

IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY, MARYLAND

RIVIERA COMMUNITY
IMPROVEMENT ASSOCIATION, ET AL.

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Plaintiffs

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V.

Case No. 02-C-09-146110

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RIVERBEA CORPORATION, ET AL.

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Defendants

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CONSENT ORDER AND JUDGMENT

Plaintiffs, Riviera Community Improvement Association, Paul T. Buddock, Karin T. Buddock, Eric D. Etzel, Laura I. Etzel, Floyd C. Culhane, Judith I. Culhane, and Michael B. Young, through their attorney, J. Dirk Schwenk and Baylaw, LLC, and Defendants, Riverbea Corporation ("Riverbea"), William Guizzardi, Brett Scheibe, and Edward Patrick Kiley, by their attorney, Linda M. Schuett and the law firm of Blumenthal, Delavan, and Williams, P.A., enter into this Consent Order and Judgment ("Order") as of this 9th day of April, 2013, as follows:

1. From the date of this Order forward, the directors of Riverbea may no longer be appointed and shall instead be elected by the qualified residents of the Riviera Beach community for the terms and under the conditions set forth in the Bylaws, attached as Exhibit A. William Guizzardi is a current director of Riverbea and, by his signature below, approves the Bylaws. The remaining directors of Riverbea join in this Order for the purpose of approving the Bylaws, which shall thus become effective immediately, except as modified by this Order. All parties

agree that Riverbea shall not in the future enact any Bylaw changes that shall have the effect of disenfranchising qualified Riviera Beach residents from voting and that the Bylaws may not be changed in any respect until after the Riverbea Annual Meeting that will be held on or about the last Thursday of September, 2014. These Bylaws control with respect to the timing for the next Annual Meeting.

2. Article II, Section 4, of the Bylaws requires the members in any year in which there is a vacancy to elect a person to fill the vacancy. As of the date of this Order, there are two vacancies on the Board of Directors. The Board of Directors may choose to fill these two vacancies, but is not required to do so. If the Board chooses to fill the vacancies, the vacancies will be filled as provided in the Bylaws. Article II, Section 5, of the Bylaws allows the members to require the President to call a special meeting under certain circumstances, including for an election. Members of Riverbea may not mandate a special meeting for an election until after the Annual Meeting held on or about the last Thursday of September, 2014.

3. By on or about the last Thursday of September, 2013, one director of Riverbea, chosen by Riverbea, shall resign and there shall be an election of one new Riverbea director. Any qualified member of Riverbea, as defined in the Bylaws, may run for the director position. Any qualified member may vote in the election.

4. By on or about the last Thursday of September, 2014, two of the directors of Riverbea who serve as of the date of this Order, and as chosen by Riverbea, shall resign and there shall be an election of two new Riverbea directors. Qualified members of Riverbea, as defined in the Bylaws, may run for the director positions. Any qualified member may vote in the election.

5. Between the date of this Order and the Annual Meeting to be held on or about the last Thursday of September, 2014, Riverbea may not enter into any contracts to convey property and

may conduct only ordinary and routine business relating to community property; Riverbea shall post its bank account statement, with the account number and other identifying information redacted, on its website on a monthly basis.

6. The Circuit Court for Anne Arundel County shall retain jurisdiction over this matter until the day after the Annual Meeting to be held on or about the last Thursday of September, 2014. If a qualified member of Riverbea believes that Court oversight of a particular matter is required, the member may invoke the supervisory power of the Court.

7. The parties, by entering into this Order, do not admit to the merits of any of the claims or demands. The parties acknowledge that they are entering into this Order as a compromise to avoid the mutual expense and inconvenience of litigation and for the purpose of promoting better relations within the Riviera Beach community.

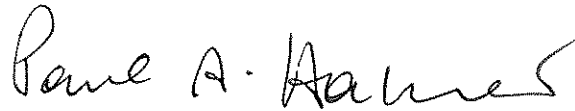
8. The Court's Memorandum and Orders and related Orders dated August 12, 2011 and March 13, 2013 are enrolled as judgments.

9. This Order and the August 12, 2011 and March 13, 2013 Memorandum and Orders shall be made a part of the official corporate records of Riviera Beach Community Improvement Association and the Riverbea Corporation and shall be published on the websites of both.

