

By-Laws of Chesapeake Haven Homeowner's Association
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LR - HOA Dep Amendment 25.00

HOA Name: Chesapeake
Haven
Ref: McKee/Reid

Total: 25.00
08/07/2019 12:59

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#12533828 CC0202 -
Cecil
County/CC02.02.03 -
Register 03

BY-LAWS
OF
CHESAPEAKE HAVEN
HOMEOWNER'S ASSOCIATION, INC.

ARTICLE 1
NAME AND LOCATION

The name of the corporation is CHESAPEAKE HAVEN HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 65 Kent Avenue, Chesapeake Haven, Earleville, Cecil County, Maryland 21919, but meetings of members and directors may be held as such places within the State of Maryland, County of Cecil, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to CHESAPEAKE HAVEN HOMEOWNER'S ASSOCIATION, INC., a Maryland corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property shown in the subdivision plat entitled "Revised Plan, Part of Chesapeake Haven, Section A" which is recorded among the Land Records of Cecil County in Plat Book W.A.S. No.4 folio 16, and also as shown on a plat entitled "Final Subdivision Plan, Revision of Blocks 34, 35, 36 Section A (Revised), Chesapeake Haven", which plat is recorded among the said Land Records in Plat Book W.A.S. No. 4 folio 44.

Section 3. "Common Area" shall mean all real property (including all improvements thereto) owned by the Association for the common use and enjoyment of the Owners, including open space.

Section 4. "Lot" shall mean and refer to any plot of land subject to assessment by the Association, and shown upon any recorded subdivision map or plat of the Properties, with the exception of the Common Area.



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Section 5. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers.

Section 6. "Declarant" shall mean and refer to the Chesapeake Haven Land Corporation, its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions, dated 10/1/80, Chesapeake Haven, applicable to the Properties and heretofore recorded among the Land Records of Cecil County Maryland.

Section 8. "Member" or "Members" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first meeting of the Members shall be held within one (1) year from the date of incorporation or revival of the corporation at the hour and place to be announced. Each subsequent regular annual meeting of the Members shall be held in the Month of July of each year as determined by the Board of Directors. The Board of Directors may, by resolution, change the date of the annual meeting of the members.

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

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least twenty (20) days but not more than ninety (90) days before such meeting to each Member entitled to vote thereat, addressed to the Members address last appearing on the books of the Association, the records of the State Department of Assessments and Taxation or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.



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Section 4. Quorum. The presence at the meeting of Members entitled to cast or of proxies entitled to cast one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declarations or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting and provide for notice of an additional meeting at which the Members present shall constitute a quorum

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV
BOARD OF DIRECTORS:
SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be initially managed by a Board of Seven (7) Directors, who shall be members of the Association, and will include the officers of the Association. A majority of the entire Board of Directors is authorized to increase the number of Directors to a maximum of nine(9).

Section 2. Term of Office. Directors shall be elected at the annual meeting of Members.

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 of a Director, his/her successor shall be selector 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.



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ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination 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 member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting.

Section 2. Election. Election to the Board of directors shall be by secret written ballot. At such 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 of Incorporation. The persons receiving the largest number of votes shall be elected.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of directors shall be held monthly without notice as such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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 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 present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.



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ARTICLE VII
POWERS AND DUTIES OF
THE BOARD OF DIRECTORS

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

A. Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the Members and their guests thereon and to establish penalties for the infraction thereof, pertaining to the control and keeping of pets, pertaining to the maintenance and use of Lots and improvements, pertaining to the maintenance or removal of unsafe or unsanitary structures or conditions.

B. Suspend the voting rights and right to use the recreational facilities of a Member or anyone to whom the Member's right of use has been delegated during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for 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 membership by other provisions of these By-Laws, the Articles of Incorporation or the Declarations.

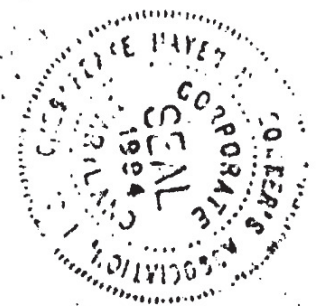
D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meeting of the Board of Directors.

