

**Bylaws of
Tanyard Springs Homeowners Association, Inc.**

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Bylaws
of
Tanyard Springs Homeowners Association, Inc.

ARTICLE 1
APPLICABILITY OF THESE BYLAWS

These Bylaws are for TANYARD SPRINGS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "HOA".

ARTICLE 2
DEFINITIONS

Unless otherwise defined in these Bylaws or apparent from the context, words or phrases defined in the Declaration of Covenants, Conditions and Restrictions for the HOA shall have the same meaning in these Bylaws.

ARTICLE 3
MEETINGS OF MEMBERS

Section 3.1. Membership Defined. As set forth in Article 4 of the Declaration, each Owner of a Residential Unit within the Property is a member of the HOA.

Section 3.2. Annual Meetings. The first annual meeting of Owners shall be held within twelve (12) months from the date of filing of the Articles of Incorporation of the HOA and each subsequent regular annual meeting of Owners shall be held on the same day of the same month of each year thereafter or on such other date as may be selected by the Board of Directors.

Section 3.3. Special Meetings. Special meetings of Owners may be called at any time by (a) the President, (b) the Board of Directors, (c) Declarant, during the Declarant Control Period, or (d) upon written request of Owners representing at least one-third (1/3) of the votes entitled to be cast by all Owners.

Section 3.4. Notice of Meetings. Written notice of each meeting of Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least ten (10) days but not more than ninety (90) days before such meeting to each Owner entitled to vote thereat. Notice shall be given pursuant to this Section 3.4 when it is (i) personally delivered to an Owner, (ii) mailed to or left at an Owner's address as it last appears on the records of the HOA, (iii) transmitted to the Owner by electronic mail to any electronic mail address of the Owner or by any other electronic means, or (iv) delivered by any other means allowed under applicable law. Such notice may be waived upon the declaration of an emergency by the person calling the meeting. Such notice shall specify the time, date, and place of the meeting, and, in

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the case of a special meeting, the purpose of the meeting. All meetings of the Owners shall be held at places and times convenient to the greatest practicable number of Owners.

Section 3.5. Quorum. At any meeting of the HOA at which a vote is to be taken, the presence of Owners representing, or of proxies representing, at least fifteen percent (15%) of the total votes entitled to be cast by all Owners shall constitute a quorum for any action by the Owners of the HOA, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, Owners entitled to vote thereat 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 3.6. Voting. At every meeting of Owners, each Owner or such Owner's proxy shall have the right to cast the number of votes specified in Article 4 of the Declaration. The vote of Owners representing at least fifty-one percent (51%) of the total of the votes of all of the Owners at the meeting, in person or by proxy, shall be necessary to decide any issue brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is held by more than one person may be exercised by any of the co-holders present at any meeting unless any objection or protest by any other holder of such membership is noted at such meeting. If all of the co-holders of any membership who are present at any meeting of Owners are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. If any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the president or any vice president of such corporation and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the HOA, prior to or during the meeting. The vote for any membership which is held by a trust, partnership, limited liability company or other legal entity may be exercised by any trustee, partner, manager or authorized Owner thereof, as the case may be, and, unless any objection or protest by any other such trustee, partner, manager or Owner is noted at such meeting, the chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Owner shall be eligible to vote, either in person or by proxy, or serve on the Board of Directors, who is shown on the books or management accounts of the HOA to be more than sixty (60) days delinquent in any payment due to the HOA.

Section 3.7. Absentee Ballots. Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the Residential Unit on the outside, and shall be opened only at a meeting at which all candidates or their delegates have a reasonable opportunity to be present.

Section 3.8. Proxies. At all meetings of Owners for which a vote is to be taken, each Owner may vote in person or by proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of such Owner's Residential Unit, and no proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the proxy. All proxies shall be in writing, in such form as is approved by the Board of Directors, which approval may not be unreasonably withheld, and shall be filed with the Secretary of the HOA before the

appointed time of each meeting. Any written proxy which conforms with the applicable laws of the State of Maryland shall be deemed to be satisfactory and approved as to form by the Board of Directors. A nondirected proxy may be counted toward a quorum and may vote on any matters of business, unless otherwise provided by applicable law.

