

RIVA TRACE COUNCIL, INC. DIRECTORS' AND MEMBERS' VOTING POLICY

LR - HOA Dep Amendment 5.00

Riva Trace Council, Inc. organization: The Riva Trace Council, Inc. (RTC or Association) was established as a nonstock Maryland corporation on October 15, 1984.

HOA Name: riva trace council inc Ref:

Purpose: The purpose of RTC is defined in the Articles of Incorporation and Bylaws:

Total: 15.00 02/14/2019 02:04 CC02-MD #11666885 CC0501 - Anne Arundel County/CC05.01.09 - Register 09

Riva Trace Council, Inc. Articles of Incorporation, "...The purpose of which the corporation is formed are as follows: To manage the property and operate the affairs of the Association in the best interest of its members and to have and exercise any and all powers and privileges now and hereafter conferred by the laws of the state of Maryland upon corporations..."

RTC Bylaws ARTICLE I - MEMBERS OF THE ASSOCIATION, "Section 1.1 Membership: ...The purpose of the Corporation is to own and manage all open spaces, recreational areas, and common areas in the Riva Trace Planned Unit Development. Additionally, the Corporation shall be responsible for setting annual homeowners fees with the advice and assistance of the individual corporate property owners associations."

Members: The RTC directors are the voting members of RTC:

Riva Trace Council, Inc. Articles of Incorporation, "...The corporation shall be without capital stock and will not be operated for profit. The number of, qualifications for, and other matters relating to its members shall be set forth in the By-laws of the Corporation."

LR - HOA Dep Amendment 5.00

RTC Bylaws ARTICLE I - MEMBERS OF THE ASSOCIATION, "Section 1.1 Membership: Each president or corporate representative of the following corporate property owners' associations of the Riva Trace Planned Unit Development shall be members of the Corporation..."

HOA Name: riva trace council inc Ref:

RTC Bylaws ARTICLE I - MEMBERS OF THE ASSOCIATION, "Section 1.2 Voting: Each member shall have one vote in person or by proxy..."

Total: 15.00 02/14/2019 02:04 CC02-MD #11666885 CC0501 - Anne Arundel County/CC05.01.09 - Register 09

The president or corporate representative elected by the homeowners or boards of directors from each of the following property owners' associations serves as the director and voting member of RTC:

- Section 1, Autumn Chase Property Owners Association - 80 homeowners,
- Section 2, Lot 3, Falls Grove at Riva Trace Homeowners Association, Inc. - 22 homeowners,
- Section 2B, Winter's Chase Property Owners Association, Inc. - 44 homeowners,
- Section 3, Summer Place West Village Property Owners Association, Inc. - 92 homeowners,
- Section 4, Summer Place East Village Property Owners Association, Inc. - 124 homeowners,
- Section 5, New Summer Place North Village Condominium - Riva Trace Section Five, Inc. - 108 homeowners,
- Section 6, Spring Race Property Owners Association - 17 homeowners, and
- Section 7, Spring Place Property Owners Association, Inc. - 58 homeowners.

RTC directors' responsibilities: The RTC directors are responsible for:

- making decisions that are in keeping with the purpose defined in the Articles of Incorporation and Bylaws,
- being loyal to the best interests of RTC and the purpose established by the Articles of Incorporation and Bylaws, and
- making judgments in good faith.

LR - HOA Dep Amendment 5.00

Each director is a trustee-homeowner and not a volunteer-helper or a watchdog. The use of good judgment based on ethical principles shall guide directors with respect to acceptable conduct. Directors are expected to regularly attend meetings and to be prepared to participate in discussions and voting.

HOA Name: riva trace Ref: Total: 15.00 02/14/2019 02:04 CC02-MD #11666885 CC0501 - Anne Arundel County/CC05.01.09 - Register 09

1 Maryland Code Corporations and Associations, Title 5. Special types of corporations, Subtitle 2 - Nonstock Corporations, §5-204. Directors as members:

(a) In general. For purposes of any law or rule relating to members of a nonstock corporation, the directors of a nonstock corporation, under either of the circumstances described in subsection (b) of this section: (1) Also constitute the members of the corporation; and (2) When meeting as directors, may exercise the rights and powers of members.

(b) Application of section. This section applies if: (1) Neither the charter nor the Bylaws of the corporation provide for members; or (2) The nonstock corporation in fact has no members."

