

BYLAWS

OF

RIDGEVIEW VALLEY

MASTER HOMEOWNERS

ASSOCIATION, INC.

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ARTICLE I

NAME AND NATURE

Section 1. The name of the corporation is RIDGEVIEW VALLY MASTER HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at 912 Gravelly Run Road, P. O. Box 417, McHenry, Maryland 21541, but meetings of Members and Directors may be held at such other places within the State of Maryland, as may be designated by the Board of Directors of the Association.

Section 2. These Bylaws are intended to govern the administration of the Association, a non-profit corporation organized under Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland (the "Corporation Law") and the Maryland Homeowners Association Act (the "Act") set forth in Title 11B of the Real Property Article of the Annotated Code of Maryland, and the management, administration, utilization and maintenance by the Association of the property described in the Declaration for Ridgeview Valley Planned Residential Development ("Development") hereinafter described.

ARTICLE II

DEFINITIONS

Section 1. The terms "Association", "Common Areas", "Declarant", "Development", "Lot" and "Open Space", as used in these Bylaws shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions relating to the Development dated September 15, 2006, and recorded among the Land Records of Garrett County in Liber 1250, folio 111 (the "Declaration").

Section 2. "Member", as used herein, means those persons or entities entitled to membership in the Association as provided in the Declaration.

Section 3. "Owner", as used herein, means and refers to the record owner, whether one (1) or more persons or entities, of the fee simple title or undivided fee interest to any Lot in the Development, but excluding those having such interest merely as security for the performance of any debt obligation. As provided in the Articles of Incorporation of the Association ("Articles"), the Members of the Association shall all be Owners and shall be enti-

tled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members; however, for purposes of a quorum they shall be treated as a single Member. The votes for any such Lot shall be exercised as such persons determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at a date, time and place within the State of Maryland selected by the Board of Directors of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Membership of the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, not less than fifteen (15) nor more than sixty (60) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4. Electronic Notice/Voting. For purposes of these Bylaws, any reference contained herein to "notice" or "voting" shall be construed so as to include/permit such notice/voting by electronic transmission as may be permitted by any provisions of the Act, including, but not limited to, Sections 11B-113.1 and 113.2 of the Act.

Section 5. Quorum. The presence at the meeting of Members or proxies entitled to cast one-fourth (1/4) of the votes of the Membership shall constitute a quorum for any action except as other-

wise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members 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 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Member's Lot.

ARTICLE IV

BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

Section 1. Number. As provided in the Articles, the affairs of this Association shall be managed by a Board of no less than three (3) nor more than nine (9) Directors, who are required to be Members of the Association.

Section 2. Term of Office. The terms of office of the Directors of the Association named in the Articles shall be for the period until the first annual meeting of the Members at which their successors are elected. The terms of each Director shall be for two (2) years or until his/her successor is elected, whichever shall be the longer period. Each Director shall be elected at the annual meeting.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal, pursuant to these Bylaws, of a Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he/she may render to the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action Taken without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written

approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination of Directors for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Director, and two (2) or more other persons, who shall be Members of the Association. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting of the Members, to serve until the close of the annual meeting. The Nominating Committee shall 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 2. Election. Election to the Board of Directors shall be by written ballot. At the election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations and architectural design guidelines governing the use of the Lots, Common Areas and Open Space in the Development, including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights, and the right of use of any facilities located on any Common Area or in any Open Space during any period in which the Member is in default in the payment of any assessment levied or fine imposed by the Association; these rights may also be suspended for a period not to exceed sixty (60) days for an infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles, or the Declaration; and

(d) Employ a manager, independent contractors, or other employees or contractors as they deem necessary, and to prescribe their duties. The Board of Directors shall have the right to appoint any such manager, independent contractor or other employee or contractor retained by them to act in an advisory role to the Board of Directors.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by the holders of one-fourth (1/4) of the votes of the Membership of the Association;

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

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

(1) Fix the amount of the annual assessment against each Lot not later than thirty (30) days in advance of each such regular assessment period;

(2) Fix the amount of any special assessment against each Lot not later than forty-five (45) days in advance of each such special assessment;

(3) Determine how any assessment is to be paid (e.g. monthly, quarterly or annually);

(4) Send written notice of each annual assessment to every Lot Owner subject thereto not later than thirty (30) days in advance of its due date, and of each special assessment, at least forty-five (45) days in advance of its due date and set forth in each such notice how any such assessment is to be paid; and