E. Employ an independent contractor or such other employees as they deem necessary and to prescribe their duties.

F. Enter into agreements providing for the rental, lease or use of the Association's facilities or facilities which are not owned by the Association.

Section 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 Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote.



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B. Supervise all officers, agents, and employees of this Association and see that their duties are properly performed.

C. As more fully provided in the Declarations, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period.

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date and/or to bring an action at law against the owner personally obligated to pay the same.

D. Issue or to 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 a 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 Association.

F. Cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate.

G. Cause the Common Areas to be maintained.



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ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, Vice-President, a Secretary and a Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the Annual Meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Members 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 the 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 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 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:

A. President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.



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B. Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him or her by the Board.

C. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meeting of the Board and of the Members, keep appropriate current records showing the Members of the Association together with their addresses and shall perform such other duties as required by the Board.

D. Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at it regular annual meeting and deliver a copy of each to the Members. A current statement of income and expenditures will be provided to the Secretary in time to be included with each Newsletter published.

ARTICLE IX INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and Director of the Association, in consideration of his or her services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he may be a party by reason of being or having been a Director or officer of the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the Director or officer or person may be entitled by law or agreement or vote of the Members or otherwise.

ARTICLE X LIABILITY INSURANCE

The Association shall maintain liability insurance in such amounts to provide maximum coverage for its agents in accordance with Maryland law. The policy shall cover liability incurred by the Association and/or its agents, as a result of the acts or omission of its agents in providing services or performing duties on behalf of the Association.



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ARTICLE XI
COMMITTEES

The Board of Directors shall appoint committees as are deemed appropriate in carrying out the purposes of the Association.

ARTICLE XII
BOOKS AND RECORDS

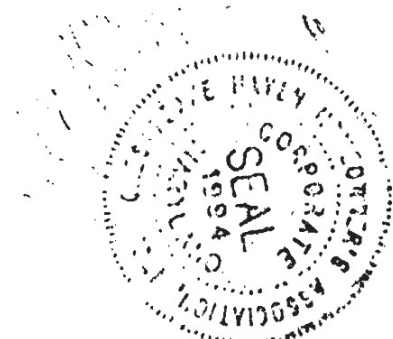
The books, records and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any Member. The Declarations, the Articles of Inc corporation and the By-Laws of the Association shall be available for inspection by any Member at the principle office of the Association where copies may be purchased at a reasonable cost.

ARTICLE XIII
ASSESSMENTS

As more fully provided in the Declarations, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid with thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, or at such other rate, not exceeding that charged by Cecil County for delinquent real estate tax payments, a late fee of Ten Dollars (\$10.00) per month shall be assessed, 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 property, and interest, costs and reasonable attorneys' 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 non-use of the Common Area or abandonment of his or her Lot.

ARTICLE XIV
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the year of its incorporation. Pending receipt of the seal, documents will be inscribed with the words (Seal CHHOA).



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ARTICLE XV
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declarations shall control.

ARTICLE XVI
FISCAL YEAR

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of revival of the corporation.



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IN WITNESS WHEREOF, we being all the Directors of Chesapeake Haven Homeowner's Association, Inc., have hereunto set our hands this _____ day of August, 2000.

James A. Alexander

Kay Kehler

Ronald F. Decker

Tom Kehler

Allan Jones

Harry Murray

Fred Wallace

CERTIFICATION

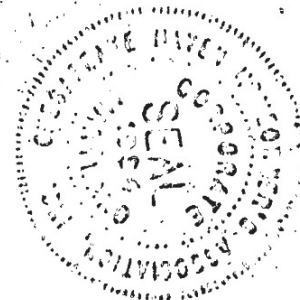
I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Chesapeake Haven Homeowner's Association Inc., a Maryland Corporation; and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association as duly adopted by the Board of Directors and Members thereof on the _____ day of August, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this _____ day of August, 2000.

Kay Kehler, Secretary



AMENDMENTS

Amendment 9/13/2003 – Dues Payment Schedule for Annual Homeowners Association Dues. Annual dues payment is due no later than March 31. (Annual dues are \$100 currently; subject to change.)

If electing to pay in four (4) installments, each installment is due as follows:

March 31	June 30	September 30	December 31
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Amendment 9/13/2003 – Denial of Quarterly Payment.

