

BY-LAWS – ULMSTEAD CLUB, INC.

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BY-LAWS
ULMSTEAD CLUB, INC.
NOVEMBER 1993

ARTICLE I. MEMBERSHIP

Section 1. Qualifications

a. Each voting member of Ulmstead Club, Inc. shall meet the following requirements:

1. Be a resident homeowner or joint homeowner in Ulmstead Estates or a homeowner who was previously a resident and is now away temporarily from Ulmstead Estates. Ulmstead Estates is defined in Article IX of these by-laws;

2. Have made application for membership on a form provided by Ulmstead Club, and shall have paid the membership initiation fee and any other fees required for membership;

3. Be in good standing with Ulmstead Club and current in all dues, assessments, and fees;

4. Comply with the provisions of these by-laws and all rules and regulations adopted pursuant to these by-laws.

b. The duration of a voting member's rights and privileges shall be limited to the period of residence and home ownership in Ulmstead Estates or as otherwise specified in these by-laws.

Section 2. Use of Ulmstead Club Facilities

The facilities and property of Ulmstead Club shall be for the exclusive use and enjoyment of qualified resident members of Ulmstead Club and the immediate families of such members who reside with the member, and for the following:

a. Guests of a member when accompanied by that member or one of his/her immediate family;

b. Lessees of a member previously a resident, provided that all dues, fees, and assessments are current;

c. Mr. William E. Dixon and Mr. Joseph M. Schwartz as provided for in Section 4 of Article IX of these by-laws.

Section 3. Suspension or Revocation of Membership

Membership privileges may be suspended or revoked by the Board of Directors after a hearing and written notification for the following reasons:

- a. Nonpayment of dues, fees, and assessments owing to Ulmstead Club and being due for a period in excess of sixty (60) days;
- b. Failure to conform to the provisions of these by-laws and the rules and regulations adopted pursuant to these by-laws;

Suspended voting rights may be restored by decision of the Board of Directors. A resident whose membership has been revoked must submit a new application for membership.

Section 4. Leave of Absence

A member may request on or before January 31, a one-year leave of absence by a written petition to the Board of Directors. The leave of absence may be granted on grounds of financial hardship, e.g., loss of job, major medical expenses. No more than two consecutive leaves of absence will be granted. The member may not use club facilities during the leave of absence. When a leave of absence is terminated, the member may be reinstated upon immediate payment of all applicable back dues. Otherwise, membership will be revoked.

Section 5. Residents as Guests

No person whose membership has been suspended or revoked or who is a resident of Ulmstead Estates but not a member of Ulmstead Club shall be permitted to use the facilities or the property as a guest of another member.

ARTICLE II. MEETINGS

Section 1. Annual Meeting

The annual meeting of Ulmstead Club shall be held in the recreation room(s) of the community, or in such location as the Board of Directors shall approve, on a Saturday during the month of February of each year. The annual meetings shall be general meetings and open for the transaction of any business within the powers of the corporation without special notice of such business being given prior to the annual meeting.

Section 2. Special Meetings

A special meeting of Ulmstead Club may be called at any time by the President; or upon request in writing, delivered to the President, by ten percent of the members entitled to one vote each. Upon receipt of such a request, the President shall call a special meeting. The request shall state the purpose of the meeting and notice shall be given as provided in Section 3. No other business other than that stated in the notice of the meeting shall be transacted at any special meeting, however called.

Section 3. Notice of Meetings

Not less than ten (10) days and not more than thirty (30) days written notice of every annual meeting or special meeting shall be given to each member having voting rights whose name appears as a member of Ulmstead Club on the date when the notice is given. The notices of annual or special meetings shall state the day, place and hour of the meeting and in the case of the annual meeting shall state the business proposed to be transacted to the extent such business is known by the Board of Directors and in the case of special meetings, shall also state the business proposed to be transacted. The notice shall state the approximate number of members required for a quorum. The notices shall be given to each member or left at his residence or usual place of business, or mailed to him at his address as it appears on the records of Ulmstead Club.

Section 4. Quorum

The presence, in person or by proxy, of at least 20% of members having voting rights constitutes a quorum for the transaction of general business. However, for occasions of voting on by-laws changes, the presence, in person or by proxy, of a majority of members having voting rights constitutes a quorum. In the absence of a quorum the meeting shall not be held and Section 3 shall be applicable to any subsequent meeting.

Section 5. Proxies

Members may vote either in person or by proxy, but no proxy which is dated more than ninety (90) days before the meeting at which it is offered shall be accepted. Every proxy shall be in writing.

Section 6. Right to Vote

a. Every resident member shall have the right to vote unless this right has been revoked or suspended or unless the Treasurer shall certify prior to the meeting that the member is delinquent in dues, assessments, or fees.

b. Lessees shall not be entitled to vote except as the owner's proxy. A nonresident owner, without a lessee, shall not be entitled to vote.

c. No one shall be entitled to cast more than one vote regardless of the number of

Ulmstead Estates properties owned. Joint homeowner resident members in good standing are entitled to only one vote for the membership.

Section 7. Voting Inspectors

Two voting inspectors shall be appointed by the President at any meeting and shall receive and take charge of the proxies and ballots and decide all questions as to qualifications of voting members, the validity of proxies and the tabulation, acceptance or rejection of votes.

