

# Montego Bay Civic Association, Inc.

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## Bylaws of the Montego Bay Civic Association, Inc. April 21, 2012

### ARTICLE I – GENERAL

The Bylaws of the Montego Bay Civic Association, Inc., establish the powers, responsibilities, and functions of the Association. Throughout these Bylaws, the Montego Bay Civic Association, Inc., is also referred to as "Association" and "MBCA." These Bylaws shall be the framework for the Board of Directors to establish reasonable procedures (further defined by the Board in an Operational, Administrative, and Procedures Manual) to carry out the responsibilities and functions entrusted to it by the Association. The principal office is located at 101 W. 130th Street, Ocean City, Maryland 21842, which is its mailing address.

### ARTICLE II – PURPOSE

The Association has been formed to manage, maintain, and operate the common property of the Association and to maintain neighborhood standards for the Subdivision of Montego Bay Residential Community, Ocean City, Maryland.

### ARTICLE III - MEMBERSHIP

Section 3.1: Members Every person and legal entity that holds legal title to a Lot is a member of the Association. A member remains in good standing by paying all fees, including the annual dues and any interest or a late charge legally levied by the Association, and by not being in violation of the Declaration of Restrictions or the MBCA Bylaws. Members in good standing, their immediate family and personal guests, may use the recreational facilities of the Association. Members in good standing are eligible to be a member of the Board of Directors. Members in good standing shall have one vote per lot owned and are eligible to cast that vote on matters that come before the General Membership. Each Owner shall be entitled to evidence of membership.

Section 3.2: Ownership Roster Every Owner is responsible for providing the Association, in writing (electronic mail is acceptable), the address of property owned and the Owner's current primary mailing address, and contact information (phone, electronic mail, website, etc.). Notifications are considered served and received, regardless of class or category mailed, when sent to the primary address provided by the Owner. The Owner has the responsibility to ensure that their mailing address is current. In addition, a member may designate a preference to receive Association notifications and communications by way of electronic mail. Ensuring the maintenance of the Ownership Roster is a responsibility of the Secretary of the Board of Directors. The Ownership Roster is a listing of all members.

### ARTICLE IV – DIRECTORS and OFFICERS

Section 4.1: The affairs and business of the Association shall be managed by a Board of Directors composed of thirteen Directors (including four officers) elected by the General Membership. The Directors shall receive reimbursement for reasonable business expenses, documented by business receipts, not to exceed a limit established by the Board. The Officers of the Association shall be a

President, Vice President, Secretary, and a Treasurer. Decisions of the Board are decided on the majority of votes cast, by those present, unless otherwise specified in these Bylaws. The President votes only when the vote is a tie. Voting by secret ballot is not permitted.

Section 4.2: The term for each Director shall be for two years and no Director can serve more than two consecutive terms in the same position; unless there is no other candidate running for that position.

Section 4.3: A director serving as an Officer must be a full-time resident of the Montego Bay Residential Community, as evidenced by the Maryland Tax Records and majority of daily activities. Only one Owner of the same lot may serve as a Director at the same time. Candidates for President must have completed one full term as a Director. Directors who miss four scheduled meetings (Board and General Membership) in a term year shall be removed from the Board without a General Membership vote. Other than General Membership meetings, Directors may participate in meetings by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in meetings pursuant to this section constitutes presence in person at the meeting.

Section 4.4: A Director shall not be an employee of the Association.

Section 4.5: Duties of the President: The President shall be the chief executive officer of the Association and shall have all of the general powers and duties which are usually vested in the office of president of an association. At the annual August General Membership Meeting the President shall ensure a full and true report of the affairs of the Association is presented.

Section 4.6: Duties of the Vice President: The Vice President shall perform all duties ordinarily incident to the Office of Vice President of an association.

Section 4.7: Duties of the Secretary: The Secretary shall perform all duties ordinarily incident to the Office of Secretary of an association. The Secretary shall be the custodian of the Seal of the Association.

Section 4.8: Duties of the Treasurer: The Treasurer shall be the chief financial officer of the Association and shall perform all duties incident to the Office of Treasurer of an association.

