

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

Article I. Name and Location [see also Articles of Incorporation, Fourth paragraph]

The name of the corporation is Drumaldry Homes Association, Inc., hereinafter referred to as the “Association.” The principal office of the corporation shall be located at the address of the current president, but meetings of members and directors may be held at such places within the State of Maryland, County of Montgomery, as may be designated by the Board of Directors.

Article II. Definitions [see also Declaration, Article I]

Section 1. “Association” shall mean and refer to Drumaldry Homes Association, Inc., its successors and assigns.

Section 2. “Properties” shall mean and refer to all real property which, from time to time, may be subjected to the Declaration of Covenants, Conditions and Restrictions of the Drumaldry Homes Association, Inc., and such additions thereto as may hereafter be brought within the jurisdiction of the Association. Specifically, the real property comprises one-hundred-four (104) residential lots, five (5) outlots, and all property (with some plantings) outside the walls (which are on individual homeowners’ property lines) including traffic-circle grounds (with plantings), but excluding County property, the former all Association’s ownership, responsibility, and liability. The five outlots with their plat designations, State District and Account Identifiers, and addresses if any are:

Outlot B, 07 ACCT NO: 00573471, 9002 Drumaldry Drive
Outlot C, 07 ACCT NO: 00573540, 9006 Drumaldry Drive
Outlot D, 07 ACCT NO: 00573664, 6301 Herkos Court
Outlot E, 07 ACCT NO: 00573733, n/a, Friendship Court
Outlot F, 07 ACCT NO: 00574475, n/a, Drumaldry Drive
(there is no Outlot A)

Section 3. “Common Area” shall mean all real property owned by the Association identified in Section 2 above for the common use and enjoyment of the members of the Association.

Section 4. “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. “Member” shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers,

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

but excluding those having, such interest merely as security for the performance of an obligation.

Section 7. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded among the land records of Montgomery County, Maryland.

Article III. Membership [see also Declaration, Article II]

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association.

The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. [see also Declaration, Article IV, section (d)] During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed ninety (90) days for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Article IV. Property Rights: Rights of Enjoyment [see also Declaration, Article IV]

Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the member.

Article V. Board of Directors: Selection, Term of Office [see also Articles of Incorporation, Fifth paragraph]

Section 1. Number. The affairs of this Association shall be managed by a Board of at least three

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

(3), and normally five (5) directors, who need to be members of the Association, and a majority of whom must have been elected (as opposed to selected). Upon the loss of directors such that only one or two remain, the only valid action of the remaining directors is the appointment of replacement directors in accordance with Section 3 of this paragraph, to again achieve the minimum of three required for Association operation. Specifically, no funds are to be disbursed or other business, such as contract signing, etc. transacted until there are a minimum of three (3) validly appointed or elected directors.

At the next annual meeting, to remain as directors, those directors who were selected must stand for election for the remainder of the term they are filling.

Section 2. Election. At the first annual meeting the members shall elect one director for a term of one year, two directors for a term of two years and two directors for a term of three years; and as the term of such directors expire new directors shall be elected for terms of three years. No Director may serve more than two (2) consecutive terms. Elected Directors incumbent at least one (1) day before these By-Laws are revised may serve no more than their current term plus three (3) consecutive years.

Section 3. Loss, Removal, and Replacement of Directors. Any directors may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve until the next annual meeting of the members and until a successor is elected and qualifies. The Secretary shall timely publish to the membership of the Association the name of the lost director, position held if any, the date of that director's election, the time remaining in that director's term, the name of the new director, and the date the new director may stand for election.

Section 4. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. Under unusual circumstances, 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 of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Article VI. Meeting of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly.

Drumaldry Homes Association, Inc.
Bylaws – effective 6/12/2009

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors.

Section 3. Open Meetings. Except as provided in Section 4, all meetings of the Board of Directors or committees established by the Board of Directors shall be open to all owners or occupants of units of the Association and their guests. Meetings shall be adequately publicized with advance notice of at least 72 hours and held at places convenient to the greatest number of members.

Section 4. Closed Meetings. Meetings of the Board of Directors or committees established by the Board of Directors may be closed only for the purposes enumerated in the Maryland Home Owners' Association Act, Title 11B, and the Montgomery County Code, Chapter 10B, Common Ownership Communities; and such other laws and regulations and/or revisions to these laws and regulations that apply to the Association. A statement of the time, place and purpose of any closed meeting, the record of the vote of each member by which the meeting was closed, and the reason for closing the meeting must be included in the minutes of the next Board of Directors meeting and must be made available so as to reasonably notify members of the Association within 14 days after the meeting.

Section 5. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 6. Emergency Meetings. The notice required under Section 3 may be waived if the Board member calling the meeting declares an emergency.

Article VII. Nomination and Election of Directors

Section 1. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members.

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article VIII. Powers and Duties of the Board of Directors [see also the Articles of Incorporation, and the Declaration]

Section 1. Powers. The Board of Directors shall have power:

(a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and guests thereon, and to establish penalties for the infraction thereof.