Section 8. Order of Business

All meetings shall be conducted in accordance with Roberts Rules of Order. The order of business shall generally be as follows:

- a. Call to order, introduction and reading of notice by the Secretary;
- b. Appointment of voting inspectors;
- c. Proof of notice of meeting. A statement by the person responsible for distribution of the notices shall be acceptance as proof of service of notice;
- d. Submission of list of members entitled to vote;
- e. Reading of minutes of preceding meeting and action thereon;
- f. Report by Board of Directors;
- g. Report of Executive Vice-President and/or committees and/or departments, as appropriate;
- h. Election of directors, if any;
- i. Unfinished business;
- j. New business;
- k. Adjournment

ARTICLE III. BOARD OF DIRECTORS

Section 1. Election

The business and property of Ulmstead Club shall be conducted and managed by a Board of Directors consisting of six members. Each director shall be elected for a term of three years and shall hold office until a successor has been elected and qualified. The

terms of the Directors shall be arranged so that two are chosen at each annual meeting of the Club.

Section 2. Qualification for Director

To be eligible for election or appointment as a director, a member of Ulmstead Club shall have the following qualifications:

- a. Be a voting member;
- b. Be a resident of Ulmstead Estates and a member of Ulmstead Club for at least two consecutive years immediately prior to the date of election or appointment;
- c. Not have served as an elected director for at least one year;
- d. Not have a business interest in the construction or sales of homes in Ulmstead Estates or in the development in Ulmstead Estates.

Section 3. Compensation

No director shall receive compensation from Ulmstead Club for service as a member of the Board of Directors. Directors may be reimbursed for actual expenses incurred on behalf of Ulmstead Club.

Section 4. Vacancies

If any director shall die, resign, or move from Ulmstead Estates, a majority of the remaining Directors (even though such majority is less than a quorum) shall appoint a successor to hold office for the unexpired portion of the term of the director and until a successor has been elected and qualified.

Section 5. Removal of Director

At any regular meeting of Ulmstead Club or at a special meeting called for that purpose, a director may be removed from office by the vote of at least a majority of the total membership of Ulmstead Club entitled to vote at such meeting. A successor for the remainder of the unexpired term shall be appointed in accordance with Section 4 above.

Section 6. Limitation on Director

A director may not serve as an officer (other than President), department manager, committee chairman, or representative. However, a director may serve as a member of a committee or department.

Section 7. Organizational Meeting of Board

After each annual meeting of Ulmstead Club, the Board of Directors, including the newly elected members, shall meet for the purposes of organization and the transaction of other business. The board shall select from among its members the President who shall serve as Chairman and who shall be responsible for conducting the meetings of the Board and a recorder who shall keep the required records of the board.

Section 8. Meetings of the Board

The Board of Directors shall meet at such times as necessary to conduct the business of Ulmstead Club and shall meet with the officers, department managers, and committee chairmen as required.

Meetings of the Board shall be called by the chairman of the board or by a majority of the Directors.

Section 9. Notice and Place of Meetings

Notice as to the place, date and hour of a meeting of the Board of Directors shall be given to each director in writing or in person or by telephone directly to the Director or spouse at least two days prior to the date of the meeting. Unless otherwise agreed to by the Board, all meetings shall be in the recreation room(s) of the Ulmstead barn.

Section 10. Quorum

Except as provided for in Section 4 above, four members of the Board of Directors shall constitute a quorum for the transaction of business, and the votes of at least four members of the Board shall be required for action on behalf of the Board of Directors. Proxies shall not be permitted.

Section 11. Minutes and Records

The minutes and records of the Board of Directors meetings shall be available for review by any member of Ulmstead Club. The Board from time to time shall inform the community of its decisions and actions.

Section 12. Operation of the Board

The Board of Directors shall function and operate as a board and the individual directors shall act on behalf of the board with respect to the officers, department managers, committee chairmen, or representatives only in accordance with instructions or policies of the Board.

Section 13. Duties and Responsibilities of the Board

The Board of Directors is responsible for conducting the business and property of Ulmstead Club. The board's duties shall include, but not be limited to the following:

a. Manage the corporation with responsibility for the organization and the compliance with the provisions of the charter and by-laws;

b. Appoint all officers and approve the appointment of all department managers, committee chairmen, and representatives nominated by the Executive Vice-President;

c. Remove any officer provided that notice of removal be given in writing to the person affected;

d. Delegate responsibility and authority, as appropriate, for the ongoing operation of Ulmstead Club to the officers, department managers, committee chairmen, and representatives, consistent with the provisions of these by-laws;

e. Comply with federal, state and local laws, ordinances and regulations and pay federal, state, and local taxes and fees as appropriate;

f. Provide for the maintenance and improvement of facilities assigned to or owned by the corporation;

g. Provide for the bonding of appropriate officers and other managers or committee chairmen as required. The cost of any surety bond shall be paid by Ulmstead Club;

h. Provide adequate insurance coverage on the property of Ulmstead Club, including but not limited to:

1. Fire, theft, extended coverage, and public liability on any real and personal property in which Ulmstead Club has an insurable interest;

2. Liability and other coverage as appropriate to protect marine and marine related interests of Ulmstead Club, including reserve funds to cover storm and water losses as appropriate;

3. Liability and other coverage as appropriate to protect equestrian, sporting, social and other related interests and activities of Ulmstead Club.

i. Withdraw the rights to and privileges of Ulmstead Club facilities or membership in Ulmstead Club to those members delinquent in the payment of dues, assessments, user charges, or other fees or those members who fail to comply with the provisions of these By-laws or rules or regulations of Ulmstead Club;

j. Review the budget of Ulmstead Club and submit the budget to the membership

for approval;

k. Review and approve all fees or charges except those fees or charges established in the budget;

l. Ensure the collection of all annual assessments, dues, user charges, and fees in accordance with the provisions of these By-laws;

m. Issue evidence of special rights and privileges established in the by-laws;

n. Review and approve all rules and regulations adopted by the department managers and committee chairmen;

o. Review the By-laws of Ulmstead Club and submit recommendations for changes to the membership;

p. Employ attorneys, accountants, and other persons as required, except that any compensation or fee paid to a resident of Ulmstead Estates (except for reimbursement of expenses) shall be permitted only when approved at a previous meeting of Ulmstead Club;

q. Authorize all contracts and other agreements on behalf of Ulmstead Club.