10. Upon execution of this Order, the remaining issues, claims, and counts as between these parties, and these parties only, are dismissed with prejudice, each party to bear his, her, or its own costs, expenses, and attorneys' fees. This paragraph does not have the effect of defeating the oversight of the Court otherwise set out in this Order.

11. Upon the execution of this Order, no further cross-claims, counter-claims, third-party claims or additional claims of any kind will be allowed in this case.

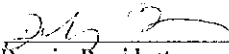
12. Upon execution of this Order, the parties, on behalf of themselves and their agents, attorneys, representatives, executors, administrators, successors, and assigns, hereby release and discharge each other and their respective past, present, or future attorneys, representatives, executors, administrators, legatees, affiliates, predecessors, successors, and assigns from any and all actions, causes of action, suits, debts, sums of money, accounts, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, claims, and demands whatsoever that refer or in any way relate to the Complaint and other pleadings filed in this case, in law or in equity, whether known or unknown, absolute or contingent, real or imaginary, foreseen or unforeseen, that they have ever had, or could have had, against each other from the beginning of time to the date of this Order.

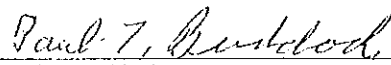


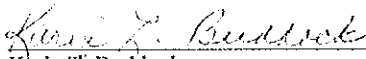
The Honorable Paul A. Hackner, Associate Judge
Circuit Court for Anne Arundel County

WITNESS OR ATTEST:

Riviera Community Improvement Association

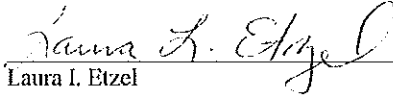
BY: 
Jeff Brewis, President


Paul T. Buddock


Karin T. Buddock



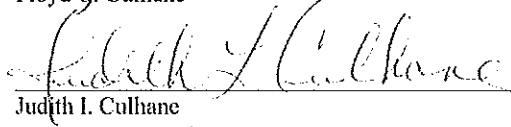
Eric D. Etzel



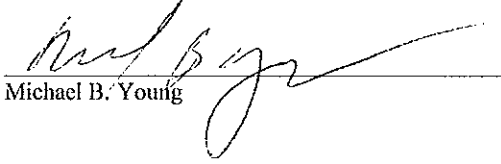
Laura I. Etzel



Floyd J. Culhane



Judith I. Culhane



Michael B. Young

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Riverbea Corporation

Constance B. Kiley

BY: William Guizzardi
William Guizzardi, Vice President

Constance B. Kiley

William Guizzardi
William Guizzardi

Constance B. Kiley

Brett Scheibe
Brett Scheibe

Constance B. Kiley

Edward P. Kiley
Edward Patrick Kiley

The following directors of Riverbea join in this Order solely for the purposes herein stated:

Constance B. Kiley

Susan Hancock
Susan Hancock

Constance B. Kiley

Walt Dempsey
Walt Dempsey

Constance B. Kiley

Phyllis Amos King
Phyllis Amos King

Constance B. Kiley

Sam Colgain
Sam Colgain

RIVERBEA CORPORATION BYLAWS

Preface: Riverbea Corporation owns land in the community of Riviera Beach in trust for the benefit of residents. All actions taken by Riverbea with respect to community property must be in the best interests of community residents.

ARTICLE I - MEMBERS

Section 1. Qualifications to Be a Member. All residents of Riviera Beach who are at least twenty one years of age; own or lease, whether singly or with another, improved property in the community; and live in the community for at least nine months during each fiscal year are members of Riverbea Corporation ("Riverbea").

ARTICLE II – BOARD OF DIRECTORS AND MEETINGS

Section 1. Board of Directors; Number of Directors. The business and property of Riverbea shall be conducted and managed by a Board of Directors. There shall be at least three but no more than seven directors on the Board.

Section 2. Election. Directors shall be elected by majority vote of all residents who both meet the qualifications to be a member of Riverbea and are present at an Annual Meeting or special meeting called for the purpose of an election.

Section 3. Term of Office. Each director shall be elected for a two-year term, except that a director who has served less than two years on the date of the Annual Meeting may continue to serve until the next Annual Meeting or until a special meeting is called for the purpose of electing a director or directors. A director may serve two consecutive two-year terms, and may serve any number of years so long as there is at least a one-year interval between any four-year term.

Section 4. Annual Meeting.

