

**HORSESHOE BEND HOMES ASSOCIATION. INC.  
BY-LAWS**

**ARTICLE I - DEFINITIONS**

Section 1. "Association" shall mean and refer to the HORSESHOE BEND HOMES ASSOCIATION, INC., a nonprofit corporation organized and existing under the laws of the State of Maryland.

Section 2. "The Properties" shall mean and refer to "The Properties" set forth in the recorded Declaration of Covenants and Restrictions applicable to The Horseshoe Bend subdivision near Sharpsburg, Washington County, Maryland and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in the Articles of Incorporation of the Association.

Section 3. "Common Properties" shall mean and refer to recreation parks and areas, campgrounds, playgrounds, swimming pools, golf courses, commons, streets, roadways, footways, including buildings, utilities, structures, and personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within The Properties.

**ARTICLE II - LOCATION**

Section 1. The office address of the Association to which proxies, ballots and correspondence may be sent is: Horseshoe Bend Homes Association, 18619 Horseshoe Bend Road Sharpsburg, MD 21782

Section 2. Meeting Place. Any meeting of the Board of Directors of the Association or the membership of the Association shall be held on, or in the vicinity of, The Properties.

**ARTICLE III - MEMBERSHIP**

Section 1. The membership of the Association shall be as set forth in Article III, recorded Declaration of Covenants and Restrictions applicable to The Properties.

Section 2. The rights of membership are with certain exceptions subject to the payment of annual assessments levied by the Association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon, the property against which such assessments are made as provided by the recorded Declaration of Covenants and Restrictions to which The Properties are subject.

Section 3. The membership rights of any person whose interest in The Properties is subject to assessments under the recorded Declaration of Covenants and Restrictions, whether or not they are personally obligated to pay such assessments, are suspended during the period when the assessments remain unpaid; but, upon payment of such assessments, their rights and privileges shall be automatically restored. Membership rights are suspended when assessments are unpaid more than ninety (90) days past the invoice date. Those whose membership rights have been suspended are considered to "not be in good standing" and therefore shall not have voting privileges at any Annual or Special Meeting.

If the Directors have adopted and published rules and regulations governing conduct on The Properties, and the personal conduct of any person thereon shall be in violation of such rules and regulations, the Directors may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days for each such violation.

**ARTICLE IV - VOTING RIGHTS**

Section 1. Voting rights shall be as set forth in the recorded Declaration of Covenants and Restrictions.

**ARTICLE V - PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY**

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by deed of dedication and the Declaration of Covenants and Restrictions applicable to The Properties.

Section 2. Any member may delegate their rights of enjoyment in the Common Properties and Facilities to the members of their family who ordinarily reside with them at their principal residence or to any of their tenants (and members of such tenant's family who ordinarily reside with tenant at their principal residence). The rights and privileges of such person are subject to suspension under Article III, Section 3 herein to the same extent as those of the member.

**ARTICLE VI - ASSOCIATION PURPOSES AND POWERS**

Section 1. The purposes and powers of the Association shall be as set forth in its Articles of Incorporation.

**ARTICLE VII - BOARD OF DIRECTORS**

Section 1. The affairs of the Association shall be managed by a Board of Directors, whose selection and terms of office shall be as set forth in the Articles of Incorporation of the Association. The Board shall have a minimum of three (3) members and may have a maximum of seven (7) members.

Section 2. Vacancies in the Board of Directors as a result of resignation, illness, death or an Article IX Section 1(f) vote shall be filled by the remaining Directors. Any such appointed Director to hold office until a successor is elected by the members, who may make such election at the next Annual Meeting of the members or at any Special Meeting duly called for that purpose.

**ARTICLE VIII - ELECTION OF DIRECTORS: NOMINATING COMMITTEE: ELECTION COMMITTEE**

Section 1. Election to the Board of Directors shall be by written ballot or by others means as approved and adopted by the Membership as hereinafter provided. At such election, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provision of the recorded Covenants and Restrictions applicable to The Properties. The persons receiving the highest number of votes for the number of vacancies to be filled shall be elected. Should more than seven (7) members receive votes at the Annual Meeting and a tie results for the last open position, a runoff election shall be held at that time by the members present and the proxies filed with the Election Committee.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association. Only members in good standing with the Association may be nominated for election. Write-in votes for members not in good standing with the Association shall be dismissed.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more other persons. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Membership Meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall determine in its discretion. Nominations shall be placed on a ballot as provided in Section 5 herein and shall be made in advance of the time fixed in such Section 5 for the mailing of such ballots to members.

Section 5. All elections to the Board of Directors shall be made on a ballot which shall:

- (a) Describe the vacancies to be filled;
- (b) Set forth the names of those nominated by the Nominating Committee for such vacancies;
- (c) Contain spaces for write-in votes by the members.

