

**DERWOOD STATION SOUTH
HOMEOWNERS ASSOCIATION, INC.**

**ADMINISTRATIVE RESOLUTION #3
ASSOCIATION VOTING PROCEDURES**

DERWOOD STATION SOUTH HOMEOWNER ASSOCIATION
Administrative Resolution #3
Association Voting Procedures

The purpose of this administrative policy is to ensure fairness during the annual election process for members of the Board of Directors. The Board of Directors, as authorized under its general powers, has decided to standardize the election process by dividing it into two distinct phases.

A. Candidate Phase

1. Notice of Election (Eligibility to Vote)

The Board will notify all homeowners by letter of the election timetable. In that letter, the Board will request nominations for Director positions. All members who are not delinquent for more than 60 days in dues or other debts to the Association are eligible for nomination. (A member's right to vote is suspended if delinquent pursuant to Article IV, Section 1(d), of Declaration and Article IV, Section 8, of Bylaws)

2. Nominations

Nominations will be in writing to the Secretary of the Board through the management agent and will include a short biographical summary of the candidate. The Board will publish the biographical summaries of the candidates in alphabetical order in the ballot mailing.

B. Voting Phase

1. Election Package

In accordance with the published election timetable, the Board will send to each homeowner an election package containing three items. There will be (1) an instruction sheet, (2) a ballot with the nominations printed on it in alphabetical order and (3) an envelope. The instructions will include a statement which stresses the importance of a quorum at the annual meeting and the necessity for homeowners to vote by proxy if they cannot attend. The ballot will have the member's address label affixed to it.

2. Acceptable Ballots

Only the ballots provided in the election package are acceptable as proxy votes. Reproduced copies are invalid and will be rejected by the election inspectors. If the ballot is lost, the homeowner can obtain a replacement by calling the management agent.

3. Write-In Votes

The ballot will have spaces available for write-in votes. The ballot will be rejected by the election inspectors if the number of write-in and other selected votes exceeds the number of positions to be filled on the Board. Write-in candidates will be eligible only if they have no outstanding debts and they accept the nomination verbally at the annual meeting or in writing prior to or at the annual meeting.

4. Proxy/Ballot

A properly executed ballot is (1) signed by the homeowner or an individual with power of attorney valid under state law to serve as the proxy and (2) has marked or written-in only the allowable number of candidate names. Pursuant to Article IV, Section 10, of the Bylaws, a member may appoint any other members or the Declarant or management agent as the proxy. A valid power of attorney must be filed with the Secretary (through the management agent) before the appointed time of the annual meeting. To be valid, a proxy/ballot must be delivered to the Secretary in one of the following methods: (1) mailed to the management agent in a sealed envelope (one will be provided); 2) hand-carried to the annual meeting by the voting homeowner or the individual serving as the proxy and given to the Secretary when the final call for ballots is made; or (3) hand-delivered in a sealed envelope by another homeowner to the Secretary when the final call for ballots is made. At the annual meeting validation of all late-arriving proxies and determination of a quorum shall precede the opening of the meeting. If a quorum of 58 homeowners is not reached, the Board will convene to determine a new date for the election.

5. Floor Nominations

During the election section of the annual meeting, nominations from the floor will be accepted if the candidate is present to personally accept the nomination or a letter of acceptance is presented to the Secretary of the Board. Each candidate will be invited to make a brief statement.

6. Election Inspectors (Bylaws, Article IV, Section 14)

The Board, prior to the annual meeting, may appoint an uneven number of inspectors of election to act at the meeting and at any adjournment thereof. If no inspectors are pre-selected, the Chairman of the annual meeting shall appoint inspectors at the meeting. Each inspector shall take and sign an oath faithfully to execute the duties of inspector of election at the meeting.

The above procedures are in accordance with the Association's documents (Articles of Incorporation, Declaration and Bylaws), the Montgomery County Code, as well as the "Corporations and Associations" Articles of the Annotated Code of Maryland. The procedures have been reviewed by the Association's attorney for compliance with current law. They will provide a standardized process and ensure that elections are fair and orderly.

This Administrative Policy is hereby adopted by the DERWOOD STATION SOUTH HOMEOWNERS ASSOCIATION, INC. this 21st day of March, 1994.

Recorded in the Minutes of April 4, 1994 and registered with the management agent.

ATTESTED

(signed/ Craig E. College)
Craig College, President
Derwood Station South HOA, Inc.