Section 14. Limitations on Actions of the Board of Directors

Unless prior approval has been obtained at a meeting of Ulmstead Club, the Board of Directors shall not authorize or execute any contract or other agreement calling for:

a. The sale or purchase of any real property;

b. The mortgaging of any property;

c. The loaning or investing of funds;

d. The borrowing of any funds.

Section 15. Advisory Committees

The Board of Directors may appoint from among its members and/or from the membership such committees as necessary to study or review specific issues, but any findings and recommendations of such committees shall be advisory only.

Section 16. Appeals to the Board of Directors

Any member of Ulmstead Club or resident of Ulmstead Estates may submit to the Board of Directors a matter or grievance concerning the operation of Ulmstead Club or

activity within Ulmstead Estates. The matter or grievance shall be submitted in writing and shall set forth the facts or problem involved, and the action being requested. The Board may hold hearings on the issue or grievance or may meet in executive session to consider the issue or grievance. Whenever the issue or grievance involves another member of Ulmstead Club or resident of Ulmstead Estates, the member or resident shall be afforded the right to make an appearance before the Board or to file a written statement presenting their point of view. The Board shall issue its decision on the matter or grievance in writing with copies to the appropriate parties.

ARTICLE IV. OFFICERS

Section 1. Officers

The officers of Ulmstead Club, in addition to the President, shall be an Executive Vice-President, Second Vice-President, Vice-President for Capital Improvements, Vice-President for Administration, Secretary, and Treasurer and an Assistant Treasurer.

Section 2. Prerequisite

Each officer must be a voting member in good standing.

Section 3. Responsibilities of the Executive Vice-President

The responsibilities of the Executive Vice-President include, but are not necessarily limited to the following:

- a. Actively represent the best interest of the club on a continuing basis;
- b. Under the Board of Directors, serve as the chief executive officer of the club, responsible for day-to-day operation and administration of the club;
- c. Represent the club either in person or by associations as appropriate;
- d. Keep all club members informed of items affecting community interests;
- e. Countersigning all drafts and checks; sign and execute, in the name of the club all authorized deeds, mortgages, bonds, contracts, or other instruments authorized by the Board;
- f. Appoint, subject to approval by the Board of Directors, department managers, committee chairmen and representatives; ensure each knows the limit and extent of his/her authority and responsibility; remove such persons, with or without cause. Notice of removal shall be given in writing;

g. Write and deliver to club members an annual message. The message shall report the status of finances, programs, and plans as well as include a report from each committee and department. The message shall include a balance sheet and operating statement and be submitted at the annual meeting of the members;

h. Maintain a list of the names of the active committee chairmen and department managers;

i. Prepare and present information to the Board of Directors in cases of nonpayment of dues, fees, assessments or other violations of corporate rules, regulations and restrictions;

j. On a case by case basis, grant exception to specific limitations on the recreation rooms and beach and shore facilities as is appropriate to the good of the community and its members.

Section 4. Responsibilities of the Second Vice-President

The responsibilities of the Second Vice-President are as follows:

a. Perform the function of the Executive Vice-President in the absence of the President;

b. Perform such duties as may be assigned by the Executive Vice-President;

c. Coordinate the security activities in the community in accordance with policies and procedures adopted by the Board of Directors.

Section 4a. Responsibilities of the Vice-President for Capital Improvement

The responsibilities of the Vice-President for Capital Improvement are as follows:

a. Perform the function of planning and execution of the Capital Improvement Plan for the club;

b. Provide general direction and coordination over the Equestrian Department, the recreation rooms and for the general maintenance of the barn structure and parking lot;

c. Perform other duties as may be assigned by the Executive Vice-President.

Section 4b. Responsibilities of the Vice-President for Administration

The responsibilities of the Vice-President for Administration are as follows:

a. Provide overall direction and coordination over the Membership Department and the Community Facilities Department;

b. Provide interface and liaison with Anne Arundel County Organizations on community matters;

c. Perform other duties as may be assigned by the Executive Vice-President.

Section 5. Responsibilities of the Secretary

The responsibilities of the Secretary are as follows:

a. Take, maintain and publish minutes of club business meetings, and as otherwise requested by the President;

b. Provide notice to appropriate residents of impending meetings;

c. Prepare correspondence as directed and to distribute or mail same when approved;

d. Keep suitable records and files of all correspondence and other materials as appropriate;

e. Keep the club seal and affix it as appropriate;

f. Sign, with the Executive Vice-President or Second Vice-President, Club membership certificates when so directed by the Board of Directors;

g. Perform all duties ordinarily incident to the office of the Secretary.

Section 6. Responsibilities of the Treasurer

The responsibilities of the Treasurer are as follows:

a. Collect and maintain all Club funds, prepare and sign drafts for the Executive Vice-President's counter signature;

b. Disburse funds in accordance with the budget;

c. Maintain books and records and accounts for all monies received and disbursed;

d. Present books for audit by the Board of Directors, President and auditors upon request;

e. Prepare an annual financial report;

f. Perform all duties ordinarily incident to the office of the Treasurer.

Section 6a. Responsibilities of the Assistant Treasurer

The responsibilities of the Assistant Treasurer are as follows:

- a. To assist in overall Treasurer's responsibilities as outlined above;
- b. Perform such other duties as may be assigned by the Board of Directors.

Section 7. Compensation

Officers shall not receive compensation for their services except with full knowledge and written approval of the entire Board of Directors or with prior approval of the membership.

Section 8. More Than One Office

No officer shall hold another office, serve as a director, (except as President) a committee chairman, or a department manager.

