

**BYLAWS
OF
LIBERTY VILLAGE COMMUNITY
ASSOCIATION, INC.**

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ARTICLE 1 MEMBERSHIP & MEETINGS

Section 1. Membership and Representation Rights:

Membership shall be as defined in Article Six of the Articles of Incorporation of this Association. Representation of a Member shall be as defined in Article Eight thereof.

Section 2. Member In Good Standing:

A Member In Good Standing shall be defined as a member which has no principal fee assessment of the Association on its respective Lot or other property unpaid more than thirty (30) days after the due date and has no other fees in arrears to the Association of over sixty (60) days past due. Members not in Good Standing shall not be entitled to vote or hold office.

Section 3. Location of Membership Meetings:

All Meetings of members shall be held at such location as may from time to time be designated by the Membership provided notice of the location is duly set forth in the notice of such meetings.

Section 4. Annual Meeting of Members:

An Annual Meeting of the members shall be held during the month of November or such other date as may be adopted by the Membership. The business of such meeting shall include the selection of Directors, Treasurer, Secretary, any additional officers, setting the dates of the subsequent annual meeting and the annual schedule of regular meetings, adoption of the budget, and any such other business as may be set forth on the agenda and notice. Failure to hold an annual meeting at the designated time shall not invalidate the corporate existence or other valid corporate process.

Section 5. Regular Meetings:

Regular meetings of the Membership shall be according to a schedule of times and places to be adopted at the Annual Meeting, as it may be amended from time to time.

Section 6. Special Meetings:

Special Meetings of the Membership may be called for urgent business by a quorum of five members by preparing and signing a Notice of Special Meeting with a statement of Business to be Conducted and distributing it personally or by electronic facsimile or electronic mail (E-mail) subject to confirmation of receipt to at least 80% of the present Membership, with telephonic notice to all Members unable to receive delivery, at least 24 hours in advance of the designated meeting time. Special Meetings may be called only at the same location as the next Regular Meeting and shall address only business as stated on the Notice. Special Meetings require quorum by personal presence or a proxy right specifically addressed to a subject on the agenda.

Section 7. Notice of Regular and Annual Meetings:

The Schedule of Regular Meetings and the next Annual Meeting shall be mailed by the Secretary, or personally delivered following each Annual Meeting to each Member at their last designated mailing address as it appears on the records of the Association, and to any subsequent new Member. Notice shall be deemed to be

given when deposited in the United States Mail with first class postage thereon prepaid or delivered to the community mailbox of any member residing in the community.

Section 8. Eligibility to Hold Office:

Any person representing a Member In Good Standing may be selected for office. If an office holder is selected under representation which is subsequently withdrawn by the Member, the office shall be declared vacant and open for re-selection at the next meeting.

ARTICLE 2. DIRECTORS AND OFFICERS

Section 1. Directors:

There shall be three Administrative Directors selected and appointed by the Membership at the Annual Meeting. At the first selection, the Directors shall be selected for office for three, two, or one years, based on a proposed slate of candidates accepted by the membership. Subsequent terms of office shall be for three years for each respective position, commencing upon selection. Directors' duties shall be to oversee the administrative functions of the decisions made by the Membership and the operation of the Association. Any official document or agreement of the Association must be signed by at least two Directors. Any transaction with respect to property encumbrance, the borrowing of money, or the acquisition or conveyance of real property or any interest therein must be signed by all three Directors.

Section 2. Association Secretary:

The Membership shall select and appoint a Secretary of the Association at the Annual Meeting to serve for a term of one year, commencing in January following selection. The Secretary shall attend to the giving and serving of all notices of the Association, have charge of the record of minutes and other records of the Association, including the official record of membership, and attest to all official actions of the Association.

Section 3. Association Treasurer:

The Membership shall select and appoint a Treasurer of the Association at the Annual Meeting to serve for a term of one year, commencing in January following selection. The Treasurer shall have custody of all funds and securities of the Association, shall endorse on behalf of the Association all instruments for collection, shall deposit all receipts in accounts as designated by the Membership, and shall generally supervise and control the bookkeeping and the accounts of the Association.

Section 4. Removal.

At any Meeting of Members, duly called with a quorum represented, the members may remove any Director or Officer from office and select and appoint a successor thereto forthwith. Any Director or Officer who fails to retain the status of Member in Good Standing will be thereby recalled from office and the position deemed vacant for re-appointment.

Section 5. Vacancies.

Any vacancy of position shall be filled for the duration of the current term by announcement of vacancy by the Directors at a Meeting, subject to selection of a replacement at the next Meeting.

Section 6. Nomination and Candidacy for Office.

