

BYLAWS
SYLVAN SHORES SERVICES COMPANY, INCORPORATED
(As Revised April 18, 2017)

ARTICLE I
Objectives and Purposes

Section 1. Maintain and develop for the benefit of the property owners and residents those Corporation-owned assets including but not limited to the roads, parks, parkways, beaches, docks and piers on Corporation-owned property located in the community known as Sylvan Shores, Anne Arundel County, State of Maryland.

Section 2. Exercise such of the other powers and authorities which are set forth and designated in the Charter of Sylvan Shores Services Company, Inc. ("SSSC") as may from time to time seem to be expedient and advisable.

ARTICLE II
Membership

All owners of record of real property in Sylvan Shores or the Sylvan Shores Special Community Benefit District ("SCBD") are "Members" in this Corporation. Members shall have all rights and privileges to use SSSC facilities in accordance with SSSC Rules & Regulations.

ARTICLE III
Voting Rights – Ballots/Proxies

Section 1. Each property tax account is entitled to one vote in matters before the membership. That vote shall be cast by an owner of record of real property in Sylvan Shores. The Member voting shall be known as the Tax Account Representative ("Representative").

Section 2. Voting for elections, budgets and Bylaws amendments by the membership shall be by official ballot.

Section 3. Official ballots for elections shall be provided to Representatives at the May membership meeting. Official ballots for budgets shall be prepared and mailed to Members by the Secretary at least 15 days prior to meetings, and contain the date of the meeting.

Section 4. Ballots for budgets may either be return-mailed to the SSSC Post Office address and received no later than the day of the meeting at which such action takes place, or presented at the time of the meeting. Each returned ballot shall contain the name and address of the Representative and a legible hand-written signature of the Representative to be valid. Only those ballots meeting this requirement will be counted. The ballots will be tallied and announced at the meeting.

Section 5. Representatives may have the right to vote by proxy in matters as determined by the Board of Directors. No Representative or Director may accept or vote more than one proxy. Any proxy must be in writing and filed with the Secretary prior to being voted. A Representative sending a proxy may note a decision for or against a special known issue on the proxy return card; otherwise, the person to whom the proxy is given may vote as he/she sees fit.

Section 6. A Representative may appoint as proxy for any membership meeting any member of the Representative's immediate family over 21 years of age or any other Member of this Corporation.

Section 7. Directors may appoint as proxy for any Directors' or membership meeting any other of the Directors of this Corporation.

ARTICLE IV **Board of Directors**

Section 1. The number of Directors of this Corporation shall be determined each year by the number elected by ballot, but shall not be less than 5 nor more than 14.

Section 2. Directors shall be Members of SSSC, and shall be elected by ballot by majority vote of voting Representatives present or represented by proxy at the May membership meeting.

Section 3. Duly elected Officers of the Corporation shall be considered members of the Board of Directors.

Section 4. The Directors shall assume office on the first day of June following their election at the May membership meeting, and shall serve for one year.

Section 5. In the event of a vacancy, the Board of Directors may, at their option, at a regular Directors' meeting, by a majority vote of the voting Directors, fill the vacancy by

electing a new member to the Board of Directors, to serve until the expiration of the unexpired term.

Section 6. Any action taken by the Board of Directors must be by the affirmative vote of a majority of the Directors voting on the motion. The presiding officer shall cast a vote only in the event of a tie.

Section 7. The Board of Directors shall have full authority:

A. To exercise any and all of the powers of this Corporation as recorded in the Charter of the Corporation.

B. To exercise any and all of the powers delegated to it, or authorized by the various terms and provisions of these Bylaws and to conduct the affairs of this Corporation in accordance therewith.

C. To prescribe rules and regulations for the use of all Corporation-owned property and facilities and to set and change fees for the use and maintenance of the Corporation's facilities.

D. To inaugurate, sponsor, supervise and maintain such action, activities and programs as it deems necessary or desirable in order to facilitate and promote the objectives and purposes for which this Corporation was organized, and to raise funds and make such expenditures as it deems necessary or desirable in conducting the affairs of the Corporation.

