



## Watergate Improvement Association, Inc.

### By-Laws

(Approved November 9, 2005)

#### **ARTICLE I- Name and Purpose**

Section 1. This Association shall be known as “Watergate Improvement Association, Inc.”, hereinafter referred to as “the Association.”

Section 2. The purpose of the Association is to promote the communal good, to ensure the enforcement of community covenants and restrictions, to promote the health and safety of the community, to cooperate with neighboring communities and associations in furthering mutual interests, to encourage social and athletic activities within the community, and, further, to take what ever action is deemed necessary by the Association to protect the property and promote the general welfare of the community. The Association shall be a nonprofit, nonpolitical Corporation, which shall issue no capital stock.

#### **ARTICLE II- Membership and Voting**

Section 1. Every owner of a lot or lots in the community known as Watergate, located on the Thomas Point Peninsula, shall be a member of this Association. The word “owner” includes family ownership, dual ownership, and an owner of more than one lot. Every such owner who is a member in good standing shall be entitled to one vote in any Association meeting or poll of members. Residents of the community who are not “owners” shall be entitled to all the benefits and privileges of the community except that of voting.

Section 2. Except as otherwise specifically provided herein, a quorum having been established, all motions, proposals, amendments or other business of the Association in any meeting or poll shall be decided by majority vote.

Section 3. A member in good standing is one whose Association dues are not in arrears.

#### **Article III - Officers and their Duties-Nomination and Election**

Section 1. The officers shall consist of a President, Vice President, Treasurer, and Secretary, who shall serve for a one-year term. There shall be a Board of Directors (hereinafter referred to as “the Board”) consisting of the officers, three members in good standing of the Association elected for a term running concurrently with that of the officers, the chairs of the two special committees of the Association, and the immediate past President of the Association.

Section 2. Duties.

(a) The President shall preside at all meetings of the Association and of the Board, shall appoint the chair of each standing committee of the Association, and shall be a member ex officio of the Pier Committee and the Watergate Harbor Committee. The President shall submit a report at the annual meeting of the Association giving a resume of the year’s work.

(b) The Vice President shall assist the President in conducting the business of the Association and preside at meetings of the Association or of the Board in the absence of the President.

(c) The Treasurer shall collect Association dues and assessments, receive and safely keep all funds paid to the Association, be the custodian of all money and other property of the Association, pay all the Association expenses, present the financial status of the Association at each Board meeting and at the

Annual Meeting and keep a list of membership standings. The Treasurer shall notify the Board of Directors of members with dues, fees or assessments in arrears, and at the outset of each Association meeting (after the reading and approval of the minutes of the previous meeting) shall read into the record the names of members not in good standing. As soon as practical after the first of each calendar year, the Treasurer for the just completed year shall make available the financial records of the Association to the Chair of the Audit Committee.

Checking accounts, as needed, shall be maintained by the Treasurer. Individual savings accounts including bank savings accounts and certificates of deposit for the General Fund, the Pier Maintenance Fund, Pier Replacement Fund, and others as may be needed in the future will also be maintained by the Treasurer. Withdrawals in excess of \$1000 from savings accounts and checks in excess of \$1000 drawn on any checking account shall require two signatures. In general the Treasurer, or another officer in his or her absence, will sign all checks and withdrawal slips. The second signature will be that of the chair or vice chair of the Pier Committee when their funds are involved, and another officer of the WIA in all other cases. During preparation of the budget for the coming year the Treasurer will recommend an amount to be covered by fiduciary insurance based on the estimated maximum total of all these accounts and certificates.

(d) The Secretary shall keep a record of the proceedings of all meetings of the Association and the Board and an accurate roll of members present at each meeting, attend to all correspondence of the Association and advise the membership in writing of all regular meetings at least ten (10) days in advance thereof, and, with the approval of the Board, may appoint an Assistant Secretary. The Secretary shall also be responsible for providing new or prospective members of the Association with copies of the Association By-Laws and covenants consistent with Article X and shall record any changes in the documents as required under state law

(e) The Board shall be the governing body of the Association for the purposes of carrying out the programs and policies agreed upon by the members, for producing the budget and suggested dues submitted annually to the membership for approval, for acting on behalf of the Association in the enforcement of the covenants and restrictions, for directing the work of the officers and standing committees, and for such other actions as may be appropriate to carry out the purposes of the Association. The Board may approve non-budgeted expenditures of the Association not in excess of 15% of the total operating budget during any fiscal year, unless otherwise directed by resolution of the membership. The Board shall have at least one meeting in each calendar quarter. The meetings shall be announced to the Association at least 10 days in advance and all meetings of the Board of Directors shall be open to any member of the Association. All books and records kept by or on behalf of the Association shall be made available for examination and copying at the cost of the Association member, mortgagee, and their respective duly authorized agent or attorneys after reasonable notice. All actions by the Board shall be approved by a majority vote, and a majority of the Board members shall constitute a quorum.