Ballots and proxies shall accompany the Annual Meeting notice and be mailed no later than fourteen (14) days in advance of the date set for the Annual Meeting. Members may return their ballots and / or proxies by mail to the Association mailing address. Ballots and / or proxies returned by mail must be received by the Friday before the Annual Meeting. The membership may approve and adopt alternate voting procedures, including electronic voting,

Section 6. Each member shall receive as many ballots as they have votes. Notwithstanding that a member may be entitled to several votes, they shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots may be signed and returned to the Secretary at the following address: Horseshoe Bend Homes Association, 18619 Horseshoe Bend Road, Sharpsburg, Maryland, 21782.

Section 7. Upon receipt of each return, it shall be placed in a safe place until the day set for the Annual or Special Meeting at which the elections are to be held. On that day, the envelopes containing the ballots shall be turned over, unopened, to an Election Committee at the start of the meeting. The Election Committee shall consist of three (3) persons appointed by the Board of Directors. Members shall submit their ballots to the Election Committee prior to the final vote count.

The Election Committee shall adopt a procedure which shall:

- (a) Establish that the number of ballots cast corresponds to the number of votes allowed to the member or their proxy.
- (b) That the signature of the member on the ballot and /or proxy is genuine.
- (c) If the vote is by proxy, that a proxy has been filed with the Secretary as provided in Article XIV, Section 2 and Section 3 herein, and that such proxy is valid.

The Election Committee shall thereupon proceed to the counting of the votes. Announcement of the results hereof shall be made at the meeting at which the elections are to be held.

## **ARTICLE IX - POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. The Board of Directors shall have power:

- (a) To call Special Meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XIII, herein.
- (b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of a member, officer, or director of the Association in any capacity whatsoever
- (c) To establish, levy and assess, and collect the assessments or charges referred to in the recorded Declaration of Covenants and Restrictions.
- (d) To adopt and publish reasonable rules and regulations governing the use of the common properties and facilities (including roadways) and, with regard to the personal conduct of the members and their guests and tenants, governing any activity which may constitute a nuisance or hazard anywhere on The Properties.
- (e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to members in the recorded Covenants and Restrictions.
- (f) In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may take action at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

(g) To establish and maintain a Capital Reserve Fund as mandated by Maryland HB 107 (2022) in the Association budget to fund major long-term investment projects or other anticipated expenses. The Directors may invest Capital Reserve monies but those monies may only be invested in government-backed Investments, such as treasuries and CDs (certificates of deposit), that protect the principal of the investment and allows liquidity should the need to use Capital Reserve Funds arises.

Section 2 It shall be the duties of the Board of Directors:

- (a) To retain possession of a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the Annual Meeting or at any Special Meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XIII, Section 2 herein.
- (b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) As provided in Article V of the recorded Declaration of Covenants and Restrictions
  - (1) To fix the amount of the assessment against each Lot for each assessment period at least thirty days in advance of such date or period.
  - (2) To prepare a roster of the properties and assessments applicable thereto that shall be kept in the files of the Association and shall be open to for inspection by any member.
  - (3) To send written notice of each assessment to every owner subject thereto.
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

## **ARTICLE X - DIRECTORS' MEETINGS**

Section 1. A regular meeting of the Board of Directors shall be held quarterly. Directors shall be given not less than five (5) days' notice of the date, time and location prior to each regular meeting.

Section 2. Notice of such regular meeting may be posted on the Association website at the discretion of the Directors.

Section 3. Special meetings of the Board of Directors shall be held when called by any Officer of the Association or by any two Directors after not less than five (5) days' notice to each Director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present.

Exceptions:

- (a) The Board of Directors may conduct business by electronic means when the business is of such urgent special nature that advance notice as described in Section 3 would result in an untenable delay. Under this circumstance, only the business of immediate need may be on the agenda. No other business shall be presented.
- (b) If a regular business meeting cannot be conducted in person due to circumstances beyond the control of the Board, the regular business meeting may be held electronically via video conference, email, phone or other means that would be accessible to all Directors.

In both exceptions noted in Section 4, a quorum of the Board of Directors must participate. The Secretary will record all actions and copies of all email votes shall be included in the minutes.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

**ARTICLE XI - OFFICERS**

Section 1. The Officers shall be a President, a Vice-President, a Secretary, and a Treasurer. The President and the Vice-President shall be members of the Board of Directors.

Section 2. The Officers shall be chosen by majority vote of the Directors.

Section 3. All Officers shall hold office at the pleasure of the Board of Directors.

Section 4. The President shall preside at all Association and Board meetings, shall see that orders and resolutions of the Board of Directors are carried out and sign all legal documents, contracts, and leases pertaining to the Association.

Section 5. The Vice-President shall perform all the duties of the President in their absence.