(b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration, except that for the Board to build upon, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real property, approval must be obtained of not less than two-thirds (2/3) of the members, in a formal vote at a meeting called according to the rules for Special Assessments specified in Article XII Section 5. ***[see also third paragraph, section (c) of the Articles of Incorporation]***

(c) To 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; and

(d) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors:

(a) To 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 annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) To supervise all officers, agents and employees of the Association, and to see that their duties, including the filing of all Federal, State and County reporting requirements, including the annual Personal Property Returns to the State of Maryland Department of Assessments and Taxation, are properly preformed;

(c) As more fully provided herein and in the Declarations;

(1) to fix the amount of the annual assessment against each Lot at least thirty (30) days in advance

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

of the annual assessment period, as hereinafter provided in Article XII, and

(2) to send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

(e) To procure and maintain adequate liability and Officers and Directors insurance, and to procure adequate hazard insurance on property owned by the Association;

(f) To cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;

(g) To cause the Common Area and common collector drainage system to be maintained;

(h) To provide members of the Association with the proposed budget of the Association at least 30 days before the Board votes on the budget;

(i) To provide members of the Association with any proposed amendment to the budget at least 30 days before the Board votes on the amendment, if the amendment will result in an increase or decrease of more than 15 percent of the approved budget. This requirement does not apply to expenditures made to respond to an imminent threat to health or safety or of serious property damage; and

(j) To contract for an independent financial audit by a Certified Public Accountant (CPA) if requested to do so by more than one half of the total number of any of the following:

- i. members of the Audit Committee, or
- ii. owners (who convey their wishes to the Board either [a] by voting, in person or by proxy, at an annual or special meeting; or [b] in writing within any given calendar year), or
- iii. members of the Board.

Article IX. Committees

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

Section 1. Optional Committees. The Board of Directors of the Association may appoint the following committees:

(a) An Architecture Committee of three (3) or more members as provided in the Declaration. The Committee shall recommend to the Board procedures, materials, and other policies concerning property appearance subject to the Declaration. Once such recommendations are approved by the Board, the Committee shall communicate them to the community. The Committee shall also create a process to consider owner requests for property changes, including notice of the owner's right to appeal denials as well as safeguards providing notice to other owners to allow an appeal of approvals to the Board (as allowed for in Art. IX, Sec. 4). This process shall be submitted to the Board for approval and, once approved, distributed to owners. The Committee shall use this process to review all owners' requests for changes.

(b) A Maintenance Committee to arrange for, coordinate, and supervise the maintenance, review, and repair of the common collector. Also, the Committee shall: help the Treasurer prepare budget recommendations for common collector fund transfers; solicit bids from contractors and recommend to the Board maintenance, repair, and contractors for these. At the Board's request, the Committee shall also advise the Board on matters that are not landscape related but pertain to the maintenance, repair, or improvement of the "public areas" [areas described in Subsection 1.c below], and help it provide general information to the owners on maintenance issues common to their personal property (e.g., home exteriors and walls).

(c) A Landscape Committee to supervise the maintenance and improvements of the outlots owned by the Association and, at the discretion of the Board, [i] the traffic circles and grass strips located on county property, [ii] part of the property owned by the National Center for Children and Families adjacent to Drumaldry Drive, and/or [iii] some of the owners' property located outside their walls. The Committee shall: advise the Board on issues regarding these grounds; solicit and recommend landscape maintenance and improvement contracts; approve bills covered by Board-approved contracts for grounds care or improvement; and prepare annual budget recommendations for the Treasurer. Additionally, the Committee advises the Board on needed landscape-related subcommittees and on other landscape matters.

(d) Any other standing or ad hoc committees deemed necessary or appropriate in carrying out the Association's purposes.

Section 2. Audit Committee. An Audit Committee of at least three (3) Association members shall be appointed each year by the Board following the Association annual meeting. Neither members of the Committee nor their partners shall be members of the Board or have been members of the Board for the preceding fiscal year. The Committee Chairperson shall be chosen

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

by the Committee. The Committee's areas of responsibility are:

(a) Financial Review Responsibilities:

- i. review the Association's financial records. At a minimum, this review shall include ensuring that bank statements are reconciled, vendor payments are accurate, and documentation is adequate for all financial transactions;
- ii. review all year-end financial reports to ensure that the amounts reported are fairly categorized and accurate;
- iii. determine, in the Committee's opinion, the state of the Association finances and if an audit by an independent CPA is warranted; and
- iv. perform any other duties the Committee considers reasonable and necessary to ensure financial records and reports are fair and accurate.

(b) Reporting Responsibilities:

- i. report its findings and recommendations to the Board no later than its April meeting;
- ii. report to the Association membership at its next regular annual meeting; and
- iii. if a financial audit occurs, the Committee will review the CPA's report and present its findings to the Board and subsequently to the Association membership at the next regular annual meeting.

