

THOUSAND ACRES ASSOCIATION, INC.

BY-LAWS

Amended and Accepted Unanimously at the General Meeting, September 2024

PART 1. GENERAL

1.1 Offices. The Association may maintain an office or offices in such location or locations as the Board may from time to time establish.

1.2 Seal. The corporate seal of the Association, if any, shall bear the name of the Association, the year of its creation and the words, "Corporate Seal" and "State of Maryland" and shall be held by the president or treasurer.

PART 2. PROPERTY OWNERS IN GOOD STANDING

2.1 Qualifications for Participation.

(a) Property owners in good standing with the Association (hereinafter the Community) shall be persons who are not in default with respect to the payment of road maintenance fees and assessments to the Association and are: (1) owners (legal or equitable) of an improved residential lot in the area currently served by the existing private road system owned or maintained by the Thousand Acres Association, Inc., including Thousand Acres Road, Shoreline Drive, Crows Point Road, Poland Lane, Winslow Court, Cognac Lane, and any shared driveways or cul de sacs directly accessing from these roads (hereinafter referred to as the "Development") with respect to which a single-family dwelling has been erected and occupancy thereof has commenced, the owners of such lot shall be entitled to one vote; or, (2) owners (legal or equitable) of a residential lot in the Development with respect to which a residence may be constructed under then existing laws and regulations, the owners of which shall be entitled to one vote; or (3) owners (legal or equitable) of a residential lot in the Development with respect to which a multi-family dwelling has been erected and occupancy thereof has commenced, the owner-occupants of each of the residential units shall be entitled to one vote, or (4) the Deep Creek Yacht Club, Inc.

A person who has no interest in real estate in the Development other than an interest that is held merely as security for the performance of an obligation to pay money (e.g., the interest of a mortgagee or a land contract vendor) or a contractor, realtor or buyer solely interested in the re-sale of an unimproved property or speculative house shall not be entitled to participation in the Association.

2.2 Evidence of Good Standing. The Board of Directors shall have the power (but not the duty) to cause the issuance of evidence of good standing in the Association in such form as the Board of Directors shall prescribe.

2.3 Enforcement of Obligations. Nothing herein contained shall preclude the Corporation from suing to enforce the obligation of any property owners to pay a pro-rata share of the costs of the maintenance of the roads in the Development.

PART 3. MEETINGS OF THE COMMUNITY

3.1 Place of Meeting. The Board of Directors may designate any place within the Development as the place for any regular or special meetings of the Community. The place at which a particular meeting is to be held shall be stated in the notice of the meeting.

3.2 Regular Meetings. Each year, one or more regular meetings of the property owners of the Association shall be held on such date and at such time as determined by the Board of Directors. Failure to hold a regular meeting at the designated time shall not work any forfeiture of the charter, or dissolution of the Association. The election of Officers and Directors shall be held at a regular meeting and the Community shall transact such other business as may properly come before the meeting.

3.3 Special Meetings. A special meeting of the Community of the Association may be called by the President, by a majority of the Board of Directors or upon a written petition signed by the property owners in good standing representing at least fifteen percent (16%) of the total Community.

3.4 Notice of Meetings. At the direction of the President or the Board of Directors, written notice of a meeting of the Community shall be provided to all property owners not less than fifteen (15) nor more than sixty (60) days prior to such meeting. Notice of any meeting of the Community shall specify the purpose, place, date, and hour of the meeting. Unless the Secretary shall have been otherwise notified in writing, adequate notice of a meeting shall be deemed to have been given if said notice is mailed to the address of the property owners supplied to the Association for the purpose of notice or if said notice is e-mailed or texted to an e-mail text address supplied to the Association or by attendance in person.

3.5 Method of Voting. All property owners may attend general meetings. In all elections for Directors or any proposals submitted for a vote and subject to the provisions of part 2 above, only a property owner in good standing shall be entitled to cast one vote, subject to the way the property owned by such person is legally recorded. Each vote shall be cast as follows:

(a) If the property is owned by one person, the vote shall be cast by that one person. For the purposes of these By-Laws, a corporation shall be deemed to be a person.

