

LITTLE MAGOTHY RIVER ASSOCIATION

BY-LAWS

Article I Name

The name of the association shall be:

“Little Magothy River Association”

Hereinafter referred to as the “LMRA.” The LMRA is a Non-stock Maryland Corporation and is a non-profit corporation under IRC 501(c). The District consists of the lots as listed in Schedule “A” and attached hereto as recorded in the land records of Anne Arundel County and any lots that are Subdivided or Merged from the lots listed in Schedule “A”

Article II Objectives

To administer the LMRA Special Community Benefit District, hereinafter referred to as the “District” of Anne Arundel County, Maryland.

Section 1. To collect, manage and oversee funds for future maintenance dredging and bulkhead maintenance of the Little Magothy River inlet together with the administrative expenses incidental to carrying out these activities, including postage and mailing, auditing, insurance, and legal costs.

Article III Membership

Section 1. Any property owner(s) in the District, whose taxes are current, shall be deemed to be a member of the Association and shall have voting privileges in matters of the Association.

Section 2. Any person(s) who resides in the District and is either renter or lessee of a property in the District shall be eligible to join the Association and be known as an associate member(s). Associate members shall have no voting privileges and are ineligible to hold office in the Association, but may serve on appointed committees.

Article IV Definitions

Section 1. "Proxy" shall mean a dated and signed designation authorizing a representative to cast votes representing a tax account. Proxies shall be valid for 3 months from date of issuance unless sooner revoked in writing to the Board.

Section 2. "Tax Account" shall mean any plot(s) of ground as recorded in the land records of Anne Arundel County for taxation purposes in the District.

Section 3. "Voter" shall mean any member who is an Owner or Co-Owner and represents a Tax Account collectively, or any other representative designated by such Owner or Co-Owner in a signed proxy. The vote for any Tax Account, which is owned by more than one person, may be exercised by any one of them present at any meeting. That representative may, by virtue of ownership or proxy designation by Owner or Co-Owner be counted as more than one Voter but shall always have only one vote per Tax Account thus represented.

Section 4. Other terms used in these By-Laws shall have the same meaning as set forth in the Articles of Incorporation except where said meaning is clearly inappropriate.

Article V Meeting of the Membership

Section 1. Place of Meetings. Meetings of the membership shall be held at any suitable location convenient to the membership as may be designated by the Board of Directors within ten miles of the Little Magothy River.

Section 2. Regular Meetings/Annual Meeting. Regular meetings shall be held the second Tuesday of each month in October and March. The Board of Directors shall have the authority to cancel regular meetings and reschedule them within ten (10) days of the regular scheduled date. The meeting on the second Tuesday in October shall be designated an Annual Meeting and election of Officers shall take place at the March meeting. Other items of special nature may be placed on the agenda of the Annual Meeting providing twenty (20) days notice is given to the membership.

Section 3. Special Meetings. It shall be the duty of the President to call a Special Meeting of the Members as directed by resolution of the Board of Directors or upon a petition citing time, place and purpose of such a meeting, signed by Voters representing at least ten (10) Tax Accounts and having been presented to the Secretary. The notice of any Special Meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at this Special Meeting except as stated in the notice.

Section 4. Notice of Meeting. It shall be the duty of the Secretary to properly notify Members of any Special Meeting at least ten (10) days prior to such a meeting. Attendance by a Member at any meeting of Members shall be a waiver of notice by him of the time, place and purpose thereof. Notice shall be by first class mail to the owners lot mailing address in the District.

Section 5. Quorum. The presence, either in person or by proxy of eight (8) Voters representing eight (8) different Tax Accounts shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members.

Section 6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended within thirty (30) minutes of the scheduled start time, a majority of the Voters who are present either in person or by proxy must, except as otherwise provided by law, adjourn the meeting to a time not less than ten (10) days or more than twenty days from the time the original meeting was scheduled to occur. No notice, other than an announcement at the adjourned meeting, is required.

Section 7. Voting. At every meeting of the Members, each Tax Account shall be represented by one Voter if present in person or by proxy.

Section 8. Rules Governing Membership Meetings. Robert's Rules of Order (Latest revised edition) shall govern membership meetings.

Section 9. Presiding Over Meetings. Meetings of Members shall be presided over by the President of the Association. The Secretary of the Association shall act as Secretary of such meetings; in the Secretary's absence, the presiding officer may appoint a person to act as Secretary of the meeting.

Section 10. Order of Business. The order of business of all Annual Meetings shall be as follows:

- a. Roll call and certification of proxies. The Secretary shall total the number of votes present and eligible to be cast.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers, if any.
- e. Unfinished business.
- f. New business.
- g. Election of Officers and Directors.