Section 9. Removal

The Board shall have the power to remove an Officer with or without cause, and such action shall be conclusive on the Officer so removed. Notice of removal shall be given in writing.

ARTICLE V. DEPARTMENTS AND REPRESENTATIVES

Section 1. Formation of Departments, Committees and Representatives

There shall be standing department representatives whose duties and responsibilities are described below in these by-laws. In addition, the Executive Vice-President, with the approval of the Board of Directors may appoint special committees for the purpose of accomplishing specific tasks. The term of special committees and representatives and duties and responsibilities of such shall be specified in writing. The appointment of special committees and representatives shall terminate upon completion of the specified task, or upon the expiration of the time allotted or upon expiration of the term of office of the appointing Executive Vice-President, whichever comes sooner.

Section 2. Managers and Representatives

All departments shall be headed by a manager; committees by a chairman.

Authority and responsibility shall be vested in the manager, including the appointment of subordinate committee chairmen. All managers, chairmen and representatives will perform their appointed duties as specified by these by-laws and all are accountable to the Executive Vice-President.

Section 3. Prerequisites and Terms of Office

All department managers and representatives shall be voting members in good standing and appointed by the Executive Vice-President with the approval of the Board of Directors. A manager may not be a director, an officer, or manager of any other department.

The term of office of the managers and representatives shall coincide with the term of Executive Vice-President. Such service may terminate at the request of the Executive Vice-President, provided notice is given in writing.

Section 4. Department Managers - General Responsibilities

General responsibilities of the managers include, but are not necessarily limited to, the following items. The department managers shall:

- a. Perform the functions specified for the department in the by-laws;
- b. Appoint and discharge assistants and department members as appropriate;
- c. Be fully responsible for the actions of the department;
- d. Prepare such rules and procedures as may be necessary for department operation and submit such rules to the Board of Directors for review and approval;
- e. Communicate such rules to the residents as appropriate upon approval of the Board of Directors;
- f. Make provisions for the continuity of the department's work from year to year as appropriate;
- g. Establish and submit to the Board of Directors such items as are within its purview, such fees and charges as appropriate for rental, maintenance and improvement of facilities and participation in activities;
- h. Prepare an annual budget;
- i. Maintain records of activities, facilities and equipment and report same to the Executive Vice-President or Board of Directors upon request;
- j. Cooperate with other departments to serve the best interests of the community.

k. Not create any obligation on behalf of the department or corporation or any resident outside the scope of his authority or interest nor for any period of time beyond his present term without the prior written approval of the Board of Directors.

Section 5. Departments

The departments of Ulmstead Club are listed below:

- a. Community Facilities
- b. Equestrian
- c. Membership
- d. Nautical
- e. Social Activities
- f. Tennis
- g. Security

Section 6. Community Facilities Department

a. Except as otherwise provided in these by-laws, this department is responsible for:

1. All of the scenic, beach and shore areas and other land allocated for outdoor recreational and sporting activities. This is with the exception of that portion of the shore assigned to the Nautical Department, the tennis courts and the stable area assigned to the Equestrian Department.

2. The Community recreation rooms located on the second floor of the barn and their associated rest rooms, hallways, and storeroom located off the foyer of the barn. This department shall be responsible for the exterior of the barn, the parking area, and the storage rooms and furnaces located in the middle of the barn.

3. The care and maintenance of community owned property not expressly stated to be within the purview of another department. The department manager will monitor the scenic aspects of private property and all community owned property for conformance to standards established by these by-laws, county law, and covenants which apply to the geographic boundaries of Ulmstead Estates.

4. Responding to the general direction and coordinating responsibilities of the Vice President for Capital Improvements in concert with the Equestrian Department that has maintenance responsibilities for that section of the barn that houses the horses in addition to the barn loft and paddock area.

b. The department is empowered to and shall exercise exclusive control over said areas and is exclusively responsible for all facets of operation and use of said facilities, unless as expressly stated in these by-laws:

1. In regard to use of the facilities, the beach and ball field shall be open to all members on a first come, first served basis. No person shall reserve the beach or ball field for his/her private use except through his/her presence thereon. The only exception to this rule shall be reservations for Ulmstead Club sponsored community wide social events;

2. The recreation rooms shall be made available for Ulmstead Club sponsored events that are open to the entire membership or to a class of members (e.g., all Ulmstead women, all Ulmstead teens). In addition, the recreation rooms may also be reserved for exclusive use under the following conditions:

(a) When at least 51% of the attendees of the planned function are members, or;

(b) When the Ulmstead member or members requesting exclusive use are hosting a family event, wedding, birthday, etc., will bear the expense of that event, and will neither charge admission nor share expenses among attendees;

(c) When the Ulmstead Club member reserves the Recreation Rooms for social/business events for the benefit of business associates, church groups, athletic groups and other professional groups providing expenses are shared on a pro rata basis, admission is not charged and the event enhances the image of the Ulmstead Club as a progressive community organization;

(d) When the Ulmstead Club or an Ulmstead Club member agrees to sponsor a youth group such as Boy Scouts, Girl Scouts, Indian Guides, etc.

c. The department manager will conduct a program of scenic beautification for community owned facilities and grounds not within the scope of any other department. In addition, the manager will oversee the appearance of all Ulmstead property including grounds and facilities maintained by other departments, private homes of members, and property under development by builders. Violations of the by-laws, pertaining to scenic appearances will be reported to the responsible person. If the deficiency is not corrected, the department manager will submit a written report to the President for resolution of the problem.