(b) If the property is owned by more than one person, either as tenants in common, as joint tenants or as tenants by the entireties, the vote attributable thereto shall be deemed properly cast if cast by any one of the tenants or as directed by a majority of the tenants. If the tenants are equally divided or otherwise unable to agree, a majority right to vote shall be deemed to have been forfeited; in no event shall there be fractional voting.

(c) If the property is owned by a partnership, then any general partners shall, if so authorized by the partnership documents, cast the vote of the partnership.

(d) Since 1000 Acres, LLC, has the right to appoint one director it shall not vote in any vote in the election of the officers or other directors. Since Deep Creek Yacht Club, Inc. has the right to appoint one director, it shall not have any vote in the election of the officers or other directors. Except for the election of such officers, Deep Creek Yacht Club, Inc. shall be entitled to cast the number of votes equivalent to its assessment as compared with that of individual owners.

3.6 Proxies. In accordance with Maryland law, each member of the Community who is entitled to cast a vote may vote in person or by proxy executed in writing or by a duly authorized attorney-in-fact. Such proxy shall be revocable and shall be valid only with respect to the meeting specified therein. No proxy may be cast unless it shall have been deposited with the Secretary or other officer of the Association prior to the commencement of any meeting of the property owners for verification purposes. A proxy form is available from the Association Secretary. Directors may not vote by proxy or appoint an alternate to act or vote in their place on board actions. Voting from a remote location by phone or videoconferencing is permitted.

3.7 Quorum. The presence, either in person or by proxy, of property owners in good standing representing at least fifteen (15) percent of the total votes eligible to be cast, shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of the Community. To establish a quorum, the presence, either in person or by proxy, of any one owner-representative of a residential lot which is jointly held shall be deemed to be the presence of a person who is eligible to cast a vote, whether the owner-representative so present is a tenant in common, a joint tenant, or a tenant by the entireties.

3.8 Forfeiture of Voting Rights. No property owner shall be eligible to cast a vote if, at the time of the voting, such property owner: (a) shall be in default in the payment of any assessments or charges levied by the Association; (b) is in violation of the Declaration or Restrictions; or (c) is in violation of any rules or regulations adopted by the Board Of Directors of the Association and the Community with respect to the roads, or any other property owned, leased or controlled by the Association.

PART 4. THE BOARD OF DIRECTORS

4.1 Number, Term of Office and Qualifications. The affairs and business of the Association shall be managed by a Board of Directors, each of whom shall be a property owner in good standing with the Association except for the two directors appointed by the Deep Creek Yacht Club and 1000 Acres, LLC. The same rules regarding the forfeiture of voting rights apply to the Board of Directors. The terms of the Directors shall be for one (1) year and until their respective successors are duly elected and qualified.

4.2 Method of Election. Six (6) members of the Board of Directors shall be elected by the Community as a whole from among those who own lots in a section: one (1) director each from Crows Point Road (Upper Green Glade Cove), Crows Point Road (Lower Green Glade Cove), Thousand Acres Road, Shoreline Drive (Poland Run), Shoreline Drive (Main Lake) and an "At-Large Director.". Deep Creek Yacht Club, Inc. shall have the right to appoint one director. 1000 Acres, LLC, shall have the right to appoint one director. This right shall inure to their heirs, designees, or assigns.

The Community shall also elect a President, a Secretary, a Treasurer and a second Treasurer, if needed, who shall, upon election, also serve as voting members of the Board of Directors, as will an appointed Vice President. in addition to the eight (8) members set forth above. In addition, the immediate Past-President, or if he/she is unable or unwilling to serve, his/her most immediate predecessor, shall automatically become a director with voting privileges. To serve as an elected officer, an individual must be (a) a member in good standing of the Community, (b) be elected annually by the Community, and (c) have served on the board for a minimum of one year.

