

DRUM POINT PROPERTY OWNERS ASSOCIATION, INCORPORATED

AMENDED BYLAWS - (approved June 28, 2006)

DEFINITIONS

“**Terms**” which have a specific meaning in these bylaws are shown in quotes and bolded at the point of definition. All other usages of that term are presumed to have that same meaning throughout the document.

ARTICLE I – NAME AND LOCATION

The name of the corporation is Drum Point Property Owners Association, Inc. The corporation is a Maryland non-stock corporation and is a qualified tax exempt civic and social welfare association pursuant to Internal Revenue Code 501 (c) (4). The corporation (hereinafter referred to as “**the Association**”), is a homeowners association pursuant to Maryland Code Annotated, Real Property Article, Title 11 B. The Association’s Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as “**Covenants**”), to which the lots located within the Drum Point subdivision are subject, is on file at the Calvert County Circuit Court Depository, and is recorded among the Land Records of Calvert County, Maryland. The “**principal office**” of the Association is located at 401 Lake Drive, Lusby, Maryland 20657.

ARTICLE II – CHARTERED PURPOSE

The “**purpose(s)**” for which the Drum Point Property Owners Association, Inc. exists and operates are as follows:

- 1) Promote the general welfare of the property owners and protect the environmental conditions within the Drum Point Subdivision.
- 2) Represent the interests of the community to government officials and agencies and solicit contributions and aid from any individuals, businesses, organizations, local, regional, state and national governments.
- 3) Enforce the applicable Covenants recorded in the property deeds. Nothing in these Bylaws shall be construed to nullify or change the existing property Covenants. In the event of a conflict between the Covenants and the Bylaws, the Covenants shall control. In the event of a conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.
- 4) Collect, manage, administer and invest the financial resources acquired from the applicable Covenants as recorded in the property owner’s deeds and from Association dues and all other approved income sources or activities.
- 5) Purchase, lease, receive, take and hold by gift, grant or bequest, both real and personal property in trust or otherwise and sell, lease, convey or otherwise dispose of such property.
- 6) Administer, construct, improve, maintain, repair and protect the roads, lakes, beaches, recreational areas and other common properties.
- 7) Encourage social, cultural, and recreational activities and promote the health and welfare of the property owners, residents and guests.
- 8) Preserve and protect open spaces, wildlife, trees, plants and waterways within the community.
- 9) Provide periodical information through publications, hearings and meetings to inform the property owners of all actions with the above named officials and agencies and the preceding activities and responsibilities as described.
- 10) Provide a mechanism for the acceptance of tax deductible donations to the Association.

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ARTICLE III - MEMBERSHIP - PROPERTY OWNER

- 1) All person(s) or entities who are the recorded owners or joint owners of a deeded property in the Drum Point subdivision are members of DPPOA and are individually subject to the Covenants, Bylaws and association rules which may be promulgated thereunder. All owners and joint owners and their immediate families are invited to attend all DPPOA events and activities.
- 2) For the purposes of membership and voting in this Association, only one (1) such recorded joint owner or entity, acting as the collective of all the joint recorded owners, shall represent such property(s) as the "**Property Owner**". To clarify, no matter how many properties are so owned, such property owner shall pay only one membership and have only one vote.
- 3) Property owners are either deemed to be "in good standing" or "not in good standing". "**In good standing**" means all dues, fees and assessments for all properties owned are paid up-to-date as outlined in these Bylaws, the binding Covenants and as otherwise approved. All unpaid property owners are considered "**not in good standing**".
- 4) Unless otherwise stated herein, "property owner(s)" shall specifically mean property owner(s) who are in good standing. Property owner(s) "**regardless of standing**" refers to all property owners in Drum Point including those "not in good standing".
- 5) In order to serve as an officer, director or committee member, or to vote in association matters, a property owner must be in good standing.

ARTICLE IV - DUES, FEES AND ASSESSMENTS

- 1) Association dues and assessments may be required for the necessary expenses of the Association which are not available from Covenant fees.
- 2) The amount of dues or assessments shall be recommended annually by the Board and included within the budgeting process. Upon approval by the property owners, dues and assessments are billed annually and are due with the individual covenant fees.
- 3) Covenant fees are billed and due as defined in the recorded property deed Covenant Restrictions and Conditions.
- 4) Unpaid Covenant fees, dues and assessments are delinquent 60 days after billing.

