

BY-LAWS
OF
HOLLYWOOD SHORES CIVIC ASSOCIATION, INCORPORATED

This document will become effective as of the 8th day of June, 1991 and will supersede all similar documents prior to that date.

ARTICLE I -TITLE AND OBJECTIVES

This Assembly shall be known as the "Hollywood Shores Civic Association, Incorporated", and shall have for its objective: to promote the general welfare of the residents of the Hollywood Shores Subdivision and vicinity. The Hollywood Shores Civic Association, Incorporated, shall hereafter be referred to as the "Association". The principal office of the Association shall be located at: Pool House, Riverside Drive, Hollywood, Maryland 20636, but meetings of members and Directors shall be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II -MEMBERSHIP

Sec. 1. Any resident or property owner within the bounds of the Hollywood Shores Subdivision and prescribed territory as shown and limited on the two plats of said Hollywood Shores Subdivision prepared by J. R. McCrone, Jr., Registered Engineer and Land Surveyor, said plats dated in the years 1953, 1954 and 1955 and hereby incorporated as part of these By-Laws (a copy of which is appended hereto) shall be entitled to membership as set forth herein below.

Sec. 2. There shall be four (4) types of membership in the Association; ACTIVE membership, TENANT membership, ASSOCIATE

membership, and a NON-VOTING membership.

A. An ACTIVE membership is the only voting membership in the Association and may be held only by Hollywood Shores Property Owners who are current in the payment of all dues and assessments. The amount of dues for all types of membership will be determined by the Board of Directors with the approval of two-thirds (2/3) of the members in good standing at a bi-annual meeting. The dues for ACTIVE membership of a family are to be paid prior to the spring meeting. An active membership guest card is not transferable to anyone and may not be used by non-member property owners, non-voting members or tenants of Hollywood Shores. The guest card shall be limited to five (5) people. Physically capable Active members are encouraged to provide ten (10) hours of service to the community per year.

B. A TENANT membership is available to a tenant family residing within the area designated in section 1 of this Article, whose landlord is current in all assessments. Tenant members are privileged to use all recreational facilities. A guest card may be provided to a Tenant member at additional cost. A Tenant member guest card is subject to the same restrictions as an Active membership guest card. Physically capable Tenant members are encouraged to provide ten (10) hours of service to the community per year.

C. An ASSOCIATE membership is a membership available to persons who are not property owners, nor tenants, but desire membership for the purpose of enjoying the use of Association' facilities, and are recommended by an ACTIVE member. The Board of Directors or the membership at a bi-annual meeting may limit the number of ASSOCIATE

memberships that are available annually. Associate memberships are not authorized guest cards.

D. A NON-VOTING membership is available to a property owner who by virtue of the covenants in their deed is current on their annual lot fee assessment. This is a NON-VOTING membership that is entitled to use community property, except the swimming pool and the boat ramp.

E. A guest may be allowed use of Association facilities provided the guest is either escorted by a member in good standing or has in his or her possession a Guest Card provided by an ACTIVE or TENANT member. A guest is defined as a person who is neither a property owner, nor a resident of Hollywood Shores Subdivision. A guest card allows passage of up to five (5) guests, unless previous arrangements have been made with the managing lifeguard. All guests must abide by Association Rules and Regulations. Members are responsible for their guests' actions. Membership guest privileges may be restricted or revoked by the Board of Directors for just cause.

Sec. 3. By virtue of his or her deed or contract, each lot owner is required to pay, beginning with the year 1956, an annual assessment of \$10.00 per lot per year, the number of lots to be assessed as determined in accordance with the recorded subdivision plat of Hollywood Shores, St. Mary's County, Maryland. A property owner shall not be instated or reinstated as an ACTIVE member or a: NON-VOTING member until past years' assessments and dues and: current year's assessments and dues are paid in full to the Hollywood Shores civic Association, Incorporated. A property owner or tenant that is not

current in all assessments and dues shall not use the facilities of Hollywood Shores civic Association, Incorporated.

Sec. 4. Only ACTIVE members who are current in all assessments and dues to date, may vote and each family shall have one (1) vote regardless of the number of lots owned.

Sec. 5. A family shall be defined as a lot owner and his or her dependents as defined by the Internal Revenue Code.

Sec. 6. Where more than one (1) adult family are registered owners of a single lot, the Board of Directors shall determine annual membership dues for each additional family. Where unrelated adults are tenants in a single residence, the Board of Directors shall determine the annual membership dues.

ARTICLE III -ASSOCIATION AND BOARD MEETINGS

Sec. 1. An Association meeting will be held twice a year, a spring meeting on the second Saturday of April and a fall meeting on the second Saturday of October. The Secretary shall notify all property owners, in writing, ten (10) days in advance of the time and place of these meetings, and of the issues to be discussed at the meeting.

