



STATE OF MARYLAND
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION
301 WEST PRESTON STREET
BALTIMORE 21201

THIS IS TO CERTIFY THAT the within instrument is a true copy of the
ARTICLES OF INCORPORATION
OF
KENT ISLAND ESTATES RECREATION ASSOCIATION, INC.

as approved and received for record by the State Department of Assessments
and Taxation of Maryland. May 9, 1975,
at 8:30 o'clock a.m.

AS WITNESS my hand and official Seal of the said Department at
Baltimore this 12th day of May, 1975.

William J. Simons
WILLIAM J. SIMONS
ASSISTANT SUPERVISOR-CHARTER DIVISION

vacancy in the membership may be filled by a majority of the
remaining members. The members have all of the powers and
duties conferred by law upon "stockholders" or "holders of
shares", except that no member has any pecuniary or other
interest in the Corporation; and membership may not be
assigned, devised or otherwise transferred.

FOURTH. The post office address of the principal
office of the Corporation in this State is Route 1, Box 494,

BY LAWS
KENT ISLAND ESTATES RECREATION ASSOCIATION, INC.

Article I. Membership

Section 1. Number.

The Corporation shall consist of not more than seven (7) nor less than three members.

Section 2. Term.

A person shall be a member of the Corporation from the time that he indicates acceptance of his election until he dies, resigns or is removed as herein provided.

Section 3. Vacancy.

Any vacancy in the membership of the Corporation shall be filled by majority vote of the remaining members.

Section 4. Removal.

A majority of the total number of members may remove any person as a member of the Corporation with or without cause.

Section 5. Meetings.

Meetings of the membership shall be held at any time upon call of the President or a majority of the members. Unless the call for the meeting specifies that it shall be a general meeting, the call shall state the purpose of the meeting and no other business shall be transacted at the meeting except that so stated. An annual meeting of the members for the election of directors and the transaction of any business within the powers of the Corporation shall be held in March of each year.

Section 6. Voting.

At any meeting of the membership, (i) the presence of a majority of the members shall constitute a quorum for the transaction of any business and (ii) each member shall have one (1) vote on each matter submitted to a vote. No member may vote by proxy. The action of a majority of the members present at a meeting at which a quorum is present shall be the action of the membership, unless these By Laws require the concurrence of a greater number for such action.

Section 7. Notice.

Written notice of any meeting referred to in this Article shall be mailed by the Secretary to each member not less than ten (10) and not more than thirty (30) days prior to the date thereof. This notice shall state the time, place and hour of such meeting. In the case of meetings other than annual meetings, the notice shall (i) designate it as a general meeting as provided in Section 5 or (ii) state the business proposed to be transacted at such meeting. The notice shall be mailed to each member at his residence or usual place of business as known to the Secretary at the time notice is given. Any member who is present at a meeting of the membership or who files written waiver of notice of the meeting, whether before or after the holding thereof, shall for all purposes be deemed to have waived any notice required by this Section.

Section 8. Informal action.

Any action required or permitted to be taken by the members may be taken without a meeting, if a consent in writing setting forth such action is signed by all of the members and filed with the records of the Corporation.

Article II. Board of Directors

Section 1. Powers.

The business and affairs of the Corporation shall be conducted and managed by a Board of Directors which shall consist of not less than three (3) persons. The Board may exercise all powers of the Corporation except such as are by law, the Articles of Incorporation or these By Laws reserved to the members.

Section 2. Election and tenure.

Directors shall be elected by the members at the annual meeting. A Director need not be a member of the Corporation. A Director shall hold office until the next annual meeting and until his successor is elected and qualified or until he shall die or resign, or shall be removed. A majority of the members may at any membership meeting remove any Director(s) from office with or without cause and may elect a successor or successors to fill any vacancies on the Board.

Section 3. Meetings.

Meetings of the Board of Directors shall be held at any time upon call of the President or a majority of the Directors.

Article III. Officers

Section 1. Enumeration.

Officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also elect assistant officers.

Section 2. Election and Term.

Officers shall be elected by the Board of Directors at the first meeting of the Board after the annual meeting. Officers so elected shall hold office until their successors are elected and qualify.

Section 3. Vacancy.

A vacancy in any office shall be filled by the Board of Directors.

Section 4. Removal.

Any officer may be removed by a majority of the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. Such action may be taken with or without cause and shall in all respects be subject to the absolute discretion of the Board of Directors.

Section 5. General Powers.

The officers shall have the authority conferred upon them by these By Laws and such additional authority as may be conferred by specific resolution of the Board of Directors. The Board may, with respect to any specific subject or transaction, authorize one or more officers and/or Directors, to exercise any power conferred upon another officer by this Article. Such specific authorization shall supersede any authority other wise conferred by this Article.

Section 6. Compensation and Indemnification.

The Board of Directors shall have power to fix the compensation of all officers of the Corporation. Except in the case of assistant officers, it shall be presumed that any officer elected has been elected to serve without compensation of any kind. Officers shall be indemnified in the manner and to the extent provided in Article II, Section 7 of these By Laws.

Section 4. Voting.

At any meeting of the Board of Directors, (i) the presence of a majority of the Directors shall constitute a quorum for the transaction of any business and (ii) each Director shall have one (1) vote on each matter submitted to a vote. No Director may vote by proxy. The action of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless these By Laws require the concurrence of a greater number for such action.

Section 5. Notice.