Nominations for Office may be made by any Member in Good Standing at a Meeting two months prior to the Annual Meeting, or at any meeting at or following an announcement of vacancy of a position. Candidates or nominators may submit a written statement, not exceeding one page, of qualification and interest, within seven days of nomination for distribution with the minutes and Agenda for subsequent meetings, or may present or make such statement from the floor of a Regular Meeting.

ARTICLE 3. CONDUCT OF BUSINESS

Section 1. Quorum:

The quorum for the conduct of business at any meeting shall be three- quarters (3/4) of the current Members in Good Standing of the Association, represented in person or by Proxy. If there is insufficient representation at any meeting to reach a quorum, action on the agenda shall be postponed to the next Regular Meeting at which the quorum shall be sixty percent (60%) of the current membership. If representation fails to reach a quorum after the second meeting, the agenda shall be postponed to the next Regular Meeting at which the number of members represented shall constitute a quorum.

Section 2. Acting by Proxy:

Any member may be counted as present for quorum and decision making by giving a written proxy authorization to a specific Member. Said Proxy may be counted toward the quorum only if it is a general proxy with authority to act for the issuing Member in all business to be conducted at the meeting. Proxies limited to authority with respect to only specific actions or considerations named in such proxy instrument may be exercised, but may not be counted toward the quorum.

Section 3. Decision Making:

All decisions of business, including selection of Officers, Directors and other representatives, to be conducted by the Association, or Management Teams thereof, shall be submitted at a respective meeting for consideration by Consensus of the Members present. Consensus is acknowledged to be a state of agreement to, acceptance of, and commitment to a course of action, binding all parties subject thereto, considered to be in the best interests of the Membership in their Association as a whole.

All matters for decision from members shall be submitted to one or more Management Teams for consideration to offer a proposal for specific action at a meeting. All proposals are to be considered first for clarification of concerns, then for requests for further information, next for objections, and then for other alternatives. Consensus is reached when any objections are satisfied and/or withdrawn. Objections may be deferred to allow continued discussion. If consensus is not achieved, a proposal may be returned to team consideration and re-presented at a later meeting.

A proposal may be initiated by any member but must be reviewed by a Management Team before adoption by the Association. Proposals must be distributed to all members no later than 3 days before a regular meeting. A proposal may be:

- passed by consensus as written or as amended;
- returned to Management Team or the proposal initiator for reconsideration; or,

- held for reconsideration by consensus or further discussion at the next business meeting.

If consensus cannot be reached at the second business meeting following presentation, the proposal may be presented and reconsidered at a third business meeting, at which, if a consensus is not reached, it may be brought to a vote and passed by 3/4 vote of the Members in Good Standing present at that meeting.

Section 4. Urgent Business:

is that which, if not acted upon immediately, may significantly impede timely progress;

- requires a 3/4 vote of the Members in Good Standing present to be considered urgent business.

- is presented in the form of a written proposal, which may be written at a business meeting.

If consensus cannot be achieved, the proposal may be passed by a 3/4 vote of the Members in Good Standing present.

Section 5. Reference to Consensus Process:

The primary, but not necessarily exclusive, reference to the process of consensus for the Association is adopted as On Conflict and Consensus, co-authored by C. T. Lawrence Butler and Amy Rothstein, as published in the Second Edition of August, 1991.

Section 6. Order of Business:

At any meeting, the order of business shall be transacted in the order of the Agenda. By consensus of the Members present, changes and additions to the Agenda may be accepted. The Agenda will include the following items in this order:

1. Representation & Quorum Determination
2. Minutes Review of Previous Meeting(s) and Acceptance/Amendment
3. Agenda Review, Acceptance, Amendment
4. Consideration of Proposals from Prior Meetings - reports, objections & alternatives
5. New Business from Directors - Referrals to Management teams
6. New Proposals from Management teams - clarification & information
7. Confirmation Notice of Next Meeting Date, Time, Place, Facilitator
8. Open Forum for any Member Concern or Information
9. Meeting Evaluation

Section 7. Conduct of Business:

The meeting shall be managed by a designated Meeting Facilitator, subject to the Order of Business and the Decision Making policies herein. The Meeting Facilitator(s) shall be selected from time to time for each meeting or a period of months, to be drawn from or selected by the Facilitation Team.

Section 8. Continuance of Business.

In the event of failure to hold an Annual Meeting or failure to arrive at a decision on any point of business to be considered at any meeting, there shall be an automatic continuation of the offices, budget, and all authorizations from the current year or prior meeting that have not been changed or amended or reestablished.