ARTICLE V - VOTING

- 1) Except as otherwise specified, to "**vote**" on Association matters, whether the vote is cast at any duly called membership meeting or by any official ballot, a property owner must be "in good standing".
- 2) A property owner is entitled to only one vote regardless of the number of properties owned.
- 3) There shall be no "proxy" voting.
- 4) The Association shall not have any vote based upon its deeded residential lots and common areas.
- 5) Deed holders of areas not designated for residential purposes are not entitled a vote.
- 6) The Board shall decide if voting will be at a duly called membership meeting or by mail ballot.
- 7) For duly called membership meetings, a method of assuring an accurate quorum and vote counting will be adopted. Counting of hands or voice estimates shall not be used for tallying votes.
- 8) For duly called membership meetings, "**absentee ballots**" will be made available to property owners who declare they cannot attend announced meetings. Absentee ballots will be available from the principle office after a voting issue is announced and will be marked and

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returned as per mail ballots and count toward the quorum at a meeting.

- 9) Mail ballots shall have a minimum of fifteen (15) days to be returned. The word "BALLOT" and the maximum return date shall be clearly shown on all ballots.
- 10) Unsigned, unsealed or late returned ballots shall not be counted.
- 11) Except as otherwise specified, either at a duly called membership meeting or by any ballot, a majority of the votes cast shall carry.
- 12) Results of all voting will be announced at the next duly called membership meetings or by subsequent publication.

ARTICLE VI - MEETINGS

- 1) All meetings, including meetings of the Board or a committee thereof, shall be open to attendance and comment by all residents and property owners regardless of standing. Closed Board and committee meetings are permitted under certain conditions as outlined in the Maryland Homeowners Association Act Title 11 B.
- 2) "**General membership meetings**" shall be held in March, June, September and December.
- 3) The June meeting shall be called the "**annual meeting**", the exact time and place of each meeting to be determined by the Board.
- 4) "**Special membership meetings**" may be called by the Board or by written petition delivered to the principal office, signed by either fifty (50) property owners or twenty percent (20%) of the property owners, whichever is less. The meeting must be for a single specific agenda topic or purpose and must be held not more than 30 days after its agenda is announced. Such meeting will be scheduled immediately preceding or following and on the same date and location as the next regularly scheduled general membership meeting, unless the Board, in its sole discretion, deems it necessary to schedule such meeting on a different date or location.
- 5) A property owner may request an item be placed upon an agenda for any General, Board or Committee meeting by contacting the office.
- 6) An announcement and an agenda for each general or special meeting shall be included in a regular mailing to all property owners regardless of standing, at least fifteen (15) days before such meeting. Sufficient information shall be provided so property owners will be knowledgeable of the items that will be discussed or voted upon.
- 7) Schedules, agendas and minutes for all Board, General or Special membership and Committee meetings shall be made available upon request.
- 8) A "**meeting quorum**" for the transaction of business at any duly called membership meeting shall be thirty-five (35) individual property owners signed in at any time during the meeting. Per Article V, Absentee ballots shall count toward the quorum at such a meeting.
- 9) The rules in the latest edition of Robert's Rules of Order (10th Edition Revised OCT 2000 or its update) shall govern the Association in all cases to which they are applicable and are not inconsistent with these bylaws, any special rules of order adopted by the Association, and any federal, state or county laws.

ARTICLE VII - CONDUCT OF BUSINESS

- 1) Concerns of the Association shall be reviewed, discussed and voted on as specified in these bylaws.
- 2) Day-to-day business of the Association shall be conducted by the Board and the committees in their areas of responsibility.

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- 3) Permanent committees are: finance, planning and roads. Other committees shall be appointed by the Board as it deems necessary to carry on the responsibilities of the Association. The BOD may take a motion from the floor to establish committees at any time. Committee members may be removed from their position on the Committee, with or without cause, by a majority vote of the Board.
- 4) At least one Board member shall serve and vote in all committees (excepting any election committees). The Board may appoint any committee member as the chairperson.
- 5) All committees shall provide inputs to the newsletter and be included on the agenda at all meetings.

