

ARTICLE I: PREAMBLE

Section 1. Name

The name of the Corporation is "Hillsmere Shores Improvement Association, Incorporated," also known as "HSIA" or "HSIA, Inc."

Section 2. Authority

The Board of Directors of HSIA shall be the governing authority of the Corporation. Subject to the laws of the State of Maryland and the ordinances of Anne Arundel County, Maryland, a decision of the Board of Directors in conformity with these Bylaws shall be controlling on the Corporation and its Members.

Section 3. History

1. HSIA was incorporated in August 1956 as a private, 501(c)4 non-profit, non-stock civic corporation for the benefit of the community known as Hillsmere Shores, previously known as Hillsmere Estates in Anne Arundel County, Maryland ("Hillsmere").
2. In June 1965, Anne Arundel County, Maryland, established the Hillsmere Estates Special Community Benefits District ("Hillsmere SCBD") to provide a funding source for the maintenance and certain operations of HSIA-owned community areas, including the acquisition, development, improvement and maintenance of community real and personal property, and designated HSIA as the administrator of the Hillsmere SCBD.
3. In 1983 the US Internal Revenue Service revoked HSIA's 501(c)4 non-profit status, effective January 1, 1979, because HSIA refused to open the Hillsmere Beach for Anne Arundel County public use. HSIA is now a C Corporation filing as a Taxable Residential Real Estate Association.

Section 4. Purpose

1. The Corporation continues to be a civic corporation, whose members own property in or reside in Hillsmere.
2. These Bylaws shall facilitate the following objectives:
 - a. To represent the residents of Hillsmere in all matters of mutual interest which affect the Hillsmere community collectively.
 - b. To stimulate an active interest in civic affairs on the part of all Hillsmere residents.
 - c. To encourage such other civic activity to promote the welfare and safety of the Hillsmere community.
 - d. To promote inter-community activities and good community relations.
 - e. To secure compliance with and to prevent violations of any of the covenants and deed restrictions applicable to Hillsmere properties.
 - f. To ensure maintenance of community areas including the beach, pool, marina, ramps and open areas.
 - g. To administer the Hillsmere SCBD, including recommending annual assessments, and the budgeting, approval and supervision of Hillsmere SCBD expenditures in accordance with Anne Arundel County requirements and these Bylaws.

ARTICLE II: MEMBERSHIP

Section 1: Definitions

1. HSIA Community Property and Facilities – Includes all personal property, real property, and improvements on real property owned by HSIA.
2. Owner(s) of Record – The individual(s) or entity(s) whose name(s) appears as the legal owner on the official title or deed to a property located in Hillsmere as recorded in Anne Arundel County, Maryland land records.
3. Resident(s) – A person(s) over 18 years of age whose permanent home is in Hillsmere, as evidenced by property ownership, or leasehold or rental agreement in Hillsmere property of no less than six (6) month duration. "Resident" does not include short-term tenants, lodgers, boarders, or temporary renters of a

Hillsmere property of less than 6 months duration.

Section 2: Corporate Membership

1. Owners of Record may become Corporate Members of HSIA for each Hillsmere property owned upon filing an HSIA Corporate Membership Application and payment of an annual administrative fee.
2. Corporate Members are eligible to use all HSIA Community Properties and Facilities, including those that require payment of use fees, upon payment of such fees.
3. Corporate Members are entitled to participate in HSIA general, annual and special meetings and be members of any HSIA committee.
4. Only Corporate Members are eligible to be elected to the Board of Directors as Officers or as At Large Directors.
5. Only as provided in Section 4 of this Article, Corporate Members are entitled to vote on matters properly coming before the Corporation at any HSIA general, annual, or special meeting.

Section 3: Associate Membership

1. Residents who are not Owners of Record may become Associate Members of HSIA upon filing an HSIA Associate Membership Application and payment of an annual administrative fee.
2. Associate Members are eligible to use all HSIA Community Properties and Facilities, including those that require payment of use fees, upon payment of such fees.
3. Associate Members are entitled to participate in HSIA general, annual and special meetings and be members of any HSIA committee.
4. Associate Members may not vote on any matters coming before the Corporation at any HSIA general, annual, or special meeting.

Section 4: Voting by Corporate Members

1. These Bylaws provide for Corporate Member votes on the following:
 - a. Election of Board members (Article VII);
 - b. Removal of Board members (Article III);
 - c. Ratification of real property transactions (Article III); and
 - d. Amendment of these Bylaws (Article IX).
2. In the interests of equity and fairness with respect to the management of HSIA assets and the administration of Hillsmere SCBD funds, each property in Hillsmere, regardless of the numbers of co-owners, shall be entitled to only one (1) vote by a Corporate Member on any matters properly coming before the Corporation at any general, annual or special meeting.
3. Except for elections of Officers or At Large Directors of the Board (see Article VII), Corporate Members may vote by signed, written proxy given to another Corporate Member on issues properly coming before the Corporation at any HSIA general, annual, or special meeting. The written proxy must designate a particular subject and the date of the meeting for which the proxy will be effective and be delivered to the HSIA Secretary or their designee before the start of the meeting. A Corporate Member may cast proxy votes on behalf of not more than two (2) other Corporate Members.

Section 5: Fees

1. Administrative fees for Corporate and Associate Membership shall be determined annually by the Board of Directors.
2. All Corporate Members and Associate Members must pay the annual administrative fee to remain members in good standing. All Corporate and Associate Members in good standing from an immediately preceding year shall have ninety (90) days from the commencement of the calendar year in which to pay the next year's annual administrative fee.
3. The Board of Directors shall annually determine use fees, if any, for all HSIA Community Properties and Facilities.