(f) In the event of a vacancy on the Board or in any office (other than that of the President) a successor shall be selected by a majority vote of the Board of Directors to serve the unexpired term of such officer or Board member.

### Section 3. Nominations and Elections.

(a) Association officers and members of the Board shall be members in good standing and shall be elected for a term of one year at the annual meeting of the Association, by a ballot of the members. If no nominee for an office or Board membership receives a majority of the votes cast, the vote shall recur between the two nominees receiving the highest number of the votes cast.

(b) Nominations for officers and Board membership shall be made by a Nominating Committee consisting of five members (of whom no more than three may be Board members), and selection of nominees shall be by majority vote of the Committee.

(c) Seven (7) days prior to the meeting for the recommendation of candidates as officers or Board members, community members will be solicited to submit the names of possible nominees.

(d) Nominations shall be published and distributed to the membership at least ten days before the annual meeting, and additional nominations shall also be accepted from the floor at the annual meeting.

#### Section 4. Removal from Office.

Any officer or Board member may be removed from office for just cause at any regular meeting of the Association by a two-thirds vote of the members present, upon charges proffered by any ten members, provided that such officer or board member shall have been notified in writing of such charges not less than thirty days prior to such meeting, and shall have the right to appear at the meeting and defend against such charge.

### **ARTICLE IV - Covenants and Restrictions Enforcement**

Section 1. Pursuant to the stated purposes of the Association to promote communal good and to ensure the enforcement of community covenants and restrictions, the members of the Association, by a two-thirds majority of owners voting approval, do hereby appoint the Board of Directors as their agent and the agent of the community. Further, as such agent, the Board of Directors shall be empowered to enforce by all legal means compliance with any and all covenants adopted by the Association.

Section 2. The Association authorizes its officers and Board to enforce all provisions of the recorded covenants and restrictions. When an alleged violation of or noncompliance with such provisions is brought to the attention of the officers and Board they shall evaluate it and determine whether any action should be taken. When a determination is made that there is a violation or noncompliance and that action should be taken to enforce compliance, there should first be an attempt to resolve the issue through an informal discussion with the member determined to be in noncompliance. Should this fail, the member shall be given a written notice setting forth the nature of the violation and the corrective action sought by the officers and Board. Finally, if the matter is not then resolved to the satisfaction of the officers and Board they shall engage legal counsel and institute legal action to require compliance.

Section 3. The Association, upon award of a judgment in its favor in a legal action instituted pursuant to section 2, shall seek the imposition of court costs and attorney's fees. The Association recognizes that should any such judgment be adverse to its position the court may award court costs and attorney's fees to the successful party.

### **ARTICLE V - Association Meetings**

Section 1. The Association shall have an Annual Meeting in the second week of November of each year to elect officers and approve an annual budget for the following calendar year and members shall be given written notice at least ten days prior to each such meeting.

Section 2. Emergency meetings shall be held at the call of the President or the Board, or upon the written request to the Secretary of at least fifteen percent of the membership. Any such call or written request shall state the purpose of the meeting and the Secretary shall include such statement with a notice of the meeting sent to members not less than seventy-two hours prior to the meeting.

Section 3. Twenty-five percent of members eligible to vote shall constitute a quorum at any regular or emergency meeting of the Association, and “Roberts Rules of Parliamentary Procedure” shall govern the conduct of all meetings.

Section 4. The suggested order of business at any meeting of the Association is as follows:

- a) Call to Order
- b) Reading of the Minutes
- c) Reading of owners not in good standing
- d) Report of the Board
- e) Report of Committees
- f) Nominations and election of officers
- g) Unfinished Business
- h) New Business
- i) Adjournment

#### **ARTICLE VI - Committees**

Section 1. Standing Committees. The President shall appoint members to chair the standing committees listed below at the first meeting of the Board after the Annual Meeting or as soon as possible thereafter. Each standing committee shall consist of at least three members, who shall serve for one year or until successors are appointed. The Chairman of each standing committee shall appoint members to fill the two vacancies on his or her committee. Members of the committees shall not be entitled to compensation for services performed as members.

(a) An Auditing Committee shall begin an annual audit of all financial records of the Association, in January of each year for the preceding calendar year.

(b) A Social Committee to plan social events and provide hospitality functions.

(c) A Grounds Committee shall be responsible for the maintenance, improvement and beautification of the Watergate Recreation Area (including the boat ramp and beach), the South River Overlook, the community entrance area, the Triangle Area at the junction of Ramsgate and Gateshead Drives, and that area west of Watergate Harbor from Thomas Point Road to South River that adjoins Fishing Creek Farm property; for obtaining and submitting to the Board proposals for work needed on these areas, including estimates of cost. The Committee shall arrange for and oversee such work, subject to the approval of the Board. The Board may establish such subcommittees as may be necessary for these purposes.