E. To establish standing or special committees as deemed appropriate and/or necessary to carry out its objectives.

Section 8. Any Director absent from three (3) consecutive meetings, whether or not represented by proxy, shall automatically cease to be a Director, unless granted a leave of absence by vote of the Board of Directors.

Section 9. When approved by a two-thirds vote of the voting Directors present or represented by proxy at a regular or special Directors' meeting, a Director may, for the following reasons, be removed from the Board:

A. Violation of these Bylaws or any rule or regulation adopted by the Board of Directors for the management and conduct of the affairs of the Corporation.

B. Conduct or activity, deemed by the Board of Directors to be contrary to the best interests of this Corporation, or the Community at large, or contrary to the objectives and purposes for which this Corporation was organized.

ARTICLE V **Officers**

Section 1. The Officers of this Corporation shall be:

President

Vice President

Secretary

Treasurer

Section 2. The Officers shall be Members of SSSC.

Section 3. From the elected Directors, the Officers shall then be elected, by ballot, by voting Representatives present or represented by proxy at the May membership meeting. The Officer candidate receiving the largest number of votes shall be elected to each office.

Section 4. If an Officer position is not filled at the membership meeting, the newly elected Board of Directors shall elect, at its next regular meeting, an Officer from the current Board members to fill the position.

Section 5. The Officers shall be elected to serve one year beginning on the first day of June following their election at the May membership meeting.

Section 6. In the event of a vacancy in one of the above positions, the Board of Directors shall elect at its next regular meeting following such vacancy a new Officer from the current Board members to fill the position for the unexpired term.

ARTICLE VI **Duties of Officers**

Section 1. **President:** The President shall preside at meetings of the Corporation and of the Board of Directors, and shall, in general, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation, and shall perform such other duties as pertain to that office.

Section 2. **Vice President:** The Vice President shall, in the absence of the President, perform the President's duties, and such other duties as pertain to the office of Vice President.

Section 3. In the absence of both the President and Vice President, the Board of Directors shall elect a presiding officer.

Section 4. **Secretary:** The Secretary's duties shall include, but are not limited to, keeping the minutes of all meetings of the Corporation, and of the Board of Directors, and the Secretary shall be custodian of all records of the Corporation. The Secretary shall keep a current list of the Members of the Corporation and their addresses.

Section 5. **Treasurer:** The Treasurer's duties shall include, but are not limited to, the following:

A. Have care and custody of and be responsible for all funds and finances of the Corporation. The Treasurer shall give bond in such amount as the Board of Directors shall designate, the cost of said bond to be paid by the Corporation.

B. Provide monthly statements for presentation to the Board of Directors, showing receipts and disbursements, balance on hand and in bank, and outstanding accounts due by or to the Corporation, and also provide fiscal year-end financial statements for approval of the Board at its regular July meeting. Separate statements shall be presented for SSSC and the SCBD. SCBD financial reporting shall be in accordance with Anne Arundel County guidelines for special taxing districts.

C. Manage and update the Capital Replacement Reserve Study.

D. Prepare the next fiscal year's SCBD and SSSC annual budgets for presentation at the November membership meeting.

E. Submit the SCBD budget to Anne Arundel County in accordance with the guidelines for special taxing districts.

F. Receive all funds from the County (SCBD funds) and any other sources (SSSC funds) which shall be kept separate and in accounts in bank(s) as specified by the Board of Directors.

The Treasurer shall perform such other duties as pertain to that office.

Section 6. Checks of the Corporation shall be signed by the Treasurer or Secretary and counter-signed by the President or Vice President, or signed by such designees as the Officers shall from time to time authorize and the Board of Directors approve.

ARTICLE VII **Meetings**

There shall be two membership meetings a year of the Members of the Corporation immediately preceding the regular monthly Board of Directors' meetings in May and November, on a date and at a time and place to be designated by the President.