4.3 The officers of the association's board (president, vice president, treasurer(s), secretary, and immediate past president) constitute the Executive Committee, with the president serving as the presiding officer. The executive committee may have meetings in person, electronically, or by videoconference as required by association business. The president will report any recommendations of the executive committee to the board of directors at each board meeting or between meetings, by mail or email/text, for consideration

and approval by the board. Communication from outside parties involving association business, excluding routine invoices, must be sent or addressed to the entire executive committee and not solely to one of the officers.

The Board acts as the nominating committee. The nominating committee shall send a slate of nominations for all elected positions to the Community at least 15 days prior to the date of the meeting at which the election will be held.

Any property owner in good standing wishing to run for any position may place his/her name in nomination by submitting to the President, at least one month before elections are held, a written petition setting forth the office sought and signed by four property owners in good standing of the Community. The Secretary shall then include the name, along with the other nominees, in the agenda sent 15 days before the meeting at which the elections will take place. Nominations may also be made from the floor at the time of the meeting.

If a quorum is present, the affirmative vote of a plurality of the total votes cast for any Director shall be sufficient to elect such Director.

4.4 Regular Meetings. The Board of Directors shall establish a schedule of one or more regular Board meetings to be held during the year. All regular meetings of the Board of Directors will be held within Garrett County or by online videoconferencing. Members of the Community may attend a Board meeting after sending a request to the president explaining the reason for attending. However, the Board may convene part of the meeting in a closed executive session.

4.5 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President and shall be called on the written request of any three (3) Directors.

4.6 Notice of Meetings. Notice of any meeting of the Board of Directors shall state the date, time and place of the meeting and shall be given each Director personally or by email, text, mail, or telephone at least three (3) days prior to such meeting under the direction of the Secretary. Adequate notice of a meeting shall also be deemed to have been given to a Director if said notice is e-mailed at least three (3) days prior to such meeting under the direction of the Secretary to an e-mail or text address supplied by such Director to the Association. A Director waives notice if he signs a waiver of notice before or after the meeting which is filed with the minutes of the meeting or is present at the meeting.

4.7 Quorum. A majority of the entire Board of Directors shall be necessary to constitute a quorum thereof, except for the filling of vacancies, which shall require a majority of the

remaining Directors for a quorum. The act of a majority of the Directors who are present at a meeting at which a quorum is present shall be the act of the Board of Directors

4.8 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a written or electronic consent which sets forth the action is agreed to by a simple majority of board members and filed with the minutes of the Board.

4.9 Resignation and Removal. Any Director may be removed from the Board with cause by a two-thirds (2/3) vote of the Community of the Association attending a regular or special meeting in person (or by proxy) if notice of the proposed removal is contained in the notice of the meeting. Any Director may also be removed for cause by a majority vote of the remaining Directors provided the Director is notified of the proposed action and granted an opportunity for a hearing at a regular meeting of the Board of Directors prior to final action. Any Director who becomes more than sixty (60) days delinquent, from date due, in payment of any charges due the Association may be removed from office by the remaining Directors provided the Director is notified of the proposed action and granted an opportunity for a hearing by the Board of Directors prior to final action. A Successor to serve as a director for the unexpired term of any vacancy created by resignation or removal shall be appointed by a majority of the remaining Board of Directors within thirty (30) days from time of resignation or removal.

4.10 Compensation. No member of the Board of Directors, nor any officer of the Association, nor any person appointed to an advisory committee, task force or other advisory body created by the Board of Directors, shall be compensated for services in connection with such positions; provided, however, such persons may be reimbursed for necessary expenses in connection with such service in accordance with such policy as the Board of Directors may establish.