ARTICLE VIII - BOARD OF DIRECTORS

- 1) The Association shall be managed by a **"Board of Directors (BOD)"** composed of nine property owners, of which, five (5) shall constitute a quorum.
- 2) Meetings of the Board shall be held at least monthly. Additional meetings may be called by the president or upon request from three Directors.
- 3) Terms of office for the Directors are three years each, with three Directors being elected each year. The term of office shall begin on July 1st and end on June 30th.
- 4) The newly elected Board shall, as soon as possible after the Annual meeting, by majority vote of the Board, select the officers to serve for the next year.
- 5) The **"Officers"** shall be, but not limited to, a President, Vice President, Secretary and Treasurer. No person shall serve more than three consecutive years as President.
- 6) Any officer may be removed from his or her position as an officer, with or without cause, by a majority vote of the Board, but such removal shall not affect that persons status as a director.
- 7) The President, with approval of the Board, may select a property owner to temporarily fill vacancies that occur on the Board. All appointed Directors who desire to continue serving on the Board must be placed on the mail ballot for the next scheduled election of the Board of Directors.
- 8) No Director shall receive compensation for any service they may render to the Association. However, any Director may be reimbursed for their reasonable and customary expenses incurred in the performance of their duties.

ARTICLE IX - ELECTION OF THE BOARD OF DIRECTORS

- 1) At the December membership meeting, the Board shall appoint a nominating committee of at least (3) three property owners. Those appointed shall reflect, where possible, the different sections of the subdivision. No current Board member shall be appointed to the committee.
- 2) At the March membership meeting, the nominating committee shall present a slate of candidates for election to the Board. Nominations may be made from the floor. All nominees must be property owners in good standing and must agree to serve if elected. Nominations shall be closed after all candidates have been named.
- 3) The number of candidates should at least equal the number of vacancies that need to be filled. If there is no more than one candidate for each vacancy, a motion from the floor can be accepted to forgo a ballot providing the candidates agree to who will serve in each vacancy.
- 4) The nominating committee shall send a ballot to each property owner.
- 5) The ballot will be sent at least fifteen (15) days before the annual meeting.
- 6) A committee of at least (3) three property owners shall be appointed to tally the ballots at the annual meeting. No current Board member, a candidate or a member of the nominating committee shall be a teller.
- 7) Election of property owners to the Board shall be on the basis of votes cast. High three

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- shall serve three-year terms, the next highest to fill any vacancies in descending order.
- 8) The newly elected Directors shall be announced at the annual meeting.

ARTICLE X - REMOVAL OF DIRECTORS

- 1) Any officer may be removed from his or her position as an officer, with or without cause, by a majority vote of the Board, but such removal shall not affect that persons status as a director.
- 2) A Director shall be removed from office by the Board:
 - a) for non-payment of dues, fees or assessments that are delinquent or
 - b) for an unexcused absence from three consecutive general membership meetings or regular meetings of the Board.
- 3) In addition, a Director shall be removed from office for cause, provided that:
 - a) the complaint shall be presented in writing to the Board and is signed by a property owner.
 - b) an agenda, scheduled for the next general membership meeting, specifically cites the Director removal action.
 - c) the accused Director shall have a right of response at such meeting.
 - d) a majority of the property owners at such meeting vote to submit the removal action to a mail ballot, and the majority of those votes cast by mail ballot are in favor of the removal of the subject Director.

ARTICLE XI - FINANCIAL MANAGEMENT

- 1) For Purposes of financial accounting, the fiscal year shall begin July 1 and end June 30 of the following year.
- 2) The Board with the help of the financial committee shall prepare a proposed annual budget for the upcoming fiscal year.
- 3) The proposed budget must be sent to property owners at least fifteen (15) days before the annual meeting. At the meeting, the budget will be presented for property owner approval.
- 4) Billing shall be in accordance with the individual Covenants or other directives and will include all currently approved dues, fees or assessments in the total amount.
- 5) Income, funds collected, donations and grants shall be disbursed by the Board in strict compliance with the approved budget, or as otherwise outlined in these bylaws.
- 6) The Board may not exceed each annual budget expense category by more than fifteen percent (15%).
- 7) Exceptions and amendments to the budget shall require property owner approval.
- 8) The purchase, transfer or encumbrance of deeded property or of dedicated common property shall require property owner approval.
- 9) The Association shall engage the services of a certified public accountant (CPA) to assure compliance with federal and state tax laws.
- 10) The treasurer shall annually or upon request provide all property owners regardless of standing a current financial report showing assets, income, debts, expenditures and balances. Expenditures must be displayed against specific budget items.
- 11) All persons authorized to execute financial instruments, i.e., check signatures, shall be required to give bond which shall be payable from funds of the Association.

ARTICLE XII - AUDITS

Before June 1st of each year, the finance committee with Board approval shall arrange for a CPA who does not own property in Drum Point to perform a fiscal audit of the financial records of the

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Association in accordance with AICPA practices. An annual audit summary shall be provided to the property owners at the September membership meeting.