Section 1. The May meeting shall be for the purpose of electing members of the Board of Directors, receiving and counting ballots, reports of board members and committees, and for any other business that may arise. At the May meeting, the Treasurer shall present financial statements covering the operations of the Corporation through April, if practicable -- otherwise through March, and the balance sheet of the Corporation as of March 31st.

Section 2. The November meeting shall be for the purpose of receiving and counting ballots for the SSSC and SCBD budgets, reports of board members and committees, and for any other business that may arise.

Section 3. Notices of membership meetings shall be mailed to each Member at the tax account address shown on the records of this Corporation at least fifteen (15) days prior to the date of such meetings.

Section 4. Regular meetings of the Board of Directors shall be held monthly at such time and place as may be designated by the Board of Directors, or arranged by the President.

Section 5. At any meeting of the Board of Directors, a majority of the elected Directors present shall constitute a quorum.

Section 6. Special meetings of the Members or of the Board of Directors may be called by the President or upon written request of at least fifteen (15) Representatives or a majority of Directors. Written requests by Representatives shall contain the property address and a legible printed and hand-written signature of each Representative signing

the request to be valid. Any special membership meeting shall be scheduled and held within ninety (90) days of the request.

Section 7. Notices of special meetings of Members shall be mailed to each Member at the tax account address shown on the records of this Corporation at least seven (7) days prior to the date of such meeting, and shall contain a statement of the purposes and objectives of the meeting

Section 8. Notices of special meetings of the Board of Directors shall be sent by those methods most expedient for individual Board Members, including but not limited to e-mail, telephone, mail or hand-delivery and shall contain a statement of the purposes and objectives of the meeting.

Section 9. Any action which may be properly taken by the Board assembled in a meeting may also be taken without a meeting, if all Directors consent to take such action without a meeting. Any vote on such action taken shall have the same force and effect as a vote of the Directors assembled and shall be reported at the next meeting of the Board of Directors and recorded in the minutes.

ARTICLE VIII

Order of Business of Board of Directors' Meetings

1. Review of the minutes of the previous meeting.
2. Report of the Treasurer.
3. Report of Committees.
4. Unfinished Business.
5. New Business.
6. Adjournment.

ARTICLE IX

Management of Corporation Real Property

Section 1. The Corporation has the right to own, manage, acquire and dispose of Corporation real property. Any offer, agreement, contract, deed or other document involving the transfer of any interest (including a license or a privilege) in Corporation

real property that is received or made by the Corporation must be presented, in its entirety, to the Board of Directors.

Section 2. The Board of Directors shall determine by majority vote whether to recommend favorably to the membership each transaction or other matter involving the transfer of any interest in Corporation real property.

Section 3. If a majority of the Board of Directors votes to recommend favorably to the membership a transaction or other matter involving the transfer of any interest in Corporation real property, the Board shall submit such transaction or other matter to the Members for approval by ballot to be return-mailed or presented at a membership meeting or special membership meeting called for such purpose. The Board will make a reasonable effort to include a risk/benefit analysis in the ballot mail-out.

Section 4. A favorable two-thirds vote of voting Representatives shall be required to approve any transaction or other matter involving the transfer of any interest in Corporation real property.

Section 5. In the event that two-thirds of voting Representatives do not approve a proposed transaction or other matter involving the transfer of any interest in Corporation real property, the Board of Directors may not bring before the Members the proposed transfer of interest for one year unless otherwise directed by the Members.

Section 6. Notwithstanding the foregoing provisions of Section 2 through Section 5, inclusive, the Board of Directors, at its sole discretion, may approve both the lease of Corporation real property, and easements for public utilities required by a governmental entity, BGE, or similar public utility. Any lease approved by the Board of Directors under this Section may not contain a provision that allows automatic renewals or automatic extensions of the lease, the lessee to assign the lease, or the lessee to enter into a sublease.