Section 3.9. Rights of Mortgagees. Any institutional Mortgagee of any Residential Unit who desires notice of the annual and special meetings of Owners shall notify the Secretary of the HOA to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional Mortgagee and the name of the person to whom notice of the annual and special meetings of Owners should be addressed. The Secretary of the HOA shall maintain a roster of all institutional Mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of Owners to each such institutional Mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to Owners. Any such institutional Mortgagee shall be entitled to designate a representative to attend any annual or special meeting of Owners and such representative may participate in the discussion at any such meeting and may, upon his or her request made to the chairman in advance of the meeting, address the Owners present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of Owners upon request made in writing to the Secretary of the HOA.

Section 3.10. Open Meetings.

(a) All meetings of the HOA (including meetings of the Owners, the Board of Directors, and committees appointed by the Board of Directors) shall be open to all Owners and their agents, except that such meetings may be held in closed session for the following purposes, subject to applicable law, including the provisions of the Maryland Homeowners Association Act, as amended from time to time:

- (i) Discussion of matters pertaining to employees and personnel;
- (ii) Protection of the privacy or reputation of individuals in matters not related to Community Association business;
- (iii) Consultation with legal counsel;
- (iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;
- (v) Investigative proceedings concerning possible or actual criminal misconduct;
- (vi) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Community Association;

(vii) Compliance with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or

(viii) On an individually recorded affirmative vote of two-thirds (2/3) of the members of the Board of Directors (or committee, if applicable) present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

(b) If a meeting is held in closed session for the purposes set forth above:

(i) No action may be taken and no matter may be discussed other than those permitted above; and

(ii) A statement of the time, place and purpose of any closed meeting, the record of the vote of each member of the Board of Directors (or committee, if applicable) by which any meeting was closed, and the authority under this Section for closing the meeting shall be included in the minutes of the next meeting of the Board of Directors (or committee, if applicable).

ARTICLE 4

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 4.1. Number and Qualifications. The affairs of the HOA shall be managed by a Board of Directors consisting of an uneven number of at least three (3) but not more than seven (7) Directors, all of whom shall be appointed by and serve at the pleasure of Declarant until such time Directors are elected by Owners in accordance with Section 4.2 below. Prior to the expiration of the Board Transition Date (defined in Section 4.2 below), the number of Directors shall be determined from time to time by Declarant; thereafter, the number of Directors shall be determined by a vote of the Owners at any annual or special meeting of Owners and the number of Directors may be changed by a vote of the Owners at any subsequent annual or special meeting of the Owners; provided, however, that (i) the limitations on the number of Directors set forth in this Section 4.1 shall continue to apply; and (ii) no change in the number of Directors shall operate to curtail or extend the term of any incumbent Director. To qualify for election or appointment to the Board, Directors must either be Owners, if elected by Owners, or representatives or designees of Declarant, if appointed by Declarant.

Section 4.2. Election of Directors by the Owners. Upon the earlier of (i) the first annual meeting of the HOA after seventy-five percent (75%) of the total number of Residential Units planned to be included in the HOA have been conveyed to homeowners or to Owners other than Declarant and Residential Builders, or (ii) the express written termination by Declarant of its right appoint the members of the Board of Directors (the "**Board Transition Date**"), the Directors shall be elected by the non Declarant, non-Residential Builder Owners. Prior to the expiration of the Board Transition Date, Declarant may determine, in its sole discretion, to allow for some but less than all Directors to be elected by such Owners.

Section 4.3. Term of Office. Except for Directors appointed by Declarant, who shall serve until removed and/or replaced by Declarant, or until replaced by a Director elected by the Owners as provided in Section 4.2, the term of office of each Director shall be two (2) years,

provided, however, that the terms of approximately half of the Directors elected to the Board by the Owners may be initially established for one (1) year in order to stagger the terms of Directors. Upon expiration of such initial one (1) year term, the term for such seats on the Board shall thereafter be two (2) years. The purpose of the foregoing is to require that each year the terms of approximately one-half of the Directors shall expire and be subject to election. Any change in the number of Directors or term of office of Directors shall not act to extend or curtail the term of office of any incumbent Director. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 4.4. Removal. Except with respect to Directors appointed by Declarant, any Director may be removed from the Board, with or without cause, by a majority vote of the Owners. In the event of the death, resignation or removal of a Director, an interim Director shall be selected by the remaining members of the Board, which interim Director shall serve until the a new Director is duly elected by the Owners. Notwithstanding the foregoing, Directors appointed by Declarant shall serve at the pleasure of and may be removed and/or replaced at any time, with or without cause, by Declarant.

