

BYLAWS OF THE AMBERLEY COMMUNITY ASSOCIATION, INC.

ARTICLE I

The Amberley Community Association Inc. (the "Association") is a non-profit organization chartered in the State of Maryland on September 16, 1959.

ARTICLE II

The Association is established for the purpose of maintaining all Community (as hereinafter defined) owned properties; administering any legal and business responsibilities conveyed to the Association Community; and otherwise serving the civic and social interests of the Association and its Members as it deems necessary or desirable.

ARTICLE III

Membership

Section 1. Qualification for Membership: Any adult owning real property within the Community known as Amberley, as that Community is described among the Land Records of Anne Arundel County at Book 22, pages 34, 36, and 38; Book 29, page 16; Book 40, page 21 and Book 67, page 5 (the "Community"), is eligible to be a Member (a "Member") of the Association. The spouse, resident adult sibling, adult child or resident domestic partner of a person eligible to be a Member of the Association is also eligible to be a Member of the Association. The trustee of a trust holding title to real property within the Community shall be eligible to be a Member.

Section 2. Election to Membership: Membership shall be on an annual basis for a fiscal year which shall begin on July 1 and continue through June 30 of the following year (the "Fiscal Year"). Persons eligible under Section 1 above shall become a Member of the Association for a Fiscal Year upon payment of the annual dues as set forth in Section 4 of this article and any special assessments approved by the membership to be collected during that Fiscal Year. A Member for the current Fiscal Year is a current Member.

Section 3. Associate Membership: Any adult residing within the Community of Amberley that does not qualify for membership, as described in Section 1 above, is eligible to be an Associate Member of the Association upon payment of the annual dues and special assessments, as set forth in Section 2 above. Associate Members shall be entitled to all rights of a membership, as set forth in Section 4, except for Section 4(a) voting rights and Section 4(b) as it pertains to holding office in the Association and acquiring an equity leasehold of a slip at the Association piers. Associate Members may rent slips as provided in the Charter of the Pier Committee.

Section 4. Rights:

- (a) **Voting Rights:** For the purpose of membership and voting rights in the Association, a "Household" shall consist of all persons eligible for membership who: (i) reside at the same address; or (ii) share in the ownership interest of property (other than Association property) at a given address within the Community; or (iii) qualify under both (i) and

(ii). Each Household containing one or more current Members shall be entitled to one vote which may be cast by any one Member of that Household as determined by the persons in that Household. In the event more than one (1) person shall qualify for membership at one Household, the following rules as to voting rights shall apply:

(1) should two (2) persons share ownership 50/50, a split vote shall neither qualify as a vote for nor a vote against an item proffered;

(2) should more than two (2) persons share ownership or should two (2) persons share ownership with one (1) person owning more than 50% of the ownership interest, a vote by a person or persons holding more than 50% ownership rights shall represent the vote of such Household.

No Member shall have more than one (1) vote by virtue of owning more than one lot or property in the Community. All matters requiring Member approval pursuant to the Articles of Incorporation of the Association, these Bylaws or County or State law shall be submitted to a vote by the Members.

(b) All Other Rights: All current Members of the Association shall be entitled to all other rights and privileges of Association membership. In particular, all current Members of the Association may attend any and all meetings of the membership, have speaking privileges at such meetings, provide service to the Association by holding office in the Association and at the direction of the Board (as hereinafter defined), participate in any Association activities and otherwise enjoy the benefits and privileges of membership in the Association.

Furthermore, only current Members of the Association are eligible for an equity leasehold of a slip at the Association piers.

Section 5. Dues: Dues shall be established per Household by the Board and approved or revised by the membership at the annual meeting unless they remain at the level of the previous year.

Section 6. Special Assessments: In the event it is necessary or desirable to raise funds in excess of the annual dues, approval of the Members is required at the annual meeting or at a special meeting called in accordance with Article V. Payments on special assessments shall be due within sixty (60) days following written notification to the Members or such longer time as may be determined by the terms of the assessment.

ARTICLE IV

Officers

Section 1. The Officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer. The Officers shall perform duties prescribed by these Bylaws and by the parliamentary authority as defined in Article IX.

Section 2. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and Board of Directors. The President shall have authority to sign and execute in the name of the Association

all contracts and other instruments authorized by the Board. The President shall provide general management and direction of the business and operation of the Association. The President shall prepare a yearly report on the activities of the Board which shall be submitted at the annual meeting of the Members. The President shall make appointments to all non-elective positions, and, subject to the confirmation by the Board, appoint the chairpersons of all committees, except the Nomination Committee. The President shall be an ex-officio member of all appointed committees, except the Nomination Committee.