(5) Foreclose the lien against a Lot if the Owner thereof has not paid any assessment thereon within such time as the Board of Directors may determine, and/or bring an action at law against the Lot Owner personally obligated to pay the same, which action shall include recovery from the Lot Owner of the costs relating to the action, including attorneys fees (which action may be brought pursuant to the Maryland Contract Lien Act (the "Lien Act") set forth in Subtitle 2 of Title 14 of the Real Property Article of the Annotated Code of Maryland or any other applicable provision of Maryland law;

(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 made by the Board for the issuance of these certificates. If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate;

(e) Procure and maintain adequate liability and hazard insurance on any property in the Development owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded and/or insured, as it may deem appropriate;

(g) Cause the Common Areas and Open Spaces to be maintained;

(h) Take and do any act that may be appropriate regarding the adoption of rules and regulations and/or architectural design guidelines relating to the use, improvement, maintenance, preservation, operation, repair and architectural control of improvements to be constructed on Lots, Common Areas and Open Space in the Development; and

(i) Deposit and maintain current certain information/ documents in the "Depository", as that term is defined by Section 11B-101 of the Act.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. Other than the President and the Vice President, officers of the Association shall not be required to be Members of the Association.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at each regular meeting of the Board of Directors that shall follow each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by 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 the notice or at any later time specified

therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

President

(a) The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board are carried out and maintained as provided in **Article VII, Section 2(a)** above. The President shall have authority to sign all leases, mortgages, deeds, and other written instruments.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability, or refusal to act, and exercise and discharge such other duties as may be required of him/her by the Board. The Vice-President shall likewise have authority to sign all leases, mortgages, deeds, and other written instruments.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same.

The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such parties as are authorized by the Board, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association, if the proper fidelity bond is furnished to the Association.

ARTICLE IX

INDEMNIFICATION/EXCULPABILITY OF OFFICERS AND DIRECTORS

The Association shall provide any indemnification required or permitted by the laws of Maryland and shall indemnify Directors, officers, agents, employees and representatives as provided in the Articles. In addition, the Board shall be authorized at all times to procure and maintain director's and officer's insurance coverage to cover the Association's Directors, officers, agents, employees and representatives. Unless acting in bad faith neither the Board as a body nor any Director, officer, agent, employee, representative or committee member of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his/her office. Each Member shall be bound by the good faith actions of the Board, officers, agents, employees, representatives and committee members of the Association, in the execution of the duties of said Directors, officers, agents, employees, representatives and committee members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member and first mortgagees holding first mortgages on any Lot. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any Member and first mortgagee in the Depository and at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

Each Member is obligated to pay to the Association all annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of one and one half percent (1 ½%) per month, and be subject to a one time late fee of Fifteen Dollars (\$15.00) or ten percent (10%) of the assessment, whichever is greater, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Association property or abandonment of their Lot.

The Association may establish and enforce the lien for any assessment, annual, special or additional established pursuant to the Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, costs of collection, interest, late charges permitted by law, and attorney's fees.

ARTICLE XIII

ENFORCEMENT

The Association shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant to the Declaration, by any or all of the following: self-help; by sending notice to the offending party to cause certain things to be done or undone; by taking any other action before any court, summary or otherwise, as may be provided by law; or by complaint to the duly constituted authorities.

ARTICLE XIV

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: "Ridgeview Valley Master Homeowners Association, Inc., Maryland 2006", or in lieu thereof the word "SEAL" may be placed adjacent to the signature of an authorized officer of the Association.

ARTICLE XV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of a quorum of Members present in person or by proxy at the meeting at which the vote is taken. Anything set forth above in this **Article XV** to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to modify, revise, amend, or change any of the terms of provisions of these Bylaws all as from time to time amended or supplemented. However, this unilateral right, power, and authority of the Declarant may be exercised if and only if the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae) or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Development or any part thereof or any Lots thereon for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae or similar programs.

Section 2. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between the Articles, these Bylaws, the Declaration and any law, including, but not limited to, the Act, the law shall be deemed controlling.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall be January 1 to December 31.

IN WITNESS WHEREOF, we, being all of the Directors of Ridgeview Valley Master Homeowners Association, Inc., have hereunto set our hands this _____ day of _____, 2006.

C E R T I F I C A T I O N

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Ridgeview Valley Master Homeowners Association, Inc., a Maryland corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name this _____ day of _____, 2006.