Section 7. Equestrian Department

a. Except for that portion of the barn that is assigned to the Community Facilities department and except as otherwise provided by these by-laws, this department is responsible for the grounds and facilities assigned for use by horses and equestrians. The department shall exercise control over assigned facilities and is responsible for their maintenance and operation. Rules developed by this department shall be applicable throughout Ulmstead Estates in so far as they pertain to equestrian activities of members who own horses that are kept at the barn.

b. The department manager will develop and submit for review to the Executive Vice-President and the Board of Directors, rules for the governance of this department and the assignment of stall space. The rules should be developed, as much as possible, with the participation and consent of members having horses stabled in the barn. However, the manager is charged with the responsibility for their formulation and, upon approval and publication, is vested with full authority to enforce them. Members contesting a ruling by the manager may appeal to the President for redress and, if failing satisfaction, to the Board of Directors.

c. The department manager will develop and submit to the President and the Board of Directors a schedule of fees to be charged to members using equestrian facilities. Such fees shall be adequate to pay a pro rata share of operating and maintenance expenses and to maintain a reserve fund for contingencies. Such fees shall be due for payment on the first day of February of each year. Failure to pay user fees when due constitutes sufficient reason to be denied user privileges. Further, it is the department manager's duty and obligation to deny continuation of user privileges to members who do not contribute their fair share of work or who do not discharge assigned duties in a satisfactory manner.

d. Any member who has a horse (or horses) stabled in the barn and has user privileges withdrawn will remove said horse (or horses) from the barn within 10 days of notification. Privileges may be suspended temporarily or permanently depending on the nature of the infraction.

Section 8. Nautical Department

a. Facilities shall be assigned as specified in ARTICLE VIII.

b. The total number of boats allowed docking space shall be determined by the department manager based on available facilities. All nautical facilities (slips, dinghy racks, etc.) are assigned in accordance with the member's nautical priority number--one slip per priority number. After all members have exercised their nautical department priority number, additional slips may be assigned to members owning more than one boat on an as-available basis in accordance with the member's nautical priority number.

c. The department manager shall develop and submit for review to the Executive Vice-President and the Board of Directors rules and procedures for the governance of nautical department activity. The rules should be developed, as much as possible, with the participation and consent of members using nautical department facilities. However, the manager is charged for the formulation of department rules and, on approval and promulgation, is vested with full authority for enforcing them.

d. The department manager shall develop and submit to the Executive Vice-President and the Board of Directors a schedule of fees to be charged to members using nautical facilities. The fees shall be adequate to pay a pro rata share of operating and

maintenance expenses and to maintain a reserve fund for contingencies. The fees will be payable at time of slip selection.

e. Proof of ownership or legal right to possess must be presented to the department manager on request. Use of the assigned slip by other than the indicated members shall not be allowed unless the member is physically present. It is here emphasized that these department facilities are for the use of members' pleasure craft and that commercial activities will not be conducted by members from these facilities. The department manager has the right to grant temporary visiting privileges.

f. Nothing herein shall preclude the department manager from denying dock privileges to a boat which presents a hazard to others or to a person who repeatedly violates published nautical department rules.

Section 9. Membership Department

The department manager is responsible for the following:

a. To welcome all new residents on behalf of Ulmstead Club, to explain the purpose and function of the club, to notify club members of the new arrivals and to stimulate further contact between the new arrivals and club officials and members;

b. To publish and distribute, not less than six times yearly, the "Weathervane." The "Weathervane" is intended to be a convenient means of extra community communication in which space will be made available for messages and news;

c. To publish, not less than biennially, a roster of member's names, addresses and telephone numbers.

Section 10. Social Activities Department

a. The department manager shall be responsible for the conduct of a program of social activities for all club members. This program should be varied enough to provide social and recreational opportunities to members of all ages and interests.

b. The manager shall develop an annual plan for social functions which shall, as a minimum, outline the program of planned events for adult members, teenagers and children through elementary school age. This plan shall be submitted to the board for review not later than March 15 of each year.

c. The purpose of the departments' activities is to promote the enjoyment of the membership, to foster a spirit of neighborliness and friendship among the members, and to provide wholesome outlets for the enthusiasm and high spirits of younger residents. Accordingly, the development of a vigorous social activities program that will appeal to the many and varied groups of residents is required of the manager.

d. It is intended that adult social events be self-supporting so that the financial burden shall fall on those who participate in them. To a lesser extent, this is also true of activities planned for young adults and teens. However, recognizing the social good which is promoted by a vigorous teen program, the club may subsidize it as required. The difficulties inherent in operating children's activities on other than a community financed basis are apparent. Therefore, a larger subsidy may be authorized for this program.

Section 11. Representatives

a. There shall be representations of Ulmstead Club to organizations or for purposes of special interest to the community.

b. Each representative is expected to act freely, exercising his own good judgment. However, he shall not have the power to obligate the club financially unless he has expressly written authority from the corporate officers and/or the Board of Directors, as appropriate.

c. Representatives shall meet the prerequisites and comply with the general responsibilities set out for department managers except that representatives may hold any other office except Director.

Section 12. Tennis Department

The Tennis Department Manager is responsible for the following:

a. The Department Manager shall perform those general duties as are listed in ARTICLE V - Section 4 for all Department Managers.

b. Committee Chairmen appointees shall include those necessary or advisable to provide:

1. Equitable playing schedules and special events;
2. Court playing rules and general administration;
3. Maintenance and repair of facilities and equipment;
4. Facility physical security;
5. Promotion and regulation of membership;
6. Establish membership fees and maintain department financial solvency.

c. The Tennis Department facilities include four courts, court lighting system and such immediately contiguous grounds to provide adequate landscaping, entry and egress of members, and such equipment as may be necessary for court operation and the comfort of members and observers.