4.11 Conflict of Interest. The conflict-of-interest policy protects the Community's interests when the Board of Directors is considering taking an action or entering into a transaction that might benefit the private interests of a director or officer. The Association's Conflict of Interest policy and declaration form can be obtained from the Secretary. Should a director's or officer's financial or other interests change in the course of the year, an amended disclosure statement must be filed before the annual election meetings of the Thousand Acres Association held on such date and at such time as determined by the Board of Directors.

4.12 Specific Powers. The powers of the Board of Directors shall include (but not be limited to) the following:

(a) From time to time to make and change rules and regulations not inconsistent with these By-Laws.

(b) To borrow money in order to carry on the authorized activities of the Association.

(c) To include in any annual charge the amounts necessary to fund capital expenditures but not to exceed twenty-five percent (25%) of the current income derived from annual charges.

(d) To suspend the right of a property owner to cast any vote during any period in which such owner shall be in default on payment of any annual charges or dues levied by the Association.

(e) To appoint, and at their discretion, remove or suspend such subordinate officers, agents or servants permanently or temporarily, as they may from time to time deem appropriate, and to determine their duties, and fix, and from time-to-time change, their salaries or emoluments, and to require security in such instances in such amount as they deem appropriate.

(f) To confer by resolution upon any appointed Officer of the Association the power to choose, remove or suspend such subordinate officers, agents or servants.

(g) To determine who shall be authorized on the Association's behalf to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts, and documents.

(h) To establish committees, task forces or other advisory bodies as it deems appropriate in carrying out the affairs of the Association. All members of such committees or groups shall be property owners in good standing in the Association.

(i) To exercise for the Association all the powers and duties of the Association other than those powers or duties reserved or committed to the property owners in good standing of the Association by the By-Laws or the Articles of Incorporation and to do any and all lawful things and acts that it deems to be for the benefit of the Association and the residents thereof or advisable, proper or convenient for the promotion of the interests of said inhabitants with regard to health, safety, education, culture, recreation, comfort and convenience.

PART 5. THE OFFICERS OF THE ASSOCIATION

5.1 Elected Officers. The Elected Officers of the Association shall also be members of the Board of Directors. The Officers shall be elected by the Community in accordance with the provisions of Paragraph 4.2 of the By-Laws. In addition to the Elected Officers, the Board of Directors includes the immediate Past President.

5.2 Appointed Officers. The Board may also choose and appoint a Vice President and Assistant Secretary if, in the discretion of the Board, such officers are needed. The Board of Directors may provide that any two or more offices may be held by the same person, except the offices of President, Secretary and Treasurer, which may not be held by the same person.

5.3 Duties of the President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Community and Directors; shall be charged with the general and active management of the activities and affairs of the Association; shall see that all orders and resolutions of the Board are effectuated; shall execute any contracts requiring a seal of the Association; shall keep in safe custody the seal of the Association, and when authorized by the Board, affix the seal to any instrument requiring the same, and the seal when so affixed shall be attested by the signature of the Secretary. The President shall discharge such other duties and powers as may be assigned by the Board of Directors.

5.4 Duties of the Vice President. If the Board decides to choose a Vice President, such officers shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, shall write and distribute a mid-winter association newsletter; and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe. The Vice President will have the right to vote in executive and board meetings.

5.5 Duties of the Secretary. The Secretary shall keep minutes of all meetings of the Community and Directors; shall serve as the Secretary of the Board of Directors; shall record all votes, and retain the minutes of all proceedings in a book or electronic files to be kept for seven (7) years, and shall perform like duties for standing committees when required; shall give or cause to be given notice of all meetings of the Community of the Association and of the Board of Directors; and shall perform such other duties as may be prescribed by the Board of Directors or President under whose supervision such officer shall serve.

5.6 Duties of the Assistant Secretary. At the request of the Secretary, the Board may appoint an Assistant Secretary who shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Secretary and shall perform such other duties and

have such other powers as the Secretary or the Board of Directors may from time to time prescribe. The Assistant Secretary will have the right to vote in board meetings.