ARTICLE X **Reserve Fund**

The Corporation shall establish a Capital Replacement Reserve Fund ("Reserve Fund") for the sole purpose of replacement of existing and future capital assets owned by the Corporation. The Capital Replacement Reserve Study shall be the basis for

determining the annual contribution to the Reserve Fund. Such funds may not be utilized for any purpose other than replacement of existing and future capital assets owned by the Corporation except upon the affirmative vote of a majority of voting Representatives present or represented by proxy at any membership meeting or special membership meeting called for this purpose.

ARTICLE XI
Budget/Funding

The Corporation shall approve two annual budgets. The SCBD budget is funded by tax assessments for the purposes of the SCBD. The SSSC budget is funded by SSSC-held funds derived from non-tax assessment sources. The Treasurer shall prepare the budgets, with the guidance of the Budget Committee. The Budget Committee shall be selected by the Board of Directors in September and shall present the Board of Directors with draft budgets. The draft budgets shall be approved and voted on by the Board not later than 20 days prior to the November membership meeting, or any special meeting convened for the purpose of presentation of the budget.

Section 1. The SCBD budget shall be managed in accordance with the Anne Arundel County guidelines established for special taxing districts. Anne Arundel County law regarding such districts shall govern expenditures of all such SCBD funds.

Section 2. The fiscal year of SSSC shall coincide with that of Anne Arundel County, which is currently July 1 through June 30.

Section 3. The Board-approved proposed budgets and ballots for the next fiscal year shall be mailed to the Members at least fifteen (15) days prior to the November membership meeting, or any special meeting convened for the purpose of presentation of the budget.

Section 4. Ballots will be accepted by return mail no later than the day of the November membership meeting or by deposit at the November membership meeting.

Ballots will be accepted if legibly signed by the voting Representative and include the Sylvan Shores property address. The budgets shall be approved by a majority vote of voting Representatives. Each property tax account shall have one vote per budget.

Section 5. If either budget is not approved by a majority vote of voting Representatives at the November membership meeting, the Board of Directors shall propose a new budget for approval by mail-in ballot, which shall be mailed to the Members by December 31st. If voting Representatives do not approve a budget by return mail by January 15th, the budget will revert to the previous year's budget.

ARTICLE XII **Audit**

The SCBD shall be audited in accordance with the Anne Arundel County guidelines established for special taxing districts.

SSSC shall be audited annually by a committee or accountant selected by the Board of Directors. Additional audits may be required at any time by the Board of Directors.

ARTICLE XIII **Nominating Committee**

The Nominating Committee shall consist of at least three Members who shall be appointed by the Board of Directors in November for a term of six months. In April, the Nominating Committee shall present to the Board of Directors a list of eligible prospective candidates for all offices to be filled at the election held at the May membership meeting. This list shall be mailed to the Members with the notice of the May membership meeting. Additional nominations may be made from the floor by any Member present at the May membership meeting. A nomination must have the consent of the person nominated.

ARTICLE XIV
Indemnification

The Corporation shall, to the extent legally permissible, indemnify and hold harmless each of its present or former Directors and Officers of the Corporation from any liability, loss claim, action or suit, including, but not limited to, attorney's fees and costs arising from or by virtue of any action taken or failure to take any action relative to their service as such Director or Officer, except willful or gross malfeasance or misfeasance.

ARTICLE XV
Parliamentary Authority

The rules contained in *Robert's Rules of Order Newly Revised* (latest revised edition) shall govern this organization in all cases to which they are applicable and in which they are not inconsistent with these Bylaws.

ARTICLE XVI
Amendment of Bylaws

Unless otherwise provided prior to its adoption or in the motion to adopt, amendments or revisions to these Bylaws will be official when approved by ballot by the two-thirds vote of voting Representatives present or represented by proxy at any membership meeting or special membership meeting called for this purpose, providing that the proposed amendment or revision has been discussed and approved by a majority of the voting Representatives present at a regular Directors' meeting, or special membership or Directors' meeting, which was held at least 20 days prior to the membership meeting or special membership meeting. The Secretary shall mail a copy of the proposed amendment or revision to the Members' tax account addresses, together with the notice of the membership meeting, at least 15 days prior to the meeting.