating and capital budget, and unilateral assessments. As a result, all business actions, insurance, any and all other Board rulings will be in effect for the entire membership of all five sections.

The original By-Laws were ratified and approved by the Board of Directors of the Harbor Hills Home Owners Association, Inc., in Davidsonville, Maryland on the 25th day of March, 1973. Amendments to the By-Laws were enacted by the Harbor Hills Home Owners Association as follows:

- Annual meeting held on September 8, 1975.
- Annual Meeting held on July 1, 1976.
- Annual meeting held on July 9, 1984.
- Special meeting held on September 15, 1996.
- Annual meeting held on November 24, 1996.
- Annual meeting held on December 7, 2014, re-convened December 10, 2014.

The amendments to these By-Laws were voted on and approved by a greater than two-thirds vote over fifty-one percent of the members in good standing voting in person or proxy.