Written notice of any meeting shall be mailed by the Secretary to each Director not less than five (5) and not more than twenty (20) days prior to the date thereof. This notice shall state the time, place and hour of such meeting. The notice shall be mailed to each Director at his residence or usual place of business as known to the Secretary at the time notice is given. Any Director who is present at a meeting of the Board of Directors or who files written waiver of notice of the meeting, whether before or after the holding thereof, shall for all purposes be deemed to have waived any notice required by this Section.

Section 6. Informal action.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if a written consent to such action is signed by all Directors and filed with the minutes of the Board of Directors.

Section 7. Compensation and Indemnification.

Directors, as such, shall not receive any compensation for their services. However, the Board may indemnify any Director for expenses actually and reasonably incurred by him, including expenses incurred in connection with the defense of any action, suit or proceeding (civil, criminal or administrative) in which he is made a party by reason of being or having been a Director; but this indemnification shall not apply to matters as to which a Director is adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Corporation. By resolution, the Board may grant further indemnification to any Director, as authorized by Article 23, §64 of the Annotated Code of Maryland.

Section 7. President.

The President is the chief executive officer of the Corporation. He shall, when present, preside at all meetings of the Board of Directors. He shall have (a) general management and direction of the business of the Corporation; (b) all powers ordinarily exercised by the President of a corporation; and (c) unless otherwise directed by the Board of Directors, authority to sign and execute in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments.

Section 8. Vice President.

In the absence of the President from Queen Anne's County or from any meeting of the Board of Directors, or in the event of his disability, the Vice President shall perform all of the duties of the President and, when so acting, shall have the powers of the President.

Section 9. Secretary.

The Secretary shall keep the minutes of the Board of Directors, give all notices of meetings as required by these By Laws, and perform all duties ordinarily incident to the office of a Secretary of a corporation. At any meeting of the Board of Directors at which the Secretary is absent, the President with the approval of the Directors present may designate another person to record the minutes of such meeting.

Section 10. Treasurer.

The Treasurer shall (a) have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation; (b) deposit, or cause to be deposited in the name of the Corporation, all moneys or other valuable effects in such banks or other depositories as shall from time to time be designated by the Board of Directors; (c) render to the Board of Directors at each regular meeting, or whenever else required, an account of the financial condition of the Corporation; (d) prepare or cause to be prepared annually for submission to the annual meeting of members, a full and correct statement of the affairs of the Corporation, including a balance sheet and a financial statement of operations for the preceding fiscal year; and (e) perform all of the duties ordinarily incident to the office of a Treasurer of a corporation.

Section 11. Assistant Officers.

The Board of Directors may elect an Assistant Secretary or an Assistant Treasurer. Assistant officers shall have such authority as may be prescribed by the Board of Trustees or as delegated by the officers whom they are elected to assist.

Article IV. Committees

Section 1. Generally.

Committees of the Corporation shall be appointed in accordance with this Article. One member of each committee must be a Director. No action of any committee shall be binding upon the Corporation unless such action has been specifically authorized by the Board of Directors. Meetings of any committee may be called by its chairman, by the President or by any three (3) members of the committee. In the absence of the chairman, the members of the committee may designate one of their members to preside at any meeting. The President is ex officio a member of all committees.

Article V. Recreational Facilities

Section 1. Scope of Article.

This Article applies only to the lots acquired by the Corporation from Kent Island Estates Corporation, Inc., in May 1975 and to facilities and activities related to such lots. Any action of the Board of Directors authorized by this Article may be taken only by the concurring vote of at least a majority of the entire number of Directors.

Section 2. Rules.

The Board of Directors may exercise the powers of the Corporation to establish reasonable rules for the use of recreational premises and facilities owned by the Corporation. Such rules shall be designed to promote maximum enjoyment of such premises and facilities by subscribing lot owners and to provide proper protection for the recreational premises and facilities.

Section 3. Restriction of uses of recreational property.

The Board of Directors may suspend the privileges of a subscribing lotowner or may permanently prohibit a person from becoming a subscribing lotowner. Such action shall be taken only after a serious breach of the rules adopted under the authority of Section 1, notice to the person or persons affected that such action is contemplated and an opportunity by such person or persons to appear

and be heard by the Board of Directors.

Section 4. Annual fees.

The Board of Directors may from time to time establish the annual fee to be paid by subscribing lotowners for use of the recreational premises and facilities. Any increase in the annual fee beyond the regular rate of \$2.00 for each lot and part of a lot owned by a subscribing lotowner remains in effect only until March 1 of the following year unless continued or changed by the Board of Directors.

Article VI. Miscellaneous Provisions

Section 1. Fiscal Year.

The Fiscal year of the Corporation shall begin on the first day of April and end on the last day of March.

Section 2. Negotiable Instruments.

All checks, drafts, or orders for the payment of money, notes, and other evidences of indebtedness, issued in the name of the Corporation shall be signed by such officer, officers and/or assistant officers as may be designated from time to time by resolution of the Board of Directors.

Section 3. Seal.

By authority of the laws of Maryland relating to corporations, the Corporation has no seal. Whenever a corporate seal is required, it is sufficient to instead place the word "seal" adjacent to the signature of the authorized officer of the Corporation.

Section 4. Amendments.

These By Laws may be amended, repealed, or supplemented at any meeting of the members (a) by majority vote of the members present, if specific notice has been given of such action in the notice of the meeting; or (b) by vote of three-fourths (3/4) of the entire number of members, if such notice has not been given.