Section 4.5. Compensation. No Director shall receive compensation for any service rendered to the HOA. However, any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

ARTICLE 5

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1. Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of Owners at which non-Declarant Owners are entitled to elect Directors, may be made by a Nominating Committee. Nominations may also be made from the floor at the meeting. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Owners. The Nominating Committee, if any, may be appointed by the Board of Directors prior to each annual meeting of the Owners and such appointment may be announced at each annual meeting. The Nominating Committee, if any, may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 5.2. Election. At any election of Directors, the Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise pursuant to Section 3.6 of these Bylaws. All election materials prepared with funds of the HOA shall list candidates in alphabetical order and shall not suggest a preference among candidates. The persons receiving a plurality of votes for each respective seat shall be elected to the Board. Votes shall not be counted until after the time allotted by the HOA for voting has ended. Cumulative voting is not permitted.

Section 5.3. Directors Appointed by Declarant. All Directors appointed by Declarant may be so appointed, removed and replaced directly by Declarant without the requirement of an election. Declarant shall notify the HOA in writing of Directors appointed, removed and/or

replaced by Declarant. The names of the three (3) initial Directors of the HOA appointed by Declarant are set forth in the Articles of Incorporation of the HOA.

Section 5.4. Voting Districts. The HOA may, by adoption of an HOA Code, establish Neighborhoods or other areas of the Property as voting districts for the purpose of electing members to the Board of Directors, provided that any such voting districts are established in a fair and equitable manner.

ARTICLE 6

MEETINGS OF DIRECTORS

Section 6.1. Notice of Board Meetings. The Secretary shall give notice to each Director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a Director when it is delivered personally, left at the director's residence or usual place of business, or sent by telefax or e-mail at least five (5) days before the time of the meeting or, in the alternative, mailed to the director's address as it shall appear on the records of the HOA at least seven (7) days before the time of the meeting. Unless a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purpose of any meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any Director who attends such meeting or to any Director who waives such notice in writing, executed and filed with the records of the meeting either before or after the meeting is held. Any meeting of the Board of Directors 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 6.2. Quorum; Action by Directors. A majority of the total number of Directors shall constitute a quorum for the transaction of business by the Board of Directors. Every act or decision done or made by a majority of the total number of Directors shall be regarded as the act of the Board, except as may otherwise be provided in the Declaration, the Articles of Incorporation or these Bylaws.

Section 6.3. Action Taken Without a Meeting. Subject to the provisions of Section 3.10 of these Bylaws, the Directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the Directors and by filing such approval with the minutes of the proceedings of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6.4. Rights of Mortgagees. Any institutional Mortgagee of any Residential Unit who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary of the HOA to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional Mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the HOA shall maintain a roster of all institutional Mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional Mortgagee, in the same manner, and subject to

the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional Mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his or her request made to the chairman in advance of the meeting, address the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary of the HOA.

ARTICLE 7
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1. Powers. The Board of Directors shall have power to:

(a) Establish HOA Codes in accordance with the Declaration and other rules and regulations of the HOA including, without limitation, those relating to the use of the HOA Common Area and any facilities situated thereon, and the personal conduct of Owners, residents, and their agents, contractors, guests, and invitees thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the HOA Common Area of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the HOA. Such rights may also be suspended after notice and an opportunity for a hearing for an infraction of the Governing Documents;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors, in which case the person or entity entitled to elect or appoint such Director in accordance with Article 4 of these Bylaws shall elect or appoint a replacement Director;

(d) Employ a manager, an independent contractor, and such other employees as the Board may deem necessary, and to prescribe their duties;

(e) Impose fines for violations of the Governing Documents;

(f) Contract for services that benefit the HOA;

(g) Establish rules and regulations for parking within the HOA property; and

(h) Exercise for the HOA all powers, duties and authority vested in or delegated to the HOA and not reserved to the Owners by other provisions of the Governing Documents.

Section 7.2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Owners at the annual meeting of Owners, or at any special

meeting when such statement is requested in writing by Owners representing at least fifty-one percent (51%) of the total votes entitled to be cast by the Owners of all Residential Units;

(b) Supervise all officers, agents and employees of the HOA, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(i) Fix the amount of the Assessments against each Residential Unit;

(ii) Send written notice of Assessments to every Owner subject thereto prior to the commencement date of the new Assessments; and

(iii) Foreclose the lien against any property for which Assessments are not paid when due or bring an action at law against the Owner personally obligated to pay the same.