Section 3. The Vice-President shall perform such duties as the President and Board shall delegate and, in the absence of the President, shall assume the President's duties.

Section 4. The Secretary shall record and maintain the minutes and attendance list of any meeting of the membership or the Board in books provided for such purpose. The Secretary shall ensure that all notices are duly given in accordance with the provisions of these Bylaws or as required by statute. The Secretary shall be the custodian of the records of the Association. The Secretary shall maintain a complete roster of Association Members with mailing addresses for the purpose of communication with the Members of the Association and for the policing of voting privileges at all meetings of the Association. The Secretary shall use diligent efforts to insure that all property owners, including non-resident owners, receive all Community notices. In general, the Secretary shall perform all duties ordinarily incident to the office of a Secretary of a corporation and such other duties as may be prescribed by the President or the Board.

Section 5. The Treasurer shall be the chief financial officer and be charged with the following responsibilities and functions. The Treasurer shall deposit or cause to be deposited in the name of the Association, all monies and/or other valuable effects in banks, trust companies, or other such depositories as shall be selected by the Board of Directors with the requirement that such institutions shall be an insured member of the Federal Deposit Insurance Corporation. The Treasurer shall render to the President and to the Board a written account of the financial condition of the Association, to include all Community approved Special Community Benefits Districts ("SCBD's"), Waterway Improvement Districts and other tax districts (collectively "Tax Districts"), at every regularly scheduled meeting of the Board. Annually, the Treasurer shall receive separate financial reports from the Pier and Trash Committees for submission to the Board, and for separate filing among the Treasurer's records. Further, the Treasurer shall provide a written report on the Association's financial condition, to include the Tax Districts, at the Association's annual membership meeting including the financial reports submitted by the Pier and Trash Committees. The Treasurer shall prepare an estimated income and proposed expenditure statement for the next Fiscal Year, for Board review and approval at the Board meeting preceding the annual meeting, for subsequent submission at the annual meeting. In addition, the Treasurer shall render a bill for annual dues to each Household no later than 30 days following the close of the fiscal year. The Treasurer shall be responsible for arranging for appropriate bonding for the fiduciaries of the Association, if so directed by the Board. The Treasurer shall ensure compliance

by the Association with all governmental reporting requirements, the payment of all requisite tax payments, obtain professional tax advice for the Association as needed and have financial records subject to professional oversight by an accounting professional as approved by the Board.

Section 6. The Officers shall be elected by the Members to serve for one year or until their successors are elected, and their term of office shall begin at the close of the annual meeting at which they are elected and continue through the close of the next annual meeting (the "Administrative Year").

Section 7. All Officers of the Association must be Members of the Association in the Administrative Year in which they are elected. No Member may hold more than one office in the Association at the same time.

Section 8. An office which becomes vacant during an Administrative Year may be filled by a Presidential appointment as approved by the Board. One serving in such an Office shall complete the unexpired term of his or her predecessor in office.

ARTICLE V

Membership Meetings

Section 1. All meetings of the membership of the Association shall be held at such place as may be selected by the Board, pursuant to a notice in writing sent at least two (2) weeks in advance to each Member, indicating the place, date, and time of the meeting. A quorum as defined in Section 5 of this Article shall be required to conduct any business of the Association.

Section 2. The annual meeting of the Members shall be held at 7:30 P.M. on the last Thursday in September of each year, or at such other time and date as designated by the Board. The notice of the annual meeting shall be delivered to the Members at least two (2) weeks in advance. The meeting agenda, an end of year financial report, a Board approved budget for the next fiscal year, and the proposed slate of Officers and Directors for the next Administrative Year shall be included with such notice or posted on the Association web site, with such posting noted on the notice. A Member may waive in writing the requirement of a notice of any meeting.

Section 3. The Members shall nominate and elect by majority vote from the membership, Members recommended by the Nomination Committee or Members nominated from the floor, for the offices of President, Vice President, Secretary, Treasurer, and the Directors at Large authorized by these Bylaws.

Section 4. Special meetings of the Members shall be called by the President or Secretary at the request, in writing, of the majority of the Board or on petition of the Members, signed by twenty percent of the total membership.