Section 4.9: Duties of the Directors: The powers and duties of the Board of Directors are those ordinarily incident to the Board of Directors of an association, including providing for the care, upkeep, and monitoring of Montego Bay Residential Community and its facilities and common areas; instituting, by approval of two-thirds vote, suits on behalf of the Association (other than for suits instituted for the collection of such fees due the Association); granting easements to Association property for the provision of public utilities to Montego Bay; proposing new capital expenditures for approval by greater than 50% of the General Membership eligible to vote; and keeping debt of the Association below 15% of the income derived from annual dues unless approved by greater than 50% of votes received from the General Membership eligible to vote.

Section 4.10: Vacancies on the Board:

Section 4.10.1: The vacancy for President shall be filled first by offering it to the Vice-President. If the Vice President declines, then the remaining Directors may vote any other Director to serve the remainder of the President's term.

Section 4.10.2: An officer vacancy, other than President, shall be filled by any other Director approved by the Board. If a Director is not willing to fill an officer vacancy, it shall then be offered first to the other candidate(s) for that office with the next highest number of votes and if the candidate declines then it shall be offered to the next highest number of votes for a director

candidate, and does not require Board approval. If there are no remaining unelected candidates, the President shall appoint someone from the General Membership, with Board approval. A vacancy shall be filled for the remainder of the unexpired portion of the term.

Section 4.10.3: The Board may vote to not fill a vacancy for the remainder of the term if the vacancy occurs less than three months before the next election.

Section 4.11: Removing a Director: The General Membership may remove a Director before the completion of his/her term for any reason with a vote greater than 50% of responses received. A request for removal must follow the petition process.

## **ARTICLE V – MEETINGS**

Section 5.1: Meetings: All General Membership, Board, and Committee meetings shall be open to all members of the Association or their agents except when closed as permitted under the provisions of Title 11B - of the Real Property Article of The Annotated Code of Maryland - The Maryland Homeowners Association Act. Each meeting shall provide a segment of time for Owners to speak. Unless otherwise required in these Bylaws, notice of all meetings shall be posted on the Association website and e-mailed to the membership at least three days in advance of the meeting. Whenever possible, meetings shall be held within the Montego Bay Residential Community.

Section 5.2: Notice of Meeting The Secretary shall ensure a notice is mailed at least 30 days in advance of each annual or special General Membership meeting stating the purpose thereof as well as the date, time, and location of the meeting to each member at his/her primary address as it appears on the ownership roster of the Association. Service may also be accomplished by the delivery of such notice to the member in person or to an e-mail address provided by the member as outlined in Article III, Section. 3.2. No notice by mail to the General Membership is required for regular or special meetings of the Board or meetings of committees.

Section 5.3: Failure of Notice: Notices must be provided as required in these Bylaws and other governing documents of the holding of special general membership meetings and special board meetings. Failure to provide notice will invalidate any decisions or outcomes of such unannounced special meetings.

Section 5.4: General Membership Meetings: The Association shall hold two General Membership meetings each year, one at 10:00 a.m. on the third Saturday in April and one at 10:00 a.m. on the third Saturday in August. General Membership meetings may be held at any location within Worcester County, Maryland, as determined by the Board. The presence, in person or by returned ballot, of members in good standing representing at least forty (40) separate Lots (i.e. 40 votes) shall constitute a quorum for the transaction of business by the General Membership at all General Membership meetings of the Association. If the number of Lots represented at a meeting drops below the quorum then no business may thereafter be transacted.

Section 5.4.1: At each General Membership meeting, referendum ballots, if any, on issues requiring a vote of the General Membership shall be counted with the results reported to the General Membership.

Section 5.4.2: Business introduced by Members present at the General Membership meeting, within the authority of those present to decide, once voted upon shall not be overturned, modified, circumvented, or suspended by the Board unless there is a justified concern by a majority of the Board that the motion should be voted upon by ballot of the entire Membership. A referendum ballot will be developed by the Board and distributed at least 30 days before the following General Membership meeting.