Section 13. Security Department

a. The purpose of the Security Department is to promote the security of members' property and club property and to establish an atmosphere in the community in which members and their families may enjoy the community facilities as set forth under Article I, Section 2 of these By-laws.

b. The manager shall submit, after approval of the 2nd Vice President, to the Executive Vice President a comprehensive plan designed to achieve the purpose set forth above.

c. The manager shall submit, after approval of the 2nd Vice President, for review and approval to the Executive Vice President and the Board of Directors rules and procedures designed to achieve the purpose of the department. The rules shall be developed, as much as possible, with the participation and consent of the members of the club. However, the manager is charged with the formulation of department rules and, on approval and declaration, is vested with full authority to enforce them. Members contesting a ruling by the manager may appeal to the President for redress and, if failing satisfaction, to the Board of Directors.

d. The manager shall develop and submit to the Executive Vice-President and the Board of Directors for approval a schedule of fees associated with the security program.

e. The manager shall maintain liaison with other departments on the security efforts peculiar to that department and work to the mutual benefit of both.

f. The manager shall perform those general duties as are listed in Article V, Section 4 for all department managers.

g. The Security Department shall consist of a manager appointed by the 2nd Vice-President. The manager will enlist the help of community members as necessary to act as coordinators. The manager shall hold meetings with the members of his department to explain the community security policy, and to review problem areas and possible solutions. The manager must inform all coordinators and members about their responsibility to avoid any acts that could lead to legal action against the community.

h. It is the responsibility of the manager and the department to:

1. Provide a yearly newsletter by March 31st informing members of security policies;
2. Provide security budget for annual meeting;
3. Hire outside agencies as required with approval of 2nd Vice-President;
4. Order all supplies, signs, etc. and approve all bills for payment;
5. Coordinate community vehicle identification program.

i. The manager will confer with the Second Vice-President and Executive Vice-President regarding any changes in policy which need prior approval and attend board

meetings when necessary. The manager has the authority to order vehicles towed from community facilities after ensuring that all Anne Arundel County laws have been adhered to.

j. At the termination of the manager's term, all policies rules and regulations must be thoroughly reviewed with the new security manager, Second Vice-President and Executive Vice-President to ensure continuity of the Security Department programs.

ARTICLE VI. FINANCES

Section 1. General

Except where specific member approval is required, or as elsewhere specified in these by-laws, the Club's finances shall be managed by and be the responsibility of the Board of Directors.

Section 2. Sources of Funds

In general, sources of Ulmstead Club funds shall be:

- a. From an annual assessment on each member for operating and maintenance expenses.
- b. From an assessment on each member for capital improvements.
- c. From an annual user fee for use of specific facilities such as stalls and slips. These fees and dues shall be used by the department for maintenance and operating expenses of the particular facility or service offered.
- d. From special fund raising activities.
- e. From a membership initiation fee.
- f. From accumulated back dues.

Section 3. Budget

A financial budget for the next fiscal year's operation shall be prepared annually for review by the Board and submitted for member approval prior to the first of December. The fiscal year shall be January first to December thirty-first, and payment of assessments shall be required prior to the first of February each year. The technique for preparing the budget shall be as follows:

- a. Maintenance, operating and capital improvement expenses are estimated for all areas and activities of Ulmstead Club, Inc.
- b. User fees are established to cover the maintenance and operating expenses of

the specified facilities. A share of the expenses can be levied on the general member assessment if common interest to all members can reasonably be presented.

c. Developers contribution, if any.

d. Annual special improvement assessments determined.

The budget submitted by the Board of Directors to the members for approval shall be in writing and shall delineate specific items and categories arranged so the general assessment items are separate from items for each user operational function. The submitted budget shall clearly indicate the total general assessment proposed for each member, the proposed user fees and any other fees or charges that the club may uniformly impose. The basis for estimates shall be indicated.

The budget shall be approved by a majority of the members present at a properly called and conducted meeting. The Board of Directors may authorize the transfer of funds between items in the budget financed by general assessments, but the total amount of this budget shall not be exceeded without member approval.

Nothing herein contained shall preclude department managers from raising funds for capital improvements or other items for their respective department; however, once such capital improvements or other items are acquired, title shall pass to the club. Special assessments levied by a department without approval shall be deemed voluntary and failure to pay any such assessment shall not appear among club records or create a liability at time of membership transfer.

Section 4. Funds for New Facilities

Generally, the capital for new facilities may be funded in any of several methods, such as:

- a. The club taking on the full financial responsibility or;
- b. From creation of a special taxing district.

However, once the property or facility is acquired, it shall become an Ulmstead Club asset for the benefit of all resident members in conformity with these by-laws as amended. All such agreements shall be in writing and approved by parties thereto.

Section 5. Membership Revocation, Reinstatement, Transfer and Initiation Fees

a. Membership Revocation and Reinstatement - Use of Ulmstead Club facilities by a member, his family or guests, shall be contingent on the member being current with all dues, fees, charges and assessments owing to the Club. A person delinquent in payment of monies due to the Club for sixty (60) days shall have his privileges to use the Club facilities revoked. No person delinquent in payment of monies due shall have his privileges to use club facilities reinstated unless and until such delinquent monies shall

have been paid. Dues, fees, charges and assessments shall be levied against the person even though the privileges shall have been revoked or suspended for any reason. Article I, Section 4, provides an exception for a member on approved leave of absence.

b. Member Transfer - Mere ownership of property in Ulmstead Estates is not sufficient to entitle one to be a member in good standing as specified in Article I, Section 1. The right of any resident to transfer membership to a new owner is contingent upon all dues, fees, charges and assessments being paid before ownership is transferred. Irrespective of whether one is a current property owner and a current member, or a current property owner and not a member, or a future property owner, the cumulative annual dues beginning January 1, 1995 shall be paid in order to become a member in good standing.

c. Membership Initiation - An initiation fee shall be levied against all new residents as well as current residents who join. The amount of the membership initiation fee shall be as approved from time to time at the annual budget meeting. The proceeds from the membership initiation fees shall be used solely for capital improvements.