Section 6. The Secretary of the Board of Directors shall be ex officio and shall:

- a) Record the votes and keep the Minutes of all proceedings in a book kept for that purpose.
- b) Sign all certificates of membership.
- c) Keep the records of the Association.
- d) Record the names and addresses of all members of the Association together with their signatures' as registered by such members (see Article XIII, Section 3).

Section 7. The Treasurer of the Association shall, with guidance from the Board of Directors:

- a) Receive and deposit in appropriate bank accounts all monies of the Association
- b) Disburse such funds as directed by resolution of the Board of Directors  
(A resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board).
- c) Sign all checks and notes of the Association
- d) Keep proper books of accounts and cause an annual audit of the Association books to be made at the completion of each fiscal year.
- e) Prepare an Annual Budget and an Annual Balance statement to be presented to the Membership at its Annual Meeting.

**ARTICLE XII - COMMITTEES**

Section 1. The Standing Committees of the Association shall be:

The Nominating Committee      The Architectural Control Committee

Unless otherwise provided herein, each committee shall consist of not less than three (3) nor more than nine (9) persons, and shall include a member of the Board of Directors. The committees shall be appointed by the Board of Directors prior to each Annual Meeting to serve from the close of that Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Board of Directors may appoint such other committees as it deems desirable.

Section 2. The Nominating Committee shall have the duties and functions described in Article VIII.

Section 3. The Architectural Control Committee shall have the duties and functions described in the recorded Declaration or Covenants and Restrictions applicable to The Properties. It shall review any proposals, programs, or activities which may adversely affect the residential value of The Properties and shall advise the Board of Directors regarding Association action on such matters

**ARTICLE XIII - MEETINGS OF MEMBERS**

Section 1. The regular Annual Meeting of the members shall be held on a Saturday during the first quarter of the calendar year.

Section 2. Special Meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two or more members of the Board of Directors, or upon written request by members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of any meetings shall be given to the members by the Association. Notice shall be sent to the membership by mail, to the addresses appearing on the books of the Association. Each member shall register their address with the Association and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed at least fourteen (14) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election governed by Article VIII herein or any action governed by the Articles of Incorporation or by the recorded Covenants and Restrictions applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of membership shall constitute a quorum for any action governed by these By-Laws. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 3 above, and the required quorum at that meeting or any subsequent meeting shall be one-half of the required quorum at the last preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the last preceding meeting. Any action governed by the Articles of Incorporation or by the recorded Covenants and Restrictions applicable to The Properties shall require notice and quorum as therein provided.

**ARTICLE XIV - PROXIES**

Section 1. At all meetings of members, each member may vote in person or by proxy.

Section 2. A member may assign their proxy to another voting member of the Association or to the Board of Directors. The member assigning the proxy must be in good standing and the person voting on their behalf must also be a member in good standing.

Section 3. All proxies must be filed with the Secretary prior to the vote. This notice can be filed at the meeting of the vote but must occur prior to the actual vote. The notice may be in writing or by an electronic procedure as approved by the membership.

No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in The Properties.

**ARTICLE XV - BOOKS AND PAPERS**

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any members.

**ARTICLE XVI - CORPORATE SEAL**

Section 1. The Association shall have a seal in circular form and bearing the words:  
HORSESHOE BEND HOMES ASSOCIATION, INC.

**ARTICLE XVII - 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, by proxy, or by electronic means as approved by the membership provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the recorded Covenants and Restrictions applicable to The Properties may not be amended except as provided in such Covenants and Restrictions.

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 recorded Covenants and Restrictions applicable to The Properties and these By-Laws, the recorded Covenants and Restrictions shall control.

IN WITNESS WHEREOF, we, being all of the Directors of the HORSESHOE BEND HOMES ASSOCIATION, INC., have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2024

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**Change Record**

- Annual Meeting 2007:      Changed Article II, Sections 1 and 2  
                                  Changed Article VIII, Sections 5, 6, and 7  
                                  The changes made are as written herein.
  
- Annual Meeting 2008:      Changed Article XIII, Section 1  
                                  The changes made are as written herein.
  
- Annual Meeting 2024      Changed Article II,      Section 1  
                                  Changed Article III,    Section 3  
                                  Changed Article VII,    Sections 1 and 2  
                                  Changed Article VIII,   Sections 1, 2, 3, 4, and 7  
                                  Changed Article IX,    Section 1  
                                  Changed Article X,     Sections 1, 2, 3, and 4  
                                  Changed Article XI,    Sections 6 and 7  
                                  Changed Article XIII,   Sections 1, 2, 3, and 4  
                                  Changed Article XIV,   Sections 1, 2, and 3  
                                  Changed Article XVII,   Section 1  
                                  The changes made are as written herein.