Sec. 2. Special Association meetings shall be called by the president or by a majority of the Board of Directors or by thirty (30) members in good standing. Each member shall be notified ten (10) days in advance of the time, place and purpose of such a meeting, in writing, addressed to his or her residence as shown on: the books of the Association.

Sec. 3. The Board of Directors shall meet on the established schedule,

at the call of the President, or at the request of any four (4) members of the Board of Directors. Meetings may be canceled at the discretion of the President; but a minimum of nine (9) business meetings will be held in a fiscal year. Meetings may be either open or closed to the membership at large. During open meetings, general community members attending will have observer status until the President declares the session to be an open forum, to include observer comment or discussion. Such discussion must be entertained prior to adjournment and all comments duly reflected in the minutes. Active members or property owners may request to be placed on the agenda at any open meeting. Such requests will be accepted, providing a request is made to the President ten (10) days prior to the scheduled meeting.

Sec. 4. An Agenda will be prepared prior to each meeting. Old business will be handled first and new business second. The President will see that Roberts Rules of Order is referred to as a guide for all meetings.

Sec. 5. QUORUM. The presence at the meeting of members entitled to cast ten percent (10%) of the votes shall constitute a quorum for any action except as otherwise provided in these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the 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. :

Sec. 6. SUSPENSION OF VOTING PRIVILEGES. No member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books of the Association to be more than thirty (30) days delinquent in the payment of any assessments or membership fees due to the Association.

ARTICLE IV -BOARD OF DIRECTORS

Sec. 1. The Board of Directors shall consist of nine members in good standing. Each year, at the fall meeting, three (3) members shall be elected to serve positions for a three (3) year term on the Board of Directors. The Board of Directors may fill any member vacancy caused by three (3) consecutive unexcused absences from meetings. In the event of vacancy caused by death or resignation of a member, the Board of Directors will solicit volunteers through community notice and diligently attempt to fill the position within a six ,(6) week period. All such appointments will serve until the next spring or fall meeting, at which time the appointed Director may be elected to fill the unexpired term.

Sec. 2. The Board of Directors may, at any meeting, consider and act upon any matters brought to its attention by any member of the Association. The Board of Directors shall have complete charge and responsibility for all community property. The Board of Directors shall be empowered to develop rules and regulations consistent with these By-Laws to: protect the interests of the Association; provide for good order and tranquility in the community; comply with federal, state, and local laws; and, provide for the protection, health, safety, and welfare of those individuals using Association property.

The Board of Directors is empowered to bar any member, and/or his or her family, from use of the facilities if it is shown that such members violate the Association rules and it is not in the best interests of the Association to have him or her on the premises. The Board of Directors is empowered to make decisions on behalf of the Association which are not specifically covered in the By-Laws.

Sec. 3. POWERS. The Board of Directors shall have the power to:

(A) Adopt and publish rules and regulations governing the use of the facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction 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 lot fee assessment and membership dues levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules 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;

(D) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(E) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(F) Call a special meeting of the members whenever it deems the same to be necessary and whenever requested in writing so to do by at least thirty (30) members;

(G) Elect and remove for just cause all officers of the Association, reimburse them for expenses incurred in the performance of their duties, and require of them such security or fidelity bond as it may deem necessary or expedient;

(H) Engage and remove at pleasure all agents and employees of the Association upon such terms as the Board of Directors may determine;

(I) Establish, levy and collect the assessments referred to in these By-Laws.

Sec. 4. 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 bi-annual meetings of the members, or at any special meeting where such statement is required in writing by thirty (30) 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) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual or special assessment period;

(D) 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;

(E) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any 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;

(F) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(G) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(H) Cause the facilities to be maintained;

(I) Cause the exterior of the dwellings to be maintained.

Sec. 4. 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 the removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve until the next spring or fall meeting, at which time the appointed Director may be elected to fill the unexpired term.

Sec. 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 all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V -OFFICERS

Sec. 1. The officers of this Association shall consist of President, Vice-President, Secretary, and Treasurer and they shall be

elected by the Board of Directors from among the nine (9) Directors elected at the fall meeting. The officers shall serve for a term of one (1) year, or until their successors are duly elected.

Sec. 2. 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, have such authority, and perform such duties as the Board may, from time to time determine, but for no longer than one (1) year without reappointment.

Sec. 3. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by 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. The acceptance of such resignation shall not be necessary to make it effective.

Sec. 4. VACANCIES. A vacancy in any 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 or she replaces.

Sec. 5. 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 created pursuant to Section 4 of this Article.

