

Atlantis Community Association, Inc.

The Atlantis Community Association, Inc. is a non-profit Community Association which was formed to provide for maintenance and preservation of the residence Lots and Common Areas in the Subdivision known as Atlantis and further to promote the Health Safety and Welfare of the residents within Atlantis.

1. The Association consists of two classes of voting membership, Class A and Class B. The Class A members consist of all Lot Owners with the exception of the Developer, and the Lot Owners shall have one vote each. The Class B member is Dick Rice, Inc. who shall have three votes for each lot owned by the Corporation. The Developer's Class B membership shall cease and be converted to Class A membership when either of the following events occurs:

(a) When the total votes of the Class A membership equal the total votes of Class B membership or

(b) on January 1st, 1988.

2. The Association shall be initially managed by a Board of three directors until the first annual meeting at which time the members shall elect a total of nine directors to run the affairs of the Association. The officers of the Association shall consist of a President, Vice President, Secretary and Treasurer who are responsible to the Board of Directors.

3. The Developer (Dick Rice, Inc.) may annex additional land to the Atlantis Subdivision without the consent of the Community Association members until October 4th 1985, but cannot do so thereafter without the consent of two thirds of the members of the Association. The total membership of the Community Association may be increased in the event additional property is annexed. There are no provisions for a merger of the Association and the dissolution of the Association shall require a vote of two thirds of the members entitled to vote.

4. The initial assessment, per lot, until January 1st, 1980, shall be \$50.00. From and after January 1st, 1980 the maximum annual assessment that may be charged may be increased each year not more than five (5%) above the maximum assessment for the previous year without a two thirds approval of each Class of voting members. The Association may also levy, in any assessment year, a special assessment for that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, but such assessment shall have the approval of two thirds of the voting members. The assessment provided for shall begin as to all Lots on the 1st day of January of the year following the conveyance of the Common Area and Community Association has the right to bring an action at law against the Owner of the lots or to foreclose against the Lot in

the event the Owner does not pay the Assessment.

5. There are no user fees nor exterior maintenance of dwellings.

6. Architectural controls have been established in the Subdivision in that no fence or wall shall be erected which is larger than forty-two inches high, and such fence or wall must be made of wood only and may only extend from the rear corner of each house to the rear lot line. There are also prohibitions in the Subdivision against signs, storage of building materials, certain types of T.V. antennas, keeping of farm animals on the properties, as well as prohibitions against hunting or trapping, temporary structures and fuel tanks and storage receptacles are not permitted in open areas. (See Article VII of the Community Association Declaration of Restrictions).

7. The common elements of the Subdivision consist of 4.71 acres located in Section 1 of the development which will be under the care and control of the Community Association.

More definitive information can be obtained from the Declaration of Covenants, Restrictions and Affirmative Obligations of the Atlantis Community Association and the Amendment thereto which are recorded among the Land Records of Anne Arundel County in Libers W.G.L. 3131, folio 91 and W.G.L. 3241, folio 231.

For further information concerning the Recreation Areas see Plat Book 67, page 48 among the Plat Records of Anne Arundel County, Maryland.

Articles of Incorporation
of
Atlantis Community Association, Inc.

In compliance with the requirements of The Annotated Code of Maryland, the undersigned, all of whom are residents of the State of Maryland and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

That the name of the corporation is ATLANTIS COMMUNITY ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

The principal office of the Association is located at 650 Ritchie Highway, Severna Park, Maryland 21146.

ARTICLE IV

Richard B. Rice, whose address is Rt. 2, Box 304, Old Mill Bottom Road, Annapolis, Maryland 21401, is hereby appointed the initial registered agent of this Association.

ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide maintenance and preservation of the residence lots and Common Area within that certain tract of property described as Lots 1 through 258, inclusive, all as shown on the Plats entitled "Atlantis-" Plats One through Three, inclusive, which Plats are recorded among the Plat Records of Anne Arundel County in Plat Book 67, folios 48 through 50, and to promote the health, safety and welfare of the residents within the above-described property and additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restriction, hereinafter called the "Declaration", applicable to the property and recorded in the Office of Clerk of Anne Arundel County at Liber 3131, folio 91, and as the same may be amended from time as therein provided, said Declaration being incorporated herein as if set forth at length;

Article VI

Voting Rights

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on January 1, 1988.

ARTICLE VII

Board of Directors

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The Names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Richard B. Rice

Leon E. Rice

Nicholas Goldsborough

Annapolis, Maryland 21401

650 Ritchie Highway

Severna Park, Maryland 21146

150 South Street

Annapolis, Maryland 21401

At the first annual meeting the members shall elect three directors for a term of one year; three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

ARTICLE VIII

Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

Duration

The corporation shall exist perpetually.

ARTICLE X

Amendments

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership.

ARTICLE XI

FHA/VA Approval

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

BY-LAWS
OF
ATLANTIS COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is Atlantis Community Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 650 Ritchie Highway, Severna Park, Maryland, but the meetings of members and directors may be held at such places within the State of Maryland, County of Anne Arundel, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to Atlantis Community Association, Inc., its successors or assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association including the recreation area and open space areas as shown on the plats of Atlantis for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract setter, but excluding those having such interest merely as security for the performance of any obligation.

Section 6. "Declarant" shall mean and refer to Dick Rice, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Clerk of Anne Arundel County.

Section 8. "Member" shall mean and refer only to those persons who are owners of single family, townhouse, semi-detached housing or owners of condominium units of the Subdivision of Atlantis. Associate members shall mean those persons who are occupants of either townhouses or apartments and said Associate members' dues shall be one-half (1/2) of the dues or annual charges applicable to full membership.

ARTICLE III

Meeting of Members

Section 1. Annual Meetings . The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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 all of the Class A membership.

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 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association or 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.

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 of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, 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 from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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 managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

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 successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his 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.

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 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 to the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meeting of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should such 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 directors, after not less than 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.

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, as long as the uses are not inconsistent with the open space uses set forth in Article V of the covenants, and the personal conduct of members and their guests thereon, and to establish penalties for the infractions thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member 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 60 days for the infraction of published rule 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 Declaration;

(d) declare the office of a member of the Board of Directors vacant in the event that such member shall be absent from three (3) consecutive regular meetings of the board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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 of the Class A members

who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as note fully provided in this Declaration, 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; and

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

(d) issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether the 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 be deemed appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices . The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such 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 first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for three years, subject to the provisions of the Articles of Incorporation, unless he 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, having 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 giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in an 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 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 of any of the other offices except in the case of special offices pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

President

(a) The president shall preside at all meeting 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.

Vice-President

(b) 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 by him or by the Board.

Secretary

(c) 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 meetings 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.

Treasurer

(d) 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 a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

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 Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

AS more fully provided in the Declaration, 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 within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate of eight percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's 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 herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circulate form having within its circumference the words: Atlantis Community Association, Inc.

ARTICLE XIII

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 or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

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 Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except the first fiscal year shall begin on the date of incorporation.