(d) 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 may be imposed by the Board for the issuance of these certificates. If a duly issued certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the HOA and other insurance as it may deem appropriate. The HOA may periodically employ an insurance consultant if the Board of Directors deems it necessary to do so in order to analyze the insurance requirements of the HOA;

(f) Cause all officers or employees of the HOA having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the HOA Common Area to be maintained and maintain any other property which is the responsibility of the HOA pursuant to the Declaration or the direction of any governmental agency or agreement or which is appurtenant to or serves and benefits any portion of the Community; and

(h) Otherwise perform or cause to be performed the functions and obligations of the Board of Directors and the HOA as provided for in the Governing Documents, including, without limitation, collection of Assessments.

Section 7.3. Management Agent. The Board of Directors may employ for the HOA a Management Agent in accordance with Article 13 of the Declaration.

ARTICLE 8

OFFICERS AND THEIR DUTIES

Section 8.1. Enumeration of Officers. The officers of the HOA shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time

to time by resolution create, all of which officers are to be elected by the Board of Directors. The President and the Vice President shall at all times be members of the Board of Directors; the other officers may, but need not, be members of the Board of Directors.

Section 8.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Owners, provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

Section 8.3. Term. Each officer of the HOA shall be elected annually by the Board and each officer shall hold office for one (1) year or until his or her successor is duly elected and qualified, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4. Special Appointments. The Board may elect such other officers as the affairs of the HOA 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 8.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 8.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person and the offices of Vice President and assistant secretary may be held by the same person, but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law or the Governing Documents to be executed, acknowledged or verified by two (2) or more officers. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article and except as otherwise provided in this Section 8.7.

Section 8.8. Duties. The duties of the officers are as follows (any of which may be assigned, in whole or in part, by the Board of Directors to the Management Agent):

(a) **President:** The President shall be the chief executive officer of the HOA and shall preside at all meetings of the Board of Directors. The President shall see that orders and resolutions of the Board of Directors are carried out and may sign and execute, on behalf of the Board of Directors, all authorized instruments and shall co-sign all checks and promissory notes. The President shall perform such other duties as are from time to time assigned to the President by the Board of Directors.

(b) *Vice President*: The Vice President, at the request of the President, or in the absence of the President or during the President's inability or refusal to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice President shall have such other powers and perform such other duties as are from time to time assigned to the Vice President by the Board of Directors or the President.

(c) *Secretary*: The Secretary shall ensure that minutes of the meetings and proceedings of the Board of Directors and of any subcommittees thereto are produced and maintained in the HOA's records. The Secretary (i) shall see that all notices by the HOA are duly given in accordance with the provisions of these Bylaws or as required by law; (ii) shall be custodian of the records of the HOA; (iii) may witness any document on behalf of the HOA, the execution of which is duly authorized; and (iv) shall perform all such other duties as are from time to time assigned to the Secretary by the Board of Directors or the President.

(d) *Treasurer*: The Treasurer (i) shall oversee the receipt and deposit in appropriate bank accounts of all moneys of the HOA and the disbursement of such funds as directed by resolution of the Board of Directors; (ii) shall sign all checks and promissory notes authorized by the Board of Directors; (iii) shall cause to be maintained proper books of account of the Board of Directors and the HOA; (iv) shall cause to be prepared an annual statement of income and expenditures for the HOA to be presented to the Board of Directors; and (v) shall perform such other duties as are from time to time assigned to the Treasurer by the Board of Directors or the President.

Section 8.9. Compensation. No officer shall receive compensation for any service rendered to the HOA. However, any officer may be reimbursed for actual expenses incurred in the performance of such officer's duties.

