

RESOLUTION  
DERWOOD STATION HOMEOWNERS ASSOCIATION NO. 2, INC.  
ANNUAL MEETING AFTER FAILURE TO ACHIEVE A QUORUM

WHEREAS, the bylaws of the Derwood Station Homeowners Association No. 2, Inc. (DSHOA No. 2) require an annual meeting (Article III, Section 1);

WHEREAS, the Association's documents require a quorum of 1/3 (74 members) to conduct business (Article III, Section 4);

WHEREAS, the Association's documents do not specifically state what is to be done if there is an Annual Meeting at which there is any action but there is not quorum (Article III, Section 4);

WHEREAS, the Annotated Code of Maryland, Section 5-206 of the Corporations and Associations Article states what must be done if there is an insufficient number of members present at the meeting and provides as follows:

**"Section 5-206. Insufficient number of members present at meeting.**

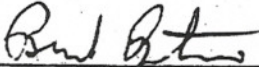
- (a) **Calling of additional meeting – If the number of members present at a properly called meeting of a nonstock corporation is insufficient to approve a proposed action, another meeting of the members may be called for the same purpose if:**
- (1) **The notice of the meeting stated that the procedure authorized by this section might be invoked and;**
  - (2) **By majority vote, the members present in person or by proxy call for the additional meeting.**
- (b) **Notice of additional meeting – Fifteen days notice of the time, place and purpose of the additional meeting shall be given by advertisement in a newspaper published in the county where the principal office of the corporation is located. The notice shall contain the quorum and voting provisions of subsection (c) of this section.**
- (c) **Quorum and voting requirements at additional meeting – At the additional meeting, the members present in person or by proxy constitute quorum. A majority of the members present in person or by proxy may approve or authorize the proposed action at the additional meeting and may take any other action which could have been taken at the original meeting if a sufficient number of members had been present."**

NOW THEREFORE, the DSHOA No. 2, Inc. Board of Directors adopts the following resolution to ensure that there is a procedure to follow if an Annual Meeting does not achieve a quorum.

BE IT RESOLVED AND MADE A POLICY OF THIS ASSOCIATION, as follows:

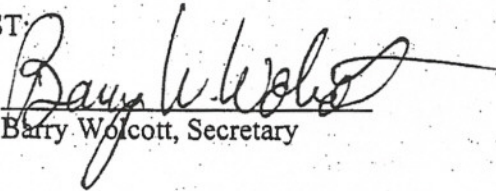
1. Unless revoked, proxies submitted for the Annual Meeting shall be considered valid for any follow on meeting.
2. In accordance with Maryland Annotated code Section 5-206 of the Corporations and Associations Article, a notice shall be placed in the Legal Notices section of the Rockville Gazette and on the Association Bulletin Boards.
3. The Annual Meeting shall be held with the next monthly meeting of the Board of Directors.

Approved by the Derwood Station Homeowners Associations No. 2, Inc., Board of Directors.



Brad Botwin, President

ATTEST:



Barry Wolcott, Secretary

Approved Date: July 28, 1999

Effective Date: July 28, 1999