(d) An Architectural Control Committee shall be responsible for reviewing plans and specifications for structures proposed to be erected by members, and shall have the right to disapprove any plans, specifications, locations or grade plans which they deem unsuitable or undesirable for aesthetic or nuisance reasons, and any building or other structure thereafter erected on the property shall conform to applicable County building code requirements and recorded community covenants and restrictions. The Committee’s approval or disapproval as required in the covenants shall be in writing and if disapproved, the Committee shall state its reasons for disapproval. In the event the Committee fails to approve, or disapprove, within thirty days after plans and specifications have been presented to it, approval will not be required and the related covenants shall be deemed to have been fully complied with. In the event a

member wishes to appeal a disapproval decision to the Board, the member shall send a written notice of appeal to the President with a written explanation as to why the member believes the Board should overturn the Committee's decision, a request for a presentation before the Board, or both. The Board will vote to uphold or overturn the Committee's decision at the next meeting of the Board, but in no event more than thirty days after receipt of the notice of appeal. Written notice of the Board's decision will be provided to the member within five days after its vote.

(e) Removal of a Committee member The President, with the approval of the Board, may remove a Committee member for cause and appoint another member to serve the remainder of such term, or may suspend a member from voting in a case where there is a real or apparent conflict of interest.

## Section 2. Special Committees.

a) The Pier Committee shall be composed of all members who have paid pier initiation fees and are paying slip fees. The Pier Chair shall assign slips and manage the use and maintenance of the pier and associated facilities and utilities, and shall ensure that all boats regularly berthed at the pier shall be registered in the name of the resident assigned the slip and shall be restricted to pleasure craft. Pleasure craft hired out for charter shall not be permitted. The Pier Committee shall annually elect members as chair and vice-chair of the Committee, shall establish an annual budget for the satisfactory operation of the facility, assess such annual fees and approve such additional charges for members as may be necessary to discharge its responsibilities. The Pier Chair shall authorize budgeted payment from these funds by the Association Treasurer. The annual budget shall be presented to the Board for review in October of each year. The Board can recommend proposed changes to the budget to ensure that financial obligations relating to the Pier, including any and all loan payments are satisfied. At the WIA Annual Meeting, the Pier budget will be presented to the membership for approval. Further details concerning policies, procedures and operations of the Pier Committee are contained in the Pier Regulations adopted by the Pier Committee. The Committee shall prepare an annual report of its activities for its members and the Association.

b) The Watergate Harbor Committee shall be composed of members whose property adjoins Watergate Harbor. This Committee shall elect annually members as chair and vice-chair of the Committee, and shall administer matters specifically and solely associated with maintaining the Watergate Harbor, such as: working with Harbor property owners to determine annual fees; determining required maintenance; soliciting and obtaining bids for such maintenance; obtaining the approval of members for such work and authorizing it to proceed; and approving the satisfactory completion of work and authorizing the Harbor Committee Chair to pay for it from the Watergate Harbor Maintenance Fund. Further details relating to the policies, procedures and operations of the Harbor Committee are contained in the Watergate Harbor Committee By-laws. The Committee shall prepare an Annual Report of its activities for its members and furnish a copy to the Association.

Section 3. The President shall notify the membership of appointments to all committees and, with the approval of the Board, may appoint ad hoc committees as deemed necessary or desirable.

## **ARTICLE VII - Dues, Assessments and Fees**

Section 1. The annual dues of the Association shall be determined by the members at the annual meeting of the Association based upon the approved Association budget for the year.

a. The Association Treasurer shall send out a notice to all Association members requesting payment by January 1 of each year. Failure to pay dues within 30 days from the date due shall result in a late charge of 10% of the amount due. The same late charge shall be imposed for any other fees or assessment with a specified due date.

b. If dues, fees or assessments of the Association or the Pier Committee are not received within 60 days of the due date, the Board of Directors shall be authorized to impose a lien on the lot under the terms of the Maryland Contract Lien Act. The Association member shall be responsible for paying late charges, attorney's fees and court costs for collecting unpaid fees or assessments and any other reasonable charges imposed to collect the outstanding assessment.

Section 2. A general assessment shall be a charge, in addition to the annual dues, levied against all Association members. Assessments shall be for the purpose of supplementing the Association's General fund in time of need. A general assessment shall require approval of two-thirds of the members present at an Association meeting, at least ten days in advance of which the members shall have been provided with a notice of the meeting stating the purpose and need for the proposed assessment.