Section 5. The presence either personally or by proxy of twenty-five percent of the total eligible Households shall constitute a quorum. Proxies shall be presented to the President or the Secretary. A proxy shall be in a form approved by the Board, valid for use at the meeting designated on the proxy, irrevocable during such meeting and may be granted in the name of the Board, a Member of the Board, or other Member of the Association or other adult. If granted for the purpose of voting on a particular matter or matters, the proxy shall provide for the

option to vote with or against the Board or for or against a particular matter. Provided that a quorum is present at the commencement of a meeting, presiding Officers shall not be required to confirm that such quorum continue to exist at the consideration of each matter during each meeting, except that any Member present may move to call for a quorum on any particular issue before such issue is voted upon.

Section 6. The complete list of the Members qualified to vote at any meeting shall be maintained by the Secretary. The Secretary shall issue, at each meeting, voting cards to each eligible Member to be used for secret ballots or hand votes as called for by the President.

ARTICLE VI

Board of Directors

Section 1. The affairs of the Association shall be managed by a Board of Directors (the "Board") which shall consist of seven Directors selected in accordance with the provisions of these Bylaws.

Section 2. The Board shall confirm those committee chairpersons as nominated by the President and of any additional committee chairpersons as necessary. In the event the Board shall fail to confirm the nomination of a chairperson, the President shall nominate an alternative prospective chairperson, until one such nominee shall be confirmed by the Board.

Section 3. The Board shall prepare and approve Standing Committee charters as provided in Article VII, Committees. Further, the Board shall review and approve the Standing Committee reports as specified in Article VII.

Section 4. The Board's designee shall represent the Association as directed by the Board before other associations and government bodies.

Section 5. The Board shall approve proposed budgets and other expenditures of the Association. The Board may approve other expenses from time to time that may occur, subject to the following limitations: The Board shall not have the power to obligate the Association in excess of the amount contained in the Treasury or in excess of the approved budget without the express consent of a majority of the membership, except that the Board may obligate the Association with respect to normal operating contracts, such as for pier and trash service and the normal operating expense of maintaining community property, even though the final contract amount may not exist in the Treasury, if such funds are to be collected in the ordinary course of business when due. Furthermore, the Board may raise funds for the dredging and restoration of adjacent waterways through the use of Tax Districts. A majority vote of the eligible Members present shall be required for other expenditures in excess of the amount in the Treasury or not within the Board approved budget. Any changes to the terms of Tax Districts applicable to the Association, or application for new Tax Districts shall require the applicable percentage vote of property owners within the Community, as shall be mandated by applicable code.

Section 6. The Board may replace a Board member by an affirmative vote of two thirds of the remaining Directors for the following reasons: 1) the Board member has missed three consecutive meetings of the Board without cause; 2)

the Board member has resigned from the Board; or 3) the Board member is derelict in his responsibilities to the Association or the Board. Such replacement member shall complete the unexpired term of his/her predecessor.

Section 7. The Board shall meet at the call of the President or upon request of any two members of the Board. At least three days notice, oral or in writing shall be necessary. At all meetings of the Board, the majority of the Board shall constitute a quorum.

Section 8. Selection of Directors.

- (a) Ex-Officio Directors. The President, Vice-President, Secretary and Treasurer shall serve as Directors of the Association.
- (b) Directors-at-Large. The Pier Committee chairperson and the retiring President of the Association shall each serve as one of the directors-at-large. The Members shall elect such other Directors as necessary to provide the number of Directors specified in Section 1 of this Article.

Section 9. Term Limits. No member of the Board shall serve more than four (4) consecutive one (1) year terms, unless two thirds of the eligible votes present at an annual or special meeting of the membership vote favorably on the need for an exception.

Section 10. In addition to the matters set forth above, the Board may take any action which is consistent with the powers of the Board set forth herein, other than that which by law, these Bylaws or the Articles of Incorporation of the Association are reserved for the Members.

ARTICLE VII Committees

Section 1. The chairperson of each Standing Committee, except Nomination, shall be appointed by the President and confirmed by the Board at the first board meeting following the Annual Meeting. The Nomination Committee chairperson shall be nominated by any Board member, except the President, and appointed by the Board sixty (60) days in advance of the Annual Meeting. Standing committees ("Standing Committees") include: Pier Committee, Architectural Committee, Finance Committee, Trash Committee and Nomination Committee.

Section 2. Such other committee chairpersons shall be appointed by the President and confirmed by the Board from time to time, as deemed necessary by the Board, to carry on the work of the Association.