Sec. 6. DUTIES. The duties of the officers are as follows: (A) The PRESIDENT shall preside at all meetings, and in conjunction with the Board of Directors, will appoint all committees and perform all duties usually pertaining to such an office, including leadership and executive direction. He or she shall strive to ensure adequacy of long

range planning and strive to maintain a high caliber of operations while minimizing cost and conserving resources to the best extent possible. He or she shall present budget and other Board of Directors' recommendations to the members as well as any recommendations for change to these By-Laws. He or she shall be responsible for negotiations of policies and issues with the St. Mary's County Government. At the spring meeting each year, the President shall appoint the following Standing Committees:

1. Audit Committee
2. Budget Committee
3. Nominating Committee

If any Association business is found to have been conducted in conflict with the strictures of these By-Laws, it is the President's duty to brief this fact at the spring or fall meeting of the Association.

The President shall further see that the orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, contracts, notes, and other written instruments and shall co-sign all checks and promissory notes, and shall have all the general powers and duties which are usually vested in the office of President of a corporation.

(B) The VICE-PRESIDENT shall, in the absence of the President, preside at all meetings; and shall serve as coordinator for any committees other than the audit committee. He or she shall maintain a list and status of all special committees and recommend to the Board and submit for approval to the President, chairpersons for special

committees. He or she will attend, to a reasonable extent, special committee meetings and, unless other specific assignment is made, he or she shall serve as the Board representative to these groups. He or she will convey results, progress and records of these groups and will schedule special presentations to the Board of Directors by committee chairpersons.

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 of him or her by the Board.

(C) The SECRETARY shall maintain business correspondence and keep accurate minutes of all business conducted during all meetings of the Association. Minutes will be maintained in a meeting ledger. A copy of the current Constitution and By-Laws, current rules and regulations, and a roster of current board members and active committees shall be posted at the community house. He or she shall be responsible for: Official communications, issuance of all notices, conduct of all correspondence for the Association under the direction of the Board of Directors. He or she shall assist the Treasurer by sending out bills for the annual Lot assessments, and will ensure maintenance of an accurate record, for current and historical use, of names and addresses of all property owners, whether active or inactive status. He or she shall carefully preserve all books, documents and papers, and historical information pertaining to his or her office and shall deliver same to his or her successor in good condition For his or her services, the Secretary shall: receive an annual salary to be

determined by the Board of Directors and approved by two-thirds (2/3) of the members in good standing present at a bi-annual meeting.

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 to all papers requiring said seal and shall perform such other duties as required by the Board.

(D) The TREASURER shall receive and maintain clear records of the status of all dues; he or she shall deposit all funds in the name of the Association in some depository satisfactory to the Board of Directors; he or she shall disburse such funds as are directed from time to time by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made, in the ordinary course of business; and shall sign all checks and drafts of the Association. Funds must only be deposited in a federally insured financial institution.

The Treasurer shall explain the Association's financial transactions to auditors, and shall deliver to his or her successors, when duly qualified, all books, papers and moneys pertaining to his or her office. He or she shall keep on file an accurate roster of all members with their correct addresses and ensure that a current roster of names of all active, tenant and associate members in good standing is posted at the community house during the operating season. He or she will ensure that a current budget plan, approved at the spring meeting, is posted at the community house during the operating season. The Treasurer shall be bonded, at the expense of the Association, in

an amount sufficient to cover the Association's annual income. For his or her services, the Treasurer will receive an annual salary to be determined by the Board of Directors and approved by two-thirds (2/3) of the members in good standing present at a bi-annual meeting.

ARTICLE VI -FINANCIAL MANAGEMENT

Sec. 1. No expenditure shall be made in a current year in excess of the current revenue and operating cash on hand except on approval of two-thirds (2/3) of the Active members in good: standing at a regular or special meeting. Any minor special accounts will be identified and maintained according to account intent.

Sec. 2. For the purpose of Audit and Internal Revenue Service reporting the fiscal year will be May 1st through April 30th.

Sec. 3. The Audit Committee will conduct a preliminary audit prior to the October meeting to ensure adequacy of records as well 'as consistency with past practice. The Audit Committee will be provided all necessary explanations and have access to the records as they may require.

Sec. 4. The Board of Directors and Audit Committee chairperson will review audit results, identify any area of financial procedural improvement for improved efficiency and accountability and recommend changes accordingly.

ARTICLE VII -OFFICIAL COMMITTEES

Sec. 1. As established in these By-Laws, the Audit, Budget, and Nominating Committees are appointed by the President.