2019 FEB 14 P 2:05

CIRCUIT COURT A.A. COUNTY

RIVA TRACE COUNCIL, INC. DIRECTORS' AND MEMBERS' VOTING POLICY

RTC members' responsibilities: RTC directors are responsible for exercising the rights and powers of members including representing and voting on behalf of the homeowners in their respective property owners' association.

Meetings: Meetings will be conducted in accordance with the Maryland Code Real Property Title 11B Maryland Homeowners Association Act (MHAA) and the RTC Bylaws, ARTICLE I – MEMBERS OF THE ASSOCIATION:

"Section 1.11 Conduct of Meeting: ...Roberts Rules of Order shall govern the conduct of all meetings of the Council when not in conflict with the By-Laws or any other statutes of the State of Maryland."

Procedures for proxy and voting are incorporated in this policy.

Meetings will be open to all homeowners and RTC will provide a designated amount of time during meetings to allow homeowners an opportunity to comment on any matter relating to the association. During a meeting at which the agenda is limited to specific topics or at a special meeting, the homeowners' comments may be limited to the topics listed on the meeting agenda.

Voting: A quorum of five (5) members participating in the meeting and a majority of five (5) members² voting in favor is required to approve all decisions subjected to a vote regardless of whether the meeting is conducted in person or conference call.

Proxy voting: A member can delegate by proxy their voting rights for a meeting or decision to another person. Under Maryland Law, a director cannot vote by proxy in their capacity as director. In order to address these conflicts and fulfill director and member responsibilities, one of the following actions relative to voting via proxy is required:

- director as a member delegates a proxy to a director from their property owners' association board to be the corporate representative to attend meetings and vote as the member on behalf of the property owners' association, or
- director as a member delegates a proxy to a director from a different property owners' association that includes their vote on planned agenda items, opinion or preferences on any other matters, and the delegation to vote as the member for any other matters.

The proxy will be submitted to all directors via email. The proxy can be written in the text of the email or attached as a scanned document.

Action taken outside of a meeting: Any action involving a vote taken outside of a meeting will require the unanimous consent of all directors³.

Email voting: Directors as members vote via email when necessary or convenient⁴. All members voting in favor is required to approve all decisions made via email. The email voting procedures are as follows:

- (1) Notice – The RTC directors will be notified via email by the property manager, president, or vice president of the information on the decision needed, the time frame for asking questions, and the time frame for planned voting.
- (2) Voting email – At the conclusion of the question and answer time frame, the property manager, president, or vice president will ensure all questions have been answered and call for a vote.
 - Email subject will include: call for vote.
 - Email will include a time frame for voting.
 + All members will need to vote in favor for a decision to be approved.
- (3) Results email – An email with the results will be sent at the conclusion of the vote.

² Majority of quorum cannot approve decisions to ensure majority of the property owners' associations are represented.

³ Maryland Code Corporations and Associations, Title 2 Corporations in General -- Formation, Organization, And Operation. §2-408, "...*(c) Any action required or permitted to be taken at a meeting of the board of directors or of a committee of the board may be taken without a meeting if a unanimous consent which sets forth the action is:*

(1) Given in writing or by electronic transmission by each member of the board or committee entitled to vote on the matter; and

(2) Filed in paper or electronic form with the minutes of proceedings of the board or committee..."

⁴ Roberts Rules of Order (S4), "...*a vote by e-mail shall be acceptable unless explicitly disallowed.*" RTC Bylaws do not prohibit email voting.

RIVA TRACE COUNCIL, INC. DIRECTORS' AND MEMBERS' VOTING POLICY

Documentation and official record of the email voting will be maintained. The results of the vote will be entered into the meeting minutes at the following RTC meeting.

Conference call meeting: Conference call meetings will be conducted the same as in person meetings and will follow rules and procedures set forth in the RTC Bylaws.

Other: All persons representing RTC in the decision-making process shall conduct themselves in such a manner as to avoid any conflict of interest or the appearance of any conflict of interest⁵. All potential conflict of interest situations shall be disclosed to the RTC and specifically approved before any director member votes on a subject.

This policy is not intended to supersede any provision of law.

This policy supersedes all prior policies and practices and shall remain in effect until such time as it is changed, modified, or amended by a duly adopted resolution of RTC and filed in the RTC Homeowners' Association Depository in Anne Arundel County.

This policy only applies to RTC.

Approved by Riva Trace Council, Inc.: January 28, 2019
Policy effective date: January 29, 2019

⁵ Generally, a conflict between the private interests and the official or professional responsibilities of a director. Examples of conflicts include awarding contracts or providing favors to relatives and close friends or acting in the director's own interest rather than the interest of RTC.