Section 3. Complaints. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. Recommendations for the disposal of complaints received by a committee shall be forwarded to the Board of Directors for consideration by the Board.

Section 4. Appeal. Any member who disputes an action of a committee may appeal to the Board of Directors for resolution of such disagreement. **Appeals must be timely.** A homeowner's notice of appeal must be communicated in writing to the President or Secretary of DHA. Appeals taken more than sixty (60) days after the homeowner has received written notice from the President or Secretary of DHA of the homeowner's right to appeal shall not be considered timely. The Board of Directors shall be the final authority within the Association for the resolution of disputes.

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

Article X. Meeting of Members

Section 1. Annual Meeting. The annual meeting shall be held during the second quarter of the year, and the date, time, and place of the annual meeting shall be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing, on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, at least one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have 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.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Article XI. Officers and Their Duties

Section 1. Enumeration of Offices. The offices of this Association shall be a president, vice-president, secretary, and treasurer, who shall be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

otherwise disqualified to serve.

Section 4. 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.

Section 5 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. 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 the Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. The president shall also appoint a Resident Agent for the Association, pursuant to Maryland law, and report the actual names and addresses of the Principal Office and Resident Agent of the Association to the State of Maryland Department of Assessments and Taxation, Business Services and Finance Division, or its successor agency. The president will also ensure that the Board has notified all relevant Federal, State and County agencies of changes in address and of role, such as a newly-elected successor president; has filed all tax returns and legal notices; has filed with suitable filing fees, all founding documents, such as Revised By-Laws, with the Clerk of the Circuit Court of Montgomery County MD Depository for Association documents.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his or her 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) Secretary. The secretary shall record the votes and keep and timely distribute the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall:

- i. receive and deposit in appropriate bank accounts all monies of the Association;
- ii. disburse such funds as directed by resolution of the Board;
- iii. ensure all checks and promissory notes of the Association have the appropriate signature(s);
- iv. keep proper books of accounts;
- v. contact the Audit Committee to schedule a financial review of the Association books at the completion of each fiscal year, participate in discussions and provide information as requested by the Audit Committee, and provide all Association records in Treasurer's control to the Audit Committee as requested;
- vi. prepare and, once recommended by the Board, deliver to owners an annual budget and a statement of income and expenditures in a timely manner; and
- vii. present the budget and financial statements to the membership at its regular annual meeting.

If there were one or more prior Treasurers during the fiscal year under review, whenever needed the Audit Committee may request relevant information from those Treasurers.

Article XII. Assessments [see also Articles of Incorporation, Third paragraph, Section (b) and Declaration, Article V]

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and of the homes situated upon the Properties. Maintenance shall include but not be limited to the care of trees, shrubs, grass and natural areas owned by the Association, and also the repairing and maintaining of common collector lines of the drainage system across each individual lot.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be \$65.00 per lot.

- a. From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.
- b. From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of the members for the next succeeding five (5) years and at the end of this period, for each succeeding period of three (3) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.
- c. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Method of Computation When Using the Consumer Price Index. The Consumer Price Index establishes the United States City Average numerical rating of July, 1969, as 128.2.

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month of July preceding the proposed assessment year. This adjustment percentage, if in excess of 100 percentum, is multiplied by the original maximum annual assessment to obtain the maximum assessment for the subsequent year.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property, related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 6. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots.

Section 7. Quorum for Any Action Authorized Under Sections 3 and 5. At the first meeting called, as provided in Section 3 and 5 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 3 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Notice and Due Date of Assessment. The fiscal year shall coincide with the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. Annual assessments shall be due on the first day of January and payable no later than the thirty-first day of January of each fiscal year. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessments

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

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 six (6) percent 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 Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein: (a) all properties dedicated to and accepted by a local public authority, (b) the Common Area, and (c) all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Maryland. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Article XIII. Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for viewing and for obtaining copies at the Homeowners Association depository in the office of the Montgomery County Clerk of the Court.

Article XIV. Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Drumaldry Homes Association, Inc., a Maryland Corporation.

Article XV. Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting, by a vote of a majority of the members of the Association.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws,

Drumaldry Homes Association, Inc.

Bylaws – effective 6/12/2009

the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Article XVI. Miscellaneous

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

In Witness Whereof, we being all of the directors of Drumaldry Homes Association, Inc., have hereunto set our hands this ____ day of _____, 2009.

James E. Burk, President

Murray Goldstein, Vice-President

Randall Smith, Secretary

Laurie E. Wilner, Treasurer

Carrie Mann, Director

Drumaldry Homes Association, Inc.
Bylaws – effective 6/12/2009

, Director

Certification

I, the undersigned, do hereby certify: THAT I am the duly elected and acting secretary of the Drumaldry Homes Association, Inc., a Maryland corporation, and

THAT the foregoing By-Laws constitute the revised By-Laws of said Association, as duly adopted at a meeting of the members thereof, held on the 12th day of June, 2009.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 2009.

Randall Smith, Secretary