Quarterly payment option will be denied to those who choose to pay quarterly, but do not submit timely payment by the established quarterly due dates.

Amendment 10/22/05 – Officer/Director Term of Office

Amendment to Article IV, Section 2. - Term of Office. As voted and approved, the Chesapeake Haven Board of Directors and Officers shall be elected to serve a term of office for two years.

Special Assessment – Effective June 1, 2006 - As voted on and approved by the eligible voting members at the May 7, 2006 Chesapeake Haven Homeowners General Meeting, and supported by the Chesapeake Haven Homeowners Association By-Laws and the Maryland Code/Real Property/Title 11B. Maryland Homeowners Association Act, a special assessment was approved to repair our “Common Area”, the beach stairs. A one time assessment of \$275.74 is made to each lot owner/homeowner. Interest of 7.75% will be charged if installment payments are made over four-year period. Payments are due July 31st of each year.

Impact Fee for Builders/New Home Construction.

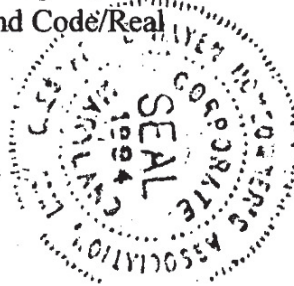
Effective November 1, 2006, new residential construction on previously unimproved property will incur a \$1,000 impact fee to the General Contractor. Upon completion of the project, \$500 of the fee will be returned to the Contractor provided the roads in the neighborhood are returned to previous or better condition. The fee will be due prior to the start of excavation and will be held in escrow until completion of home.

Amendment: Addition of Two Directors to the Board of Chesapeake Haven Homeowners Association

Effective November 1, 2006, amends Article IV Board of Directors: Selection; Term of Office: Section 1. Number. “The affairs of this Association shall be initially managed by a Board of Seven (9) Directors, who shall be members of the Association, and will include the officers of the Association. A majority of the entire Board of Directors is authorized to increase the number of Directors to a maximum of eleven (11). “

Budget of the Chesapeake Haven Homeowners Association

Amendment to By-Laws: The annual assessment of homeowners' association dues will be established based on the approved budget and will not exceed this amount. The dues will never be more than this equation. The annual assessments are separate from any Special Assessments as supported by the Maryland Code/Real Property/Title 11B. Maryland Homeowners Association Act.



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2007 Budget of the Chesapeake Haven Homeowners Association

Approved by majority vote of the eligible voting members at the Chesapeake Haven Homeowners Association meeting of October 10, 2006, the 2007 Budget is \$14,575.00.

April 27, 2019 Approved Amendments

Quorum: Change quorum of eligible votes from 10% to 20%.

Amendment to ARTICLE III, MEETING OF MEMBERS, *Section 4. Quorum.*

The presence at the meeting of Members entitled to cast or of proxies entitled to cast one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declarations or these By-Laws.

Change the total quorum to 20% of eligible votes. As of now we have 73 votes (73 billable parcels). The current quorum means that 10% of the 73 eligible votes if everybody paid the dues on time is about eight (8) votes. Eight (8) votes represent less than the current eleven board positions so the board can make decisions for the entire community. To ensure this does not continue, this proposal is to change the quorum to 20% which would be 15 votes for a quorum.

Reduce the number of CHHOA Board Members from eleven (11) to seven (7).

For the same reason as stated in #1, we propose reducing the board from 11 to 7 to decrease the board impact in a community decision and give that power back to the members. Delete amendment to ARTICLE IV BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE - Section 1. Number.

New Amendment for Board Members who co-own: Members of the board must be from separate households regardless of number of lots owned.

To further eliminate conflict of interest we propose that members who are considered co-owners of one or more lots cannot serve on the board for the same term. Example: Married couple or co-owners on deed for 3 lots that represent 3 votes. Only one of those members/owners will be eligible to serve on the board for the same term period. Passed

Delete the amendment to ARTICLE IV BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE that currently requires a prerequisite of a two-year term on the board as a Director before serving as an Officer.

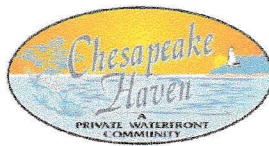
Experience has proven this prerequisite excludes willing, skilled and available members who would otherwise volunteer their time to help lead the community.