Section 5.5: Special General Membership Meeting: Special meetings of the General Membership may be called for any third Saturday of a month, except during the months preceding or following the April and August regularly scheduled general membership meetings, by a majority vote of the Board or by referendum petition by the General Membership. Such special meetings must be announced by mail at least 30 business days in advance. If the special meeting involves a referendum ballot issue for the owners, then the meeting must be called for at least 45 business days in advance and notice (and ballot) must be mailed out at least 30 business days in advance. The presence, in person or by returned ballot, of members in good standing representing at least forty (40) separate Lots (i.e. 40 votes) shall constitute a quorum for the transaction of business stated in the notice.

Section 5.6: Board of Directors Regular Meeting: A majority of the filled seats on the Board of Directors shall be necessary to constitute a quorum for the transaction of business. The schedule and location of regular Board meetings is established by the Board.

Section 5.7: Special Board of Directors Meeting: Special meetings of the Board may be called by the President or by a majority vote of the Board at least three days in advance. A majority of the filled seats on the Board shall be necessary to constitute a quorum for the transaction of business stated in the notice.

## ARTICLE VI - COMMITTEES

Section 6.1: Establishment The Board shall establish committees prescribed in these Bylaws and define their primary duties. The Board may also establish other committees by majority vote. The President shall appoint committee chairpersons. The chairperson shall appoint committee members. Chairmen and committee members shall be any member in good standing. Committees of the Association are listed below.

### Section 6.2: Committees

Section 6.2.1: **Executive Committee**: The members of the Executive Committee shall consist of the President, Vice President, Secretary, Treasurer, and one director selected by the Board.

Section 6.2.1.1: In the case where emergency action is required and there is insufficient time to call a special meeting of the Board of Directors, the President may convene the Executive Committee. The Executive Committee shall have the power to act in the place of the Board on matters that require immediate action, are truly of an emergency nature, and to prevent imminent or further harm to the Association.

Section 6.2.1.2: The Board may establish a regular schedule of Executive Committee meetings in combination with regular scheduled Board meetings. During these scheduled meetings, the Executive Committee shall have the power to carry out recurring actions, decisions previously established by the Board, and prepare recommendations for consideration by the Board.

Section 6.2.2: **Standing Committees**: The Association shall have the following standing committees with duties assigned by the Board: Advisory and Strategic Planning, Architectural and Permit Review, Budget and Finance, Bylaws and Declaration, Communications, Parks and Pond, and Pools and Recreation.

Section 6.2.3: **Special Committees**: The Association shall have a Nominating Committee with responsibilities for obtaining candidates for the election of Directors and preparing a slate of qualified candidates by the first Board Meeting in June. The Association shall have a Teller Committee with responsibilities for conducting the collection and counting of election and referendum ballots.

## **ARTICLE VII – VOTING PROCEDURE**

Section 7.1: General: All members eligible to vote in elections or on referendums shall be provided, via mail, a ballot at least 30 days, whenever possible, before a General Membership meeting. Instructions on returning the ballot will be included. Ballots must be returned and received per instructions by 3pm the Friday before the General Membership meeting or turned in to the Teller Committee the day of the meeting.

Section 7.2: Elections: Candidates must be present at the General Membership Meeting to be eligible for election. The election ballot shall list candidates in alphabetical order and be so arranged that separate votes can be cast for Directors and Directors who will serve as an Officer.

Section 7.2.1: At the August General Membership Meeting in odd years, the General Membership shall elect six Directors (including the President and Secretary) and in even years shall elect seven Directors (including the Vice President and Treasurer).

Section 7.2.2: The outcome of elections will be determined by a majority of ballots received. The election results shall be announced before the General Membership meeting adjourns. Directors elected will immediately assume their duties and responsibilities.

Section 7.3: Referendums: Referendum ballots shall list the issue and action desired that can be answered by voting “yes” or “no” and the issue shall have a recommendation by a majority of the Board. The referendum results will be announced before the General Membership meeting adjourns, or as soon thereafter as possible.

## **ARTICLE VIII – DUES and FEES**

Section 8.1: Annual Homeowner Dues: Each Lot Owner shall pay to the Association annual dues (referred to as an annual assessment in the Declaration of Restrictions) in an amount established by the Board of Directors in accordance with the Declaration of Restrictions, to meet the Association's annual operating expenses and funding of reserve account. The annual dues shall be paid by May 1 of each year. No member may exempt himself/herself from liability for dues for any reason. Collection procedures will follow the procedures outlined in the Declaration of Restrictions.