A. Business conducted. An Annual Meeting shall be a general meeting, meaning that the meeting is open for the transaction of any business without special notice of the business, except that special notice shall be given of a proposed budget and of proposed changes to these bylaws by including copies of the proposed budget or proposed changes to the bylaws and special notice shall be

given if required by law. At the Annual Meeting, the Board of Directors shall approve or disapprove the minutes of the prior meeting of the Board of Directors, receive and approve or disapprove the Treasurer's report on the financial condition of Riverbea, and, as necessary, elect its officers. The Board of Directors shall present a proposed budget for the upcoming fiscal year for the approval or disapproval by the members. In any year in which there is a vacancy on the Board of Directors, the members shall elect a person to fill the vacancy. There shall be an opportunity for members to present new business, including proposed changes to the bylaws. Bylaw changes proposed by members must be proposed in writing and approved by a majority of members present at a subsequent meeting, with a minimum of 15 affirmative votes.

B. Who May Attend and Vote. All members of Riverbea may attend the Annual Meeting. Each member present has one vote.

C. When Held. The Annual Meeting shall be held in Riviera Beach on the fourth Thursday of every September, beginning between 6:00 P.M. and 8:00 P.M. If the fourth Thursday is a legal holiday, the annual meeting shall be held on the first day following that is not a legal holiday. The Board of Directors, for cause, may change the date of the Annual Meeting to a date within two weeks of the fourth Thursday of September of each year.

Section 5. Special Meetings. The President may call special meetings of the Board of Directors. No business other than that stated in the notice of meeting may be transacted at a special meeting. All members of Riverbea may attend a special meeting. Upon application of the members stating a purpose or purposes for a special meeting and bearing the signatures of at least 25 members, the President shall call a special meeting for the stated purpose or purposes, which purpose may include an election.

Section 6. Notice of meetings.

A. To Directors. Notice of the date, time, and place of every Annual Meeting and special meeting shall be given to each director no less than ten days prior to the meeting. Notice to a director may be by telephone, email, letter, or any other method designed to provide the director with actual notice.

B. To Riverbea Members. Notice of the date, time, and place of every Annual Meeting and special meeting shall be given to Riverbea members no less than ten days prior to the meeting. Notice to members shall be given by posting a notice on Riverbea's website and by emailing notice to the Riviera Community Improvement Association (RCIA). The Board of Directors may provide for additional notice, such as posting on a community bulletin board, mailing or delivering to residents, or publication in a newspaper. Riverbea and the RCIA should work cooperatively to provide notice, when possible.

C. Adjourned meetings. No notice of an adjourned meeting need be given.

Section 7. Quorum. A majority of directors, present in person, shall constitute a quorum for the transaction of business at every meeting of the Board of Directors. Proxies may not be used. Fifteen qualified members shall be considered a quorum for any business that requires a vote of the members.

Section 8. Vacancies. If a director dies, resigns, or is removed from office, or if a vacancy is created by an increase in the number of directors, an election to fill the vacancy shall be held promptly, but in any event within 90 days.

Section 9. Conduct and Closure of Meetings. The Board of Directors may adopt reasonable rules for the manner in which meetings are conducted. Meetings may be closed to members to allow the Board to discuss personnel matters, to consult with counsel to obtain legal advice, to consult about pending or potential litigation, or for any other reason allowed under the Open Meetings Act, State Government Article, Annotated Code of Maryland, Section 10-508, as amended, if the requirements to close a meeting set out in that statute are satisfied. The Annual Meeting shall not be closed.

Section 10. Employees. The Board of Directors may employ such person or persons as may be desirable and may prescribe their duties and compensation.

ARTICLE III - OFFICERS

Section 1. General provisions. Only directors may serve as officers of Riverbea.

Section 2. President. The President shall be the chief executive officer, with general management and direction power over the business of Riverbea and with all powers ordinarily exercised by the president of a corporation. The President shall preside at all meetings of the Board of Directors. The President, when authorized by a resolution of the Board of Directors, may sign and execute, in the name of Riverbea, all authorized contracts or other instruments. The contracts or other instruments shall be attested to by the Secretary or Assistant Secretary and the corporate seal shall be affixed.

Section 3. Vice President. In the absence of the President, the Vice President shall perform all of the duties of the President and, when so acting, shall have all powers of the President. The Vice President shall have such additional powers and duties as may be assigned to the Vice President by the Board of Directors or the President.