ARTICLE 9

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS;

INSURANCE

Section 9.1. Liability and Indemnification. The HOA shall indemnify every officer and Director of the HOA against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the HOA) to which such officer or Director may be made a party by reason of being or having been an officer or Director of the HOA, whether or not such person is an officer or Director at the time such expenses are incurred. No officer or Directors of the HOA shall be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual gross negligence or willful misconduct. The officers and Directors of the HOA shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the HOA and the HOA shall indemnify and forever hold each such officer and Director free and harmless 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 Director of the HOA or former officer or Director of the HOA may be entitled. **Insurance.** The HOA shall maintain liability insurance for Directors and officers of the HOA with coverages not less than those provided for under Section

5-406 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, or any successor statute, as the same may be amended from time to time. The Board of Directors shall require that all officers, Directors and employees of the HOA regularly handling or otherwise responsible for the funds of the HOA shall be covered by adequate fidelity insurance or equivalent coverage against acts of dishonesty. The premiums on the insurance under this Section 9.2 shall be paid by the HOA.

Section 9.3. Committee Members. The provisions of this Article 9 or provisions elsewhere in the Governing Documents relating to liability, indemnification and insurance of Directors and officers shall also apply to any member of a committee of the HOA.

ARTICLE 10 COMMITTEES

The Board of Directors may appoint a Design Review Committee, Covenants Committee, and Neighborhood Committees in accordance with the Declaration and a Nominating Committee in accordance with these Bylaws. In addition, the Board of Directors may appoint such other committees as the Board deems appropriate in carrying out its purposes.

ARTICLE 11 BOOKS AND RECORDS/FISCAL MANAGEMENT

Section 11.1. Fiscal Year. The fiscal year of the HOA shall begin on the first day of January every year, except for the first fiscal year of the HOA which shall begin on the date of recordation of the Declaration. The commencement date of the HOA's fiscal year established shall be subject to change by the Board of Directors should the practice of the HOA subsequently dictate.

Section 11.2. Principal Office - Change of Same. The initial principal office of the HOA shall be as set forth in the Articles of Incorporation for the HOA, but meetings of Owners and Directors may be held at such places within or outside the State of Maryland as may be designated by the Board of Directors. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the HOA from time to time.

Section 11.3. Books and Accounts. Books and accounts of the HOA shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the HOA and its administration, and shall specify the operation, maintenance and repair expenses of the HOA Common Area and facilities, services required or provided with respect to the same and any other expenses incurred by the HOA.

Section 11.4. Auditing. At the close of each fiscal year and at the election of the Board of Directors, the books and records of the HOA may be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. Based upon such report, if any, the HOA shall furnish the Owners and any Mortgagee requesting the same with an annual financial statement, including the

income and disbursements of the HOA, within one hundred twenty (120) days following the end of each fiscal year.

Section 11.5. Inspection of Books. The books and accounts of the HOA, vouchers accrediting the entries made thereupon and all other records maintained by the HOA shall be available for examination by the Owners and their duly authorized agents or attorneys, and to the institutional holder of any First Mortgage on any Residential Unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Governing Documents shall be available for inspection by any Owner at the principal office of the HOA, where copies may be purchased at reasonable cost.

ARTICLE 12 **ASSESSMENTS**

As more fully provided in the Declaration, each Owner is obligated to pay Assessments to the HOA which are secured by a continuing lien upon the property against which the Assessment is made. No Owner may waive or otherwise escape liability for any Assessments by non-use of the HOA Common Area or abandonment of such Owner's Residential Unit.

ARTICLE 13 **CORPORATE SEAL**

The HOA may have a seal in circular form having within its circumference the words: TANYARD SPRINGS HOMEOWNERS ASSOCIATION, INC., a Maryland nonstock corporation. Alternatively, the HOA may place the word "SEAL" adjacent to the signature of the person authorized to sign any document on behalf of the HOA if a corporate seal is required.

ARTICLE 14 **AMENDMENTS**

These Bylaws may be amended, at a regular or special meeting of the Owners, by Owners entitled to vote at least fifty-one percent (51%) of the total votes of the HOA and with the consent of Declarant during the Declarant Control Period.

ARTICLE 15 **INTERPRETATION/MISCELLANEOUS**

Section 15.1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the HOA. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control, and in the event of any conflict between these Bylaws and the Articles of Incorporation of the HOA, the provisions of the Articles of Incorporation shall control.

Section 15.2. Notices. Unless another type of notice is specifically provided for elsewhere in these Bylaws, any and all notices called for in these Bylaws shall be given in writing.

Section 15.3. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions of these Bylaws which can be given effect.

Section 15.4. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 15.5. Captions and Gender. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction or interpretation of these Bylaws. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

[END OF BYLAWS]