ARTICLE 4. MANAGEMENT TEAMS

Section 1. Standing Management Teams:

Standing Management Teams shall include those for Finance, Auditing, Development Review, Member Services, Community Facilities and Facilitation. The Membership may establish additional Management Teams for any appropriate purpose, including thereon any Member or any other party that may contribute to its purpose. A Director shall sit as a member ex-officio of each Management Team established. All Management Teams shall operate according to the Order of Business and the Decision Making policies herein. All actions of Management Teams and the future Management Team meeting schedule shall be reported by written report to the Membership at each Regular Meeting. Expenditure of funds by any Management Team may only be in accordance with the approved budget and subject to approval of the Members in Good Standing on the Management Team. Management Teams may include nonmembers subject to the approval of the Members in Good Standing on the Team.

Section 2. A Finance Team

shall be composed of the Treasurer and at least two (2) other Members in Good Standing as approved by the Membership. The Finance Team shall monitor monthly expenditures, report the monthly budget variance to the Membership, and prepare and present a proposed Annual Budget and Membership Assessment two months prior to the Annual Meeting for final consideration at the Annual Meeting.

Section 3. An Audit Team

shall be composed of a former Treasurer, a former Director, and a current Director. It shall review or audit, as appropriate, the Treasurer's records at the close of the fiscal year, or any other time deemed appropriate by the Directors, and shall act as a liaison with any independent outside audit firm engaged by the Association.

Section 4. A Development Review Team

shall be composed of an uneven number of three (3) or more representatives appointed by the Membership of the Association. It shall be responsible to review, with the right to approve, approve subject to conditions, or disapprove all plans, designs, and proposed construction and landscaping within the Development.

Section 5. A Member Services Team

shall provide a record of minutes of all meetings, prepare newsletters and mailings, maintain media coordination and public relations, coordinate social programs, recreation and child care, maintain a Community Scrapbook and Library, and provide orientation and training programs for prospective and new members.

Section 6. A Community Facilities Team

shall provide a program for the use, care, maintenance, repair and improvements to the common property of the Association.

Section 7. A Facilitation Team

shall plan meeting agendas, moderate meetings, review and clarify agendas, facilitate discussion of issues and objections, clarify concerns and needs for

information and affirm that resolutions are either approved, referred to Management Team consideration, withdrawn, deferred to a later time, or not approved. The Facilitator may seek volunteers to fill duties as timekeeper and names taker or appoint such from the Members present. The team shall work with the Member Services Team to train members in the role of facilitation.

ARTICLE 5. BOOKS, RECORDS, BUDGET, AND MEMBERSHIP LEDGERS

Section 1. Membership Record:

The Secretary shall maintain the official Membership Directory and Record of Property Owners and provide reports for Owners consistent with requirements of the Maryland Homeowners Association Act (MHAA). The Secretary shall also maintain record copies of all proxy statements submitted.

Section 2. Books and Financial Records:

The Association shall keep correct and complete books and records of accounts and its transactions, its minutes of meetings and decisions made.

Section 3. Budget:

The Treasurer shall retain the official approved copy of the Annual Budget and track expenditures in accordance therewith, reporting variances on a monthly basis. No expenditures shall be made which shall create a line item variance of greater than 10% from budget, unless reviewed at a Meeting and approved by the Membership consistent with an amendment to the budget to avoid any subsequent deficit.

Section 4. Annual Report:

The Directors shall prepare an annual report of the solvency of the Association and the condition of its records and property with recommendations for an appropriate course of action to be followed in future years to correct any evident problems, and present the report at the Annual Meeting.

ARTICLE 6. DISPUTE RESOLUTION

All disputes between Members shall be resolved by mediation unless all parties in dispute agree to otherwise use arbitration or enter into litigation.

ARTICLE 7. AMENDMENT OF BYLAWS

Section 1. Authority.

The Membership shall have the power to make, amend, and repeal any portion of the Bylaws of the Association, by formal consideration of such proposals at a meeting designated for such purpose.

Section 2. Republication.

Any Amendments to the Bylaws shall be published over the signatures of all Directors, distributed to all current members within the following month, and included as an amendment in all copies of Bylaws for further distribution. The Bylaws shall not be recodified unless readopted in their entirety as a new document.

Section 3. Mandatory Reconsideration.

At the time when the total authorized and outstanding votes of the Class "A" members equals or exceeds the total authorized and outstanding votes of the Class "B" Members, these bylaws shall be reconsidered in full at the next Annual Meeting of the Association. Any proposals for change shall be submitted to the Member Services Team for distribution at least two months prior to that Annual Meeting.

Bylaws, Liberty Village Community Association, 8/20/98