Article VI Board of Directors

Section 1. The Association shall have a Board of Directors (hereinafter after referred to as the "Board") consisting of five (5) directors, who shall be Voters of the Association, all of whom shall be officers of the Association, to wit, a President, a Vice President, a Secretary, a Corresponding Secretary, and a Treasurer. The President shall serve as the Chairman of the Board of Directors.

Section 2. The powers and duties of said Officers and Directors shall be consistent with those generally conferred on officers and directors of corporations subject to the laws, rules and regulations applicable to Special Community Benefit Districts authorized to act on behalf of the Association and its members and to exercise all of the powers, rights and authority conferred upon the Association by law, including the expenditures of such sums as may be approved in the annual budget of the Association.

Section 3. The President shall be the chief executive officer of the Association. He/she shall preside at the meetings of the Members and of the Board of Directors. He/she shall have all of the general powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association. He/she shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Directors to delegate any specific item, except such as may be by statute, the Articles of Incorporation, or the By-Laws exclusively conferred on the President, to any other officer or officers of the Association.

He/she shall execute any contracts or other legal transaction, which may be required. He/she shall be an ex-officio, member of all committees, with vote, and shall have the general powers and duties of supervision, and management usually vested in the office of President of a non-profit incorporated entity.

Section 4. The Vice President shall take the place of the President and perform his duties whenever the President is unable to act. The Vice-President shall also perform such other duties as shall from time to time be delegated by the President and/or the Board of Directors.

Section 5. The Treasurer shall perform his duties consistent with the applicable instructions and procedures established by the Anne Arundel County Budget Office, and such other laws, rules and regulations as may be applicable to Special Community Benefit Districts. He shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books of account belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors. All checks shall require two (2) signatures consisting of the Treasurer and the President or Vice President. All checks must be consistent with the

Association's annual budget. All banking instruments, including but not limited to checks or demands for money and notes for the Association shall be signed by the Treasurer and President and be in accordance with the Association's annual budget.

Section 6. The Secretary shall attend all sessions of the Board and all meetings of the Members and shall keep the minutes of meetings of the members of the Association. He shall perform like duties for standing committees of the Board, when required, have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct, give or cause to be given, notice of all meetings of the members of the Board of Directors, and, in general, perform all the duties incident to the office of Secretary.

Section 7. The Corresponding Secretary shall assist the Secretary.

Section 8. The Officers shall be elected at an Annual Meeting of the Association. They shall take office at the close of the meeting at which they are elected and they shall serve for two (2) years or until their successors take office. A nominating committee appointed by the President of the Association will present a slate of candidates comprised from those who have volunteered for nomination. However, nominations may also be made from the floor after the nominating committee's slate has been placed before the Association membership. The President and Secretary shall be elected in odd numbered calendar years and the Vice President, Treasurer and Corresponding Secretary shall be elected in even numbered calendar years.

Section 9. In the event any officer or Director position becomes vacant, the Board of Directors shall fill the vacancy. Any person so appointed shall serve only for the balance of the term of the Officer or Director he replaces. Any officer or other Director may be removed from office with or without cause by a majority of the members voting at any Special Meeting of the Association, such Special Meeting to be duly called for such purpose, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. Any member of the Board who fails to attend three or more consecutive Board meetings shall be deemed to have resigned, unless the Board determines otherwise.

Section 10. The Board may from time to time establish committees to represent the Association to carry out specific functions for the benefit of the Association as may be appropriate.

Section 11. No compensation shall be paid to Directors for their services as Directors.

Section 12. All Directors, upon vacating office, shall deliver to the Board of Directors all records, books, papers or other property belonging to the Association.

Article VII

Meetings of The Board of Directors

Section 1. Meetings. Meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by two or more of the Directors or by the President. There shall be four open meetings regularly scheduled each year which shall be announced at the October meeting.

Section 2. Notice of meetings of the Board of Directors shall be delivered to each Director at least four (4) days prior to the day of such meeting.

Section 3. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof.

Section 4. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

Section 5. Action Without Meeting. Any action by the Directors required or permitted to be taken at any meeting may be taken without a meeting of all members if the majority in number of the entire Board of Directors, including the President, shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 6. Order of Business. The order of business at any meeting of the Board of Directors shall be:

1. A quorum being present, the President shall call the Board to order.
2. Proof of notice of meeting or waiver of notice.
3. Introduction(s), for the record, of guests or other, including an identification of their affiliations, etc., and reason(s) for attendance.
4. The minutes of the last meeting shall be distributed in advance of the meeting and shall be considered as approved, if there are no amendments offered, following the call for corrections or amendments by the President.
5. Reports of Officers, if any.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 7. Vacancies. If the office of any Director, or of the President, Vice President, Secretary or Treasurer, or other officer or agent, one or more, becomes vacant by reason of

death, resignation, retirement, disqualification (by becoming a non-member), removal from office or otherwise, the office thus vacated shall be filled by a successor at the next meeting of the Board.