5.7 Duties of the Treasurer(s). The Treasurer(s) shall have the custody of the corporate funds and shall keep full and accurate accounts of receipts and disbursements in books or electronic documents belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. Such officers shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors, President, or Vice President so requires, an account of all his/her transactions as Treasurer and of the financial condition of the Association. The president or vice president will keep in safe custody the seal of the Association, and when authorized by the Board, affix the seal to any instrument requiring the same.

5.8 Resignations and Removals. Any Officer may resign his/her office at any time, such resignation to be made in writing, and to take effect from the time the same is received by the Board of Directors, unless some time be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be necessary to make it effective. Any Officer appointed by the Board of Directors may be removed with or without cause at any time by a vote of the majority of the entire Board of Directors; however, the President, Secretary and Treasurer(s) may be removed only pursuant to Paragraph 4.8 of the By-Laws.

PART 6. FINANCE

6.1 Association Books and Records. Except as otherwise provided by the laws of the State of Maryland or these By-Laws, the books and official electronic records of the Association may be kept for a period of seven (7) years at such place or places as the custodian thereof may select. A copy of all such records shall be maintained in the Association offices if the Association maintains a regular office. All records shall be made available for inspection by any property owner in good standing of the Association or his/her agent for proper purposes at any reasonable time.

6.2 Fiscal Year. The fiscal year of the Association shall be a one-year period as the Board may determine.

6.3 Sources of Financial Support. The Association shall be financed by:

(a) Various assessments, charges, fees, or other means authorized by the Board of Directors as prescribed in the Articles of Incorporation.

(b) Grants, gifts, and bequests received by the Association with the approval of the Board of Directors. Any gift received by the Association shall be added to the general fund of the Association.

(c) Deep Creek Yacht Club, Inc. shall be assessed for an amount equivalent to ten (10) times the amount assessed against each individual property owner, and the members of the Deep Creek Yacht Club, Inc. shall not be further assessed.

(d) Assessments on commercial enterprises located in Thousand Acres and using TAA private roads as negotiated between the parties.

6.4 The giving of any type of financial support and/or the payment of fees and assessments do not give the donor or payer control over the use of those funds, which are to be used to maintain the private roads owned by Thousand Acres Association, Inc, and support official Association business. All funds become part of the General Fund. The use of all funds is under the control of the Board of Directors and ultimately the Community, as validated through their vote to approve budgets and the Treasurer's reports at the General Meetings.

6.5 Budget. The Board of Directors shall propose a budget--for adoption by the Community present at the fall general meeting--containing estimates of anticipated receipts and expenditures for the fiscal year and shall determine from such budget the amount of the annual assessment to be collected from each property owner.

6.6 Collection of Assessments. Annual assessments shall be collected by the Treasurer each year on or before such date as the Board may establish. Any assessments uncollected as of such date shall be reported to the Board of Directors at the next regular meeting and late fees may be applied. Written notice of a past due assessment shall be provided to the property owner obligated to remit such amount at his/her last known mail or electronic address. A one-time construction road impact fee shall be assessed at a rate determined by the Board of Directors when the square footage of the building is determined. Special assessments to maintain the road system shall be voted on at a general meeting and will be collected by the date established at that time.

6.7 Annual Report. There shall be prepared annually a full and correct statement of the affairs of the Association, including a financial statement of operations for the preceding fiscal

year which shall be submitted at an annual meeting of the Community. Such statement shall be prepared under the direction of the Treasurer(s) and President.

PART 7. AMENDMENTS

7.1 Proposal of Amendments. Amendments to these By-Laws may be proposed by the Board of Directors or by petition signed by property owners in good standing representing at least ten percent (10%) of the total votes eligible to be cast at the immediately preceding regular meeting of the Community.

7.2 Method. These By-Laws may be amended at a regular or special meeting of the Community, by the affirmative vote of a simple majority of the property owners in good standing who are voting in person or by proxy. Any proposed amendments shall be included in the notice of such meeting.