Section 6. Prorating

All operating and maintenance fees and assessments shall be prorated when membership is issued or terminated on the records of Ulmstead Club. Refunds of operating and maintenance fees shall be granted to members in good standing and prorated as of the date of the settlement of their residence or permanent departure from the community, whichever occurs first.

Section 7. Capital Improvements by Members

No expenditure of membership funds for capital improvements shall be made without express approval of the members.

ARTICLE VII. SPECIAL CONDITIONS

Section 1. Conditions Applicable to Ulmstead Estates

Ulmstead Club has a continuing interest and general responsibility in the overall management of the community and in the appearance and general well being of the community of Ulmstead Estates. The following special conditions are set forth with respect to the community:

a. No obnoxious animals shall be kept or bred in Ulmstead Estates. This restriction does not apply to the ownership of domestic dogs, cats, or birds which are not kept for breeding purposes or sales and which are confined to the members' property and are of a limited number;

b. The leash law for dogs, as adopted by Anne Arundel County, is applicable

within Ulmstead Estates. This law requires that dogs, when off the owner's property, shall be kept on a leash. The enforcement of this law shall rest with the appropriate Anne Arundel County officials;

c. Horses shall not be permitted on the docks, beach, swimming pool property, or residential property except that of the owner;

d. No obnoxious or offensive trade or activity shall be carried on within the community nor shall anything be done within the community which may be or may become a nuisance to the neighborhood;

e. No air rifle, air pistol, BB Gun, bow and arrow, rifle, hand gun, live ammunition, explosives, firecrackers or any such similar item shall be discharged or fired within the community;

f. No sign of any kind shall be displayed to public view on any lot, residence, or mailbox except for one professional sign not more than one square foot in area, one sign advertising the property for sale or for rent not more than five square feet in area, signs advertising property during construction and sales of new homes, or signs of a temporary nature announcing a community activity. Nothing in this paragraph shall prohibit the display of a political campaign sign not more than six square feet in area during a thirty day period immediately prior to a general, special, or primary election;

g. Television antennas and radio antennas attached to residences shall be limited to a height of fifteen feet above the topmost roof line of the residence. Satellite dishes exceeding 3 feet in diameter are prohibited. Solar panels may be installed on exterior of residences if approved by the Board of Directors;

h. No fence, storage shed, other separate structure, or exterior structural modifications to existing properties shall be constructed except when approved by the Board of Directors. Request for approval shall be submitted in writing and shall include the type of structure, size, and the location on the property. Property owners intending to make exterior structural changes to their properties must be aware of and conform to county building codes and platted building set back requirements. Requests for approval of new or expanded exterior structural modifications to existing properties must be submitted in writing to the Board of Directors for approval before commencement of building activity. The written general concurrence of adjacent neighbors shall be solicited in all the above instances and submitted to the Board of Directors with the written request for approval;

i. Boats, trailers, campers and other such items shall be stored in garages or may be stored on residential lots in back of the residence and to the degree possible consistent with the topography of the lot, not generally to be visible from the street;

j. Garden equipment, including machines, garbage and trash receptacles, ladders, outside clothes lines and poles shall be maintained and stored so as to be out of public

view when not in use. This provision does not apply to garbage and trash receptacles on days when trash and garbage are scheduled for collection;

k. No air conditioning unit external to the residence shall be installed or maintained on the front or street side of the house;

l. No storm windows other than metal and glass or wood and glass shall be installed or maintained;

m. Unlicensed motor bikes and mini bikes shall not be permitted within the community except as authorized by applicable State and County laws. The enforcement of these laws shall rest with the appropriate Anne Arundel County officials;

n. All numbered lots of Ulmstead Estates shall be used for single family residential purposes and shall be designated "residential lots."

Section 2. Enforcement of Conditions

Violations of the provisions of Section 1 of this Article can be considered by the Board of Directors as reason for denial, suspension, or revocation of membership privileges.

ARTICLE VIII. SELECTION OF SLIP SPACE AT DOCKS

Section 1. Privileged Residents for Selection of Slips

Because of special agreements and representations made by the developer of Ulmstead Estates and because of certain action on the part of certain residents of Ulmstead Estates, the following privileges have accrued to certain persons as indicated in this article.

Section 2. Priority for Slip Selection

The priority for selection of boat slips at docks owned, leased or otherwise dedicated for Ulmstead Club shall be as follows:

a. Class I - Named Individual Users:

1. William E. Dixon;

2. Joseph Schwartz.

b. Class II - Privileged Members of Ulmstead Club

Those members of Ulmstead Club who are entitled, as of November 16, 1974, to a Class II priority because of having paid the sum of \$150.00 and having received an

appropriate certificate or because of having received the Class II priority from a previous member shall be considered Class II privileged users and shall have priority for selection and use of slips over Class III users.

c. Class III - Members of Ulmstead Club

All those members of Ulmstead Club who are not Class I or Class II members and who have made application for Class III priority as provided for in this article. Those members who are entitled, as of November 16, 1974, to a Class III priority shall retain this priority without any further action on their part.

Section 3. Priority Order Within Class II

Within Class II, the members' priority shall be determined by the recorded deed date of the original Class II member's residence, with the oldest recorded deed having priority over the more recently recorded deed.