A. The Audit Committee shall be appointed at the spring meeting and consist of three (3) members. The chairperson shall be a member of the

Board of Directors and may not be officer of the Association. The other two (2) members shall not be members of the Board of Directors. The Audit Committee shall serve a term of one (1) year. The purpose of this committee is to retain cognizance of financial management of the community and provide an informal audit result at the fall meeting. The Audit Committee will meet twice between spring and fall meetings and duly record results of their efforts.

B. The Budget Committee shall be appointed at the spring meeting and consist of three (3) members of the Board of Directors, including the Treasurer. A fourth member, who is not a member of the Board of Directors, will be appointed to this Committee by the President. The Budget Committee shall serve until such time as the new fiscal year budget is approved by the Association. The purpose of this committee is to prepare a new budget for the following year, in time for presentation at the spring meeting.

C. The Nominating Committee shall be appointed at the spring meeting and consist of three (3) members that are not on the Board of Directors. The Nominating Committee shall serve a term of one (1) year. The purpose of this Committee is to solicit volunteers to serve on the Board of Directors, standing: Committees and Special Committees; screen candidates for eligibility, and provide nominations to the Board of Directors. Members of the Nominating Committee may not be nominated to serve as a Director or to serve on other committees. The Secretary shall include nominations for Board of Directors and Standing Committees in the announcement for the appropriate bi-annual meeting.

Sec. 2. The creation and maintenance of additional functional committees to deal with other specialized areas is essential to efficient and successful operation of the community as specified in these By-Laws, this will be the responsibility of the Vice-President and every effort will be made to set up such special Committees as needed. Important categories based on past experience include:

- A. Pool Operation and Maintenance
- B. Beach/Erosion
- C. Activities
- D. Long Range Planning
- E. Resident Interest Data Base and Communications
- F. Welcoming
- G. By-Laws .

Sec. 3. Any established committee will have a clearly stated goal. Results of all operating committees will be briefed at the spring and fall meetings. All members are eligible and encouraged to participate in committee activities.

ARTICLE VIII -COMMUNITY PROPERTY

No community property shall ever be leased or in any other manner conveyed to private individuals or organizations where there is an intent to make a profit for those individuals. Community property may be used by private groups or individuals providing the function or usage is sponsored by a member in good standing, and approved by the Board of Directors at a regularly scheduled Board meeting prior to the event. Requirements and restrictions for usage of the community property may be imposed by the Board of Directors. A nominal security deposit and usage fee may be required and levied for such use of community property. 'The requirement for and the amount of such deposit or fee shall be determined by the Board of Directors.

ARTICLE IX -DISSOLUTION

This Association shall not be dissolved so long as thirty {30} members in good standing desire its continuance.

ARTICLE X -AMENDMENTS I

The By-Laws of this Association may be amended by a two- thirds (2/3) vote of the members in good standing present at a bi-annual or special meeting of the Association, provided written notice of the proposed amendment shall have been furnished to each member at least thirty (30) days prior to such meeting.

ARTICLE XI -BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, upon notice, during reasonable business hours, be subject to inspection by any member. 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 reasonable cost.

Books and records kept by or on behalf of the Association may be withheld from public inspection to the extent that they concern:

- (i) Personnel records;
- (ii) An individual's medical records;
- (iii) Records relating to business transactions that are currently in negotiation; or
- (iv) The written advice of legal counsel.

The Association may impose a reasonable charge upon a person desiring to review or copy the books and records.

ARTICLE XII -ASSESSMENTS

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 upon compliance by the Association with the applicable law related to the establishment and enforcement of such liens. 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 the rate of ten percent (10%) 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 for herein by non-use of the facilities or abandonment of his or her Lot.

ARTICLE XIII -CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: HOLLYWOOD SHORES CIVIC ASSOCIATION, INCORPORATED -Corporate Seal - Maryland 1956.

ARTICLE XIV -MISCELLANEOUS

Sec. 1. INDEMNIFICATION OF OFFICERS AND DIRECTORS. Each officer and director of the Association, in consideration of his or her services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action,

suit, or proceeding, civil or criminal, to which he may be a party by reason of being or having been a director or officer of the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the director or officer or person may be entitled by law, or agreement, or vote of the members, or otherwise, but shall not apply if said officer or director was not acting within the scope of his duties and authority or acted deliberately to the detriment of the Association.

ARTICLE XV -TERMS

The terms "will" and "shall" as used herein are considered synonymous and describe a mandatory (not optional) condition. The term "may" as used herein describes a non-mandatory (optional) condition.

IN WITNESS WHEREOF, We, being all the Directors of the HOLLYWOOD SHORES CIVIC ASSOCIATION, INCORPORATED, have hereunto set our hands and seals hereto this 8th day of June 1991.

(Note – JSW) The signatures of ten (10) directors who signed the original By-Laws are not reproduced.