Section 3. All committee chairpersons, except for the Nomination Committee chairperson, shall be responsible for recruiting the members of their committees to perform their charter functions. All committee chairpersons shall serve for a one year term coinciding with the term of the Board or until replaced by the Board or thereafter until their successors have been appointed.

Section 4. A Pier Committee shall be formed and charged with the responsibility of maintaining and regulating the use of the Association pier facilities. This committee shall operate in accordance with the Board approved charter, Resolution to Designate and Define the Amberley Pier Committee, dated 9 October 1975, or any superseding documentation as approved by the Board. A written activity summary report shall be provided first to the Treasurer and then to

the Board annually one month prior to the annual meeting for review and approval. An annual budget, coinciding with the term of the Board for the Pier Committee, shall be submitted to the Board for approval within two (2) months following formation of the committee. The Pier Committee chairperson shall also serve as an at-large member of the Board of Directors.

Section 5. An Architectural Committee shall be formed and charged with the responsibility of reviewing architectural plans as provided by the Appointment of Agent dated 30 April 1976 and in accordance with duly authorized architectural guidelines of the Association. The committee shall operate in accordance with the Board instructions, or any superseding documentation as approved by the Board. A written activity summary report shall be provided to the Board annually, one month prior to the annual meeting, for review and approval. The committee shall be empowered to enforce the deed restrictions recorded in the land records of Anne Arundel County, through stop work orders, injunctions and any other means as may be permitted by law. Any Member shown to have violated such guidelines shall be required to pay all costs of enforcement, including reasonable attorneys' fees and fines and penalties as may be permitted by law, but not less than \$100 fine per occurrence. Decisions of the Architectural Committee regarding enforcement of the guidelines, deed restrictions or covenants may be appealed to the Board for reconsideration.

Section 6. A Trash Committee shall be formed and charged with the responsibility of insuring rubbish removal within the Association boundaries. This committee shall operate in accordance with Board instruction. The Trash Committee shall offer services to the entire community of Amberley independent of Association membership. The committee may be dissolved by the Board should responsibility for the collection of rubbish be assumed by the government. A written activity summary and financial report of the Trash Committee shall be provided by the chairperson of the Trash Committee first to the Treasurer and then to the Board annually, one month prior to the annual meeting, for review and approval.

Section 7. A Nomination Committee shall consist of three members. The chairperson shall be appointed by the Board of Directors and shall designate two additional members in advance of the annual meeting. The Nomination Committee shall canvas the current Board members who are in good standing to determine their interest in remaining on the Board and shall canvas the Pier Committee for its recommendation of the Pier Committee chairperson. The Nomination Committee shall submit to the annual meeting the names of candidates who have indicated their willingness to serve as President, Vice President, Secretary, Treasurer and the third Director-at-large; the first two Directors-at-large being the Pier Committee chairperson and the retiring President of the Association.

Section 8. A Finance Committee, consisting of two members, not to include the Treasurer or any Standing Committee chairperson, shall be formed and charged with the responsibility of annually reviewing all required financial records, current contracts, agreements and tax records of the Association, and Standing Committees for accuracy, completeness and compliance with Association

covenants, Bylaws and governmental regulations. This review shall be performed at least sixty (60) days prior to each annual meeting of the Association. The Finance Committee may elect to submit the financial records to an accounting professional for review subject to approval thereof by the Board. The committee shall provide a written report to the Board one month before the annual meeting documenting the results for their review. Other fiduciary duties may be assigned the committee as deemed necessary by the Board.

ARTICLE VIII

Conflicts of Interest

No member of the Board, committee chairperson or member of a committee shall:

1. Vote or otherwise participate in negotiations or discussions of the Board or applicable committee regarding any matter in which such person has a financial interest. All such persons shall disclose any private financial interest and/or advantage, in any matter before the Board or applicable committee.
2. Accept any compensation or valuable gift, whether in the form of service, loan, item or promise, from any business, person, firm or entity which is involved directly, or indirectly in any matter pending before the Board or applicable committee and/or is receiving payment from the Association or any committee thereof.

ARTICLE IX

Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

ARTICLE X

Amendment of Bylaws

These Bylaws may be amended at any regular or special meeting of the Members by a two thirds of the eligible votes present, in person or by proxy, provided written notice of the intended amendment is sent to all Members by U.S. mail, hand delivery or posting on the Association web site at least two (2) weeks in advance of such meeting.

Approved at annual meeting of the Amberley Community Association, Inc.
October 6, 2005

Pat Brooks, Secretary