Section 3. a) Annual fees, dues or special assessments assessed by the Pier Committee shall be paid to the Association Treasurer on the date set by Pier Committee. The Pier Committee shall establish a Pier Maintenance Fund and a Pier Replacement Fund with the Association Treasurer from such fees and assessments.

b) The Pier Committee shall assess an initiation fee per member for first-time dockage at the pier as a one time fee, and such fee shall be credited to the Pier Replacement Fund by the Treasurer. The amount of the initiation fee shall be reviewed and approved annually by the Board. Annual dockage fees established by the Pier Committee shall be placed by the Treasurer in a fund for the operation and maintenance of the pier facility. Such annual dockage fees shall be refundable on a pro rata basis, as defined in the Pier Regulations, if a member should dispose of his/her water craft or move from the community. Excess funds, as determined by the Pier Committee, shall be transferred to the Pier Replacement Fund.

Section 4. Annual fees, dues or special assessments assessed by the Watergate Harbor Committee shall be paid to the Harbor Committee Chair on the date set by Watergate Harbor Committee. The Watergate Harbor Committee shall establish a Watergate Harbor Maintenance Fund with the Harbor Committee Chair from such fees and assessments. The Association shall have no responsibility or liability for any operations of the Harbor Committee, including the receipts and disbursement of any funds or contractual liabilities of the Harbor Committee.

## **ARTICLE VIII Amendments**

Section 1. Proposed amendments and alterations to the By-Laws or the Covenants and Restrictions must be submitted in writing to the Board at least thirty days prior to any regular or special meeting of the Association. The Board shall cause a copy of the proposed amendment to be sent to each member at least ten days prior to the meeting, after which no change in the amendment (other than to correct a grammatical or typographical error or for purposes of clarification) shall be permitted.

Section 2. Such amendment or alteration to the By-Laws may be approved only at a meeting where a majority of the members are present and upon a vote for such change by at least two-thirds of the members voting.

Section 3. Such amendment or alteration to the Covenants and Restrictions may be approved only at a meeting where a majority of the members are present. The approval of proposed amendments shall be subject to the provisions of Covenant 7 a), which require an approving vote by two-thirds of the membership.

Section 4.(a) A member, upon certification to the Secretary that he/she is unable to attend a meeting due to illness or absence from the area, may vote by absentee ballot on amendments and alterations proposed under this Article, except that absentee ballots shall not be counted to establish a quorum for their consideration.

(b) The Secretary, prior to the meeting for consideration of an amendment under this Article, shall provide any such member with a ballot, which the member shall use to vote and shall return to the Secretary, signed and in a sealed envelope, prior to the meeting. The Secretary shall open such ballots at the appropriate time during the meeting and record the votes, but shall preserve the confidentiality of a secret ballot.

(c) The Board is authorized to establish procedures it deems reasonable to protect the integrity of the voting process under this section.

### **ARTICLE IX - Dissolution**

Any proposal to dissolve the Association shall be made in writing and signed by not less than two-thirds of the members, and shall be forwarded to the President, who shall send a copy of the proposal to every member at least thirty days prior to the Annual Meeting, at which meeting a majority of members shall constitute a quorum for this purpose and a favorable vote of at least three-quarters members present shall be necessary for its adoption.

### **ARTICLE X - Disclosures**

Upon presentation of a written request, the Secretary of the Board of Directors shall prepare a disclosure document at a charge to be determined by the Board of Directors, but in no event more than \$50, disclosing;

1. The language contained in the Maryland Homeowners Association Act as amended, including 1. A statement as to whether the lot is located within the development,
2. The current fees or assessments imposed by the Association on the lot,
3. The total amount of fees, assessments, and other charges imposed by the Association during the prior fiscal year,
4. A statement of whether any of the fees, assessments, or other charges against the lot are delinquent,
5. The name, address, and telephone number of an officer of the Association who can provide information regarding the Association,
6. A statement as to whether there are any unsatisfied judgments or pending lawsuits against the Association,
7. Any pending claims, covenant violations or notices of default against any lot, and;
8. A copy of all recorded covenants and restrictions including the By Laws to which the purchaser shall become obligated on becoming a member of the Association, including a statement that these obligations are enforceable against an owner's tenants, if applicable.

### **Article XI. Insurance**

The Board of Directors shall have the authority to purchase such insurance as from time to time may be required for the Association, including;

- a. Property insurance for any physical property owned by the Association equal to the maximum replacement value. The policy should provide coverage against loss or damage by fire and other hazards

and such other risks as customarily insured against including vandalism, malicious mischief, and windstorm.

b. Coverage for general liability and property damage on the Association property. The liability policy must contain cross liability endorsements to cover liabilities of the owners, the association as a group, and the Board of Directors.

c. A Directors and Officers liability policy.

d. A fiduciary policy in an amount sufficient to protect the Community's liquid assets.