Section 4. Transfer of Class II Priority

a. A member of Ulmstead Club who is entitled to a Class II priority shall have the right to transfer the Class II priority, including the order of selection based on the deed date of the original Class II member's residence, to the immediate subsequent purchaser of the member's residence, provided however, said subsequent purchaser shall have no right to transfer the Class II priority upon selling his residence and such Class II priority shall automatically terminate upon such sale. If a member of Ulmstead Club who is entitled to a Class II priority does not elect to transfer the Class II priority to said subsequent purchaser, or if said subsequent purchaser does not make application for, or is not approved for membership in Ulmstead Club, that Class II priority shall automatically terminate as of the date of transfer of the member's residence.

b. The Class II user's privileges are nontransferable, except as hereinafter provided; however, a Class II user may apply to the club, and the club in its discretion may, but shall not be required to, repurchase the "privilege" for \$150.00. Upon such repurchase by the club, the Class II priority as to that particular residence or lot shall automatically terminate.

c. A member of Ulmstead Club who is entitled to a Class II priority shall retain this Class II priority and the order of selection, even if the member moves to another residence within Ulmstead Estates, effective as of the date originally issued.

Section 5. Rights of Tenant to Class II Priority

A person who leases the residence of a member with a Class II priority who has moved from the community shall be entitled to the use of the Class II priority in the same

manner as the member. If the residence is sold, the provisions of Section 4 of this Article shall be applicable.

Section 6. List of Class II Priority

A list of the members of Ulmstead Club entitled to a Class II priority is maintained by the Nautical Department manager and is distributed prior to slip selection each year.

Section 7. Priority Order Within Class III

Within Class III, the member's priority shall be determined by the date a written request for a slip priority is received by the manager of the Nautical Department as evidenced by a date notation made by the Manager.

Section 8. Transfer of Class III Priority

A Class III priority may not be transferred to a subsequent purchaser of a residence.

A member of Ulmstead Club may retain the Class III priority if the member moves to another residence within Ulmstead Estates.

Section 9. Rights of Tenant to Class III Priority

A person who leases the residence of a member with a Class III priority who has moved from the community shall be entitled to the use of the Class III priority; but the order of selection shall be the date the Tenant moved into Ulmstead Estates. If the member subsequently returns to Ulmstead Estates, his Class III priority shall be reinstated. If the member sells the residence to another person, the provisions of Section 8 of this article shall be applicable.

Section 10. Selection of Slips

The Class I users and the members of Ulmstead Club with Class II and Class III priorities shall be given reasonable notice of and the opportunity to appear at the slip selection meeting.

The Class I users and the members with Class II and Class III priorities shall pay the appropriate fee for the slip selected and once a slip is selected, no changes or transfers shall be made except with the approval of the manager of the Nautical Department.

The Class I user or a member with Class II or Class III priority may not rent or give the use of any slip acquired by virtue or priority to any other person, whether or not

a resident of Ulmstead Estates.

The Class I user or a member with Class II or Class III priority shall be entitled to only one slip, except to the extent that unused slips may be available and not selected by any other member with a Class II or Class III priority.

Section 11. Launching and Storage Facilities

A member of Ulmstead Club may use the launch facilities and common boat storage facilities, as available, subject to the approved rules of the Nautical Department and prescribed fees, if any.

Section 12. Riparian Rights

The provisions of this article shall in no manner deny any riparian right to any riparian lot owner.

Section 13. Amendment

a. Notwithstanding anything hereinafter provided in Article IX permitting modification and amendment of these by-laws, Section 1 through Section 10 of Article VIII or any parts or portions thereof shall not be modified, amended, or repealed without the express written consent and approval of all members of the class or classes to be affected by such modification, amendment or repeal.

b. Notwithstanding anything hereinafter provided in Article IX permitting modification and amendment of these By-laws, no part or portion of this Section 13 of Article VIII shall be modified, amended or repealed without the express written consent and approval of all the members with Class I, Class II and Class III priorities.

ARTICLE IX. MISCELLANEOUS

Section 1. Amendment to By-Laws

The provisions of these by-laws may be amended or repealed at a meeting of Ulmstead Club by a majority vote of the members present at such meeting, either in person or by proxy, provided that notice of the proposed change, including the exact wording thereof, shall be contained in the notice of the meeting or distributed to the membership at least ten days prior to the meeting.

Section 2. Seal

The seal of the corporation shall be circular in form, with the name of the corporation and "Maryland" inscribed around the outer edge, and in the center shall be inscribed the words "Incorporated" and the year of the incorporation.

Section 3. Description of Ulmstead Estates

Ulmstead Estates shall include that land conveyed by Lillian M. Lynch to the Ulmstead Holding Company and Ulmstead Estates, Inc. by deeds dated in May 1963 and recorded at Liber 1955, Folio 73 and Folio 83 in the land records of Anne Arundel County and shall also include the land retained by Lillian M. Lynch within Ulmstead Estates and the land owned within Ulmstead Estates by Mr. and Mrs. Wallace Perry and Mrs. Carolyn Lynch.

Any expansion of the area of Ulmstead Estates shall require approval of Ulmstead Club, Inc. and shall be ratified by the membership. Approval shall be obtained at a regular or special meeting of the corporation at which at least eighty-five percent of the membership, by vote either in person or by proxy, approves the expansion.

Section 4. Developer

In accordance with provisions of the deed which transferred to Ulmstead Club, Inc. the title to the recreational property within Ulmstead Estates, Mr. William E. Dixon and Mr. Joseph M. Schwartz shall retain the right to use the property of Ulmstead Club in the same manner and subject to the same fees and user charges as any other member of Ulmstead Club, Inc.

Section 5. Definition

As used in these By-Laws the term "Ulmstead Club," "Corporation," "Club" shall mean "Ulmstead Club, Inc."

Section 6. Effect of By-Laws on Existing By-Laws and Action Thereunder

These By-Laws shall replace the existing By-Laws of Ulmstead Club, Inc. as previously amended and shall take effect on the date of adoption.