Section 8.2: Fees: An Owner who has not paid fees properly imposed according to the Declaration of Restrictions will be noted in the Ownership Roster as a member not in good standing. Collection procedures will follow the procedures outlined in the Declaration of Restrictions.

## **ARTICLE IX - FINANCE**

Section 9.1: Fiscal Year The fiscal year of the Association shall begin on the first day of May in each year and end on the last day of April in the next calendar year.

Section 9.2: Financial Requirements The Association shall have a reserve and an operational budget approved by the Board and the Board shall establish policies for employee compensation, lien's, mortgage protections, promissory notes, contracts, annual reporting requirements, community-wide events, insurance requirements and review, negotiable instruments procedures, and a Financial Review/Audit schedule. The proposed operational and reserve budgets shall be presented to the Owners at least 30 days, whenever possible, before the Board approves the budgets. The Owners shall have an opportunity to speak to the proposed budget and that budget may be adjusted by the Board in response. All expenditures are to be for the management and maintenance of Association property and amenities and not for activities associated with their use.

Section 9.3: Insurance: As set forth in Section 2-148 of the Corporations and Associations Article of the Annotated Code of Maryland, the Association shall insure and indemnify all Directors of the Association against any and all expenses. The Association shall also maintain fidelity insurance as required by Section 11B-111.6 of the Maryland Homeowners Association Act.

## **ARTICLE X – MISCELLANEOUS**

Section 10.1: Severability In the event provision or provisions of these Bylaws shall be determined to be invalid, void, or unenforceable such determination shall not render invalid, void, or unenforceable any other provisions hereof which can be given effect.

Section 10.2: Association Books and Records Except as otherwise provided by the laws of the State of Maryland, the books and records of the Association shall be kept at the MBCA office. All such books and records shall be made available to members of the Association, or their agents, upon written request to the attention of the Secretary of the Association and received at the MBCA Office. Release to a member shall be in accordance with the Maryland Homeowners Association Act.

Section 10-3: Petitions A petition may be used to propose action requiring a referendum (ballot) vote by the General Membership at either of the annual General Membership meetings. A petition may be used to call for a special meeting of the members, to include an issue for consideration by the members in the notice of the annual meeting of the members, to reverse or reject a decision of the Board, to require an action by the Board, to amend the Bylaws, or amend the Declaration of Restrictions. A petition must contain a specific question, proposal, or action suitable for a “yes” or “no” response. The petition must also state the section of the Bylaws or the Declaration of Restrictions that may need to be changed in order for the General Membership to override the conflict, if any, between those controlling documents and the desired outcome of the petition. The petition must follow the format adopted by the Board. Such petitions shall be signed by at least 15% of the voting membership. The costs associated with petitions are to be borne by the sponsor(s) of the petition.

Section 10.4: Distribution of Materials: Any member, at their expense, may distribute written information or materials regarding the operation of or matters relating to the operation of the Association in any manner or place that the Board distributes written information or materials. The newsletter or other methods of distribution (such as e-mail or mass-mailing to the General Membership) used by the Board and paid for by the General Membership shall not be used to distribute information a member wishes to have distributed unless approved by the Board.

Section 10.5: Privacy Protection: Personally identifiable contact information and information of a personal, private, or individually sensitive nature required by Section 3.2 and maintained by the Association will not be made available to any member or outside entity except by Court Order signed by a judge of competent jurisdiction.

## **ARTICLE XI - AMENDMENTS**

Section 11.1: Proposal of Amendments Amendments to the Bylaws may be proposed by the Board, by a petition, or by a vote at a General Membership meeting as described in these Bylaws.

Section 11.2: Review of Amendments: Before submitting Bylaw amendments to the General Membership for approval, they shall be reviewed and approved for legal sufficiency by the Association Attorney. Such approval will be provided in writing.

Section 11.3: Approval of Amendments Amendments to the Bylaws requires approval by greater than 50% of the General Membership eligible to vote.