Section 8. Binding Acts. No act of the Association shall be valid, nor shall any contract be considered binding, unless and until the President or the Vice President and the Secretary on behalf of the Association shall have signed the same.

Article VIII Indemnification

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every Officer and Director of the Association against any and all expenses including counsel fees, reasonably incurred by or imposed upon any Officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an Officer or Director of the Association whether or not such person is an Officer or Director at the time such expenses are incurred. The Officers and Directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Officers or Directors may also be Owners of Dwelling Units) and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer or Director of the Association, or former Director of the Association, may be entitled.

Article IX Finance

Section 1. Plan of Action and Budget. District Budgets for maintenance or other financial requests of the Association must be presented by the Board to the membership in a timely fashion. The plan and budget must cover all major projects, committees and accounts. Voters may modify, approve, or reject the plan and budget. If the Voters reject it, the Board shall present a new plan and budget at a special meeting of the Voters within thirty (30) days and continue the process until the Voters approve a plan and budget. In the absence of an approved plan and budget, normal Association activities and spending shall continue under the plan and budget for the preceding fiscal year, except that completed projects may be deleted as recommended by the Board.

Section 2. Annual District budgets must be presented at the October meeting.

The annual Benefit District budget shall be adopted at the annual meeting and presented for County approval according to the following procedures and limitations:

- (a) In 2004 the annual assessment shall be Three Hundred Fifty Dollars (\$350.00) per County Tax Account . At the October meeting, the assessment can be increased by 4% per year with a simple majority of attending voters.
- (b) At the October meeting the assessment for the subsequent tax year can only be increased by more than 4% by a $\frac{3}{4}$ majority of all votes submitted in accordance with the by-laws.
- (c) The assessment can be increased by 4% per year with a simple majority of all votes submitted in accordance with the by-laws.

Section 3. Donations. Donations for any specific purpose accepted by the Board on behalf of the District shall be used only for that purpose. Any amount not used for the designated purpose shall be returned to the donor. A donation may be designated as a general donation to be used at the discretion of the Board for the purposes listed in Article II but not included in the annual budget of the Benefit District. The Treasurer shall separately administer such donations.

Article X Committees

Section 1. Establishment and Powers. The Board of Directors may, by resolution, designate one or more committees, each committee to consist of one (1) or more members of the Association. The Board will then designate a chairperson of said committee. Each committee chairperson is responsible for reporting the actions of the committee to the Board of Directors, personally or in writing.

Section 2. Standing committees shall meet at the call of the chairperson or any two members of the committee.

Section 3. Committees shall decide appropriate issues by majority decision.

Article XI General Provisions

Section 1. Notices. Whenever, under the provisions of the statutes or of the Articles of Incorporation or of these By-Laws, notice is required to be given to any Director or Member of the Association, it shall be proper to give personal notice, or in writing, by first-class mail, addressed to such Director or Member, at his address as it appears on the records of the Association, with postage thereon prepaid, and any such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice may also be given in writing by leaving same at residence or personal place of business of the Member. Notice to Directors may also be given by telegram. Whenever any notice is required to be given under the

provisions of the statutes or of the Articles of Incorporation or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated within, shall be deemed equivalent thereto.

Section 2. Amendments. A majority of Voters attending, making up a quorum, at a Special Meeting of Members duly called for such purpose may alter or amend these bylaws, except for article 9 section 2 with requires a $\frac{3}{4}$ majority to amend.

Section 3. Conflict with Articles of Incorporation. These By-Laws are subordinate and subject in all respects to the provisions of the Articles of Incorporation. In the event of any conflict between these By-Laws and the Articles of Incorporation, the provisions of the Articles of Incorporation shall control.

Section 4. Severable. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions thereto which can be given effect.

Section 5. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. Captions. The captions and headings contained in these By-Laws are for convenience only and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 7. Participation by Telephone. Any Member of the Board of Directors or of a Board-designated committee may participate in any duly called meeting by means of a telephone or other electronic means of communication provided that all participants in the meeting can hear and speak with all other participants.

Section 8. Dissolution. The Articles of Incorporation has established an order of priorities in the event of dissolution of the Association.

Section 9. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

WITNESS our hands and seals this _____ day of _____, 2001.

_____(SEAL)
AMY JURAS
1096 MAGOTHY CIRCLE, ANNAPOLIS, MD 21401

_____(SEAL)
HERBERT ELKIN
1276 SWAN DRIVE, ANNAPOLIS, MD 21401

_____(SEAL)
NATHANIEL FICK
1274 SWAN DRIVE, ANNAPOLIS, MD 21401