ARTICLE XIII - USE OF COMMON AREAS

- 1) All property owners regardless of standing who use the common areas, amenities or community services must have DPPOA vehicle decals. Vehicles not displaying a current decal shall be subject to towing at the property owners expense.
- 2) Guests using the common areas must adhere to policies, rules and regulations as established by DPPOA.

ARTICLE XIV - INSURANCE AND INDEMNIFICATION

- 1) The Board, on behalf of the Association, shall procure and maintain adequate and appropriate directors' and officers' liability insurance; fire and extended coverage insurance on property and improvements thereon owned by the Association; and general liability coverage, public liability coverage, and worker's compensation insurance coverage.
- 2) The Association shall indemnify every officer, director, and duly appointed committee member of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer, director or duly appointed committee member in connection with any action, suit or other proceeding to which he or she may be made a party by reason of being or having been an officer, director, or duly appointed committee member of the Association. The officers', directors', and duly appointed committee members shall not be liable to property owners/members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.
- 3) The Association shall defend directors', officers', and duly appointed committee members in connection with any action, suit, or other proceeding for such acts and omissions arising within the scope of the duties carried out by such directors, officers, and duly appointed committee members with regards to any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith, and shall indemnify them individually or collectively to the extent that such costs of defense, including reasonable attorneys fees, and/or damages are not covered by directors and officers liability insurance or other insurance maintained by the Association.

ARTICLE XV - AMENDMENT TO BYLAWS

The bylaws of this Association shall be amended if approved by a majority of those votes cast by mail ballot or by 2/3 of the votes cast at a duly called membership meeting, provided that all proposed changes are submitted to the property owners in writing at least fifteen (15) days prior to the vote.

ARTICLE XVI - DISSOLUTION

In the event of dissolution of the Association, the Board shall after paying or making provision for the payment of the liabilities of the Association, dispose of all the assets of the Association exclusively for the purposes of the Association in such manner, or to such organizations as shall at the time qualify as exempt organizations under Section 501 (c) (4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Revenue Law), as the Board shall determine.

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ARTICLE XVII - BOOKS AND RECORDS

All books and records kept by and on behalf of the Corporation, except such books and records which may be exempted from examination and copying pursuant to Maryland Code, Real Property, Title 11B (commonly known as "The Maryland Homeowners' Association Act") shall be made available for examination and copying by lot owner(s) of a lot(s) located within the Drum Point subdivision, the lot owner(s) mortgagees, and the lot owner(s) respective duly authorized agents and attorneys during normal business hours and after reasonable notice. The Corporation may charge reasonable charges for copies of such books and records as may be requested to be copied.

ARTICLE XVIII - SEVERABILITY

In the event that any provision or provisions of these Bylaws shall be deemed to be invalid, void, or unenforceable, such determination shall not render invalid, void, or unenforceable any other provisions hereof which can be given effect.

ARTICLE XIX - CERTIFICATION

These bylaws, as adopted and ratified by the property owners, shall supersede entirely all previous bylaws of the Association. IN WITNESS WHEREOF, we, the undersigned subscribers, duly authorized agents of and constituting a majority of the Board of Directors of Drum Point Property Owners Association, Inc. have signed this Amendment to Association Bylaws.

OFFICERS:

President

W. M. Morgan

Date

7/7/06

Vice President

John Kelly

Date

7/7/06

Secretary

Sharon M. Jones

Date

7/7/06

Treasurer

Carol L. Luchessa

Date

7/7/06

Director

Bob McCall

Date

7/7/06

Director

D. Appelber

Date

7/7/06

Director

P. Smith

Date

7/7/06

Director

Carol L. Luchessa

Date

7.18.06

Director

[Signature]

Date

8-1-06

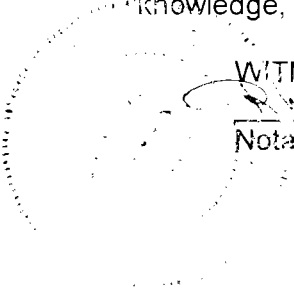
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STATE OF MARYLAND, COUNTY OF CALVERT, to wit:

I HEREBY CERTIFY that on this 7th day of July, 2006, before me, a Notary Public in and for the State of Maryland, County of Calvert, the above signed personally appeared and made oath in due form that the matters and facts contained herein are true to the best of their knowledge, information, and belief and is their true act.

WITNESS MY HAND AND NOTARIAL SEAL.


[Signature]
Notary Public

My commission expires: 10/28/09