CHHA Treasurer: Galina McKee



8-DS-19





Chesapeake Haven Homeowner's Association, Inc.
158 Ohio Avenue
Earleville, MD 21919
Chesapeakehaven.com

Fall 2019 General Meeting & Board Election Ballot Tally – November 16, 2019

Ballot Amendment Results:

Ballots for Chesapeake Haven Homeowners Association By-Law Amendments

1. Members who are unable to attend the CHHOA General Meetings miss out on opportunities to vote on items presented during the meeting that require a member vote. Additionally, it is difficult for the CHHOA Board to maintain confidentiality to any member who is not in good standing and ineligible to vote if they are identified during a public meeting. Therefore, the following amendment is proposed to support the members' rights.

AMENDMENT: In order to provide all members an opportunity to vote on any actions, all HOA business that requires a general membership vote must be conducted by written, mailed-in ballot.

YES 28 No 2 (PASSED)

2. One of the redeeming qualities of Chesapeake Haven is our deeded beach. Owning property that has water access has many benefits, including the increase in home values. In order to protect this deeded commodity in the interest of all members, the following amendment is proposed:

AMENDMENT: As Members of the community with deeded common area rights, at no time shall any person, contractor or entity be permitted to construct on or modify the platted area labeled as "Reserved for the use of Land Owners", better known as the beach. Any such changes must be managed through the CHHOA Board and a general membership vote by written, mailed in ballot. Legal Reference: "Revised Plan, Part of Chesapeake Haven, Section A", which plat is recorded among the Land Records of Cecil County in Plat Book W.A.S. No. 4, Folio 16, and also as shown on a plat entitled "Final Subdivision Plan, Revision of Blocks 34, 35, 36, Section A (Revised), Chesapeake Haven", which plat is recorded among the said Land Records in Plat Book W.A.S. No. 4, Folio 44.

YES 24 No 5 (PASSED)

3. Ballots are supposed to be managed in such a way as to eliminate any doubt on the validity and totality of submitted votes. To ensure the voting process is fair, yet transparent, a process will be implemented to support the voting process and maintain the credibility of the process. The following amendment is proposed.

AMENDMENT: All association voting requiring the tallying of votes will be handled via a 3rd Party as to protect the integrity of any election, potential bylaw change or any other CHHOA business requiring a membership vote.

YES 21 No 8 (PASSED)



Chesapeake Haven Homeowner's Association, Inc.

158 Ohio Avenue

Earleville, MD 21919

Chesapeakehaven.com

Fall 2019 General Meeting & Board Election Ballot Tally – November 16, 2019

2020 Budget- Tally of Votes

Ballot for the 2020 Operating Budget

Yes 17 No 9 (PASSED)

71 Billable lots @ \$230

1 Prorated lot @ \$195

The increase for the 2020 proposed budget is driven mainly by the costs of road maintenance and the anticipated legal fees. The cost of gravel and stone has increased over the past year. In order to maintain the roads, we must add the estimated increase to our 2020 operating budget.

The Board has been frugal over the past two years and legal expenses have been minimal. Several past due accounts were resolved over the past year. Unfortunately, there are some accounts that remain past due by more than two years. The board has made every attempt to resolve these open accounts and will need to engage legal counsel to resolve them.

To minimize the impact for the 2020 annual dues, a withdrawal from the reserve funds and an increase of \$10 per billable lot is proposed.

Proposed 2020 Operating Budget		<u>2020 Budget</u>	\$19,828.00
Mosquito Control	\$ 600.00	From Reserves	(\$3,303.00)
Insurance	\$ 628.00	Balance	\$16,525.00
Maintenance / Repairs	\$ 1,200.00		
Snow Removal	\$ 1,100.00	<u>71 Billable lots @ \$230</u>	<u>\$16,330.00</u>
Legal	\$ 3,000.00	<u>1 Prorated lot @ \$195</u>	<u>\$ 195.00</u>
Office Supplies & Postage	\$ 300.00	Total Billable Dues	\$16,525.00
Roads Routine Maintenance	\$13,000.00		
CHHOA Website & Software	\$ -		
Business Registration	\$ -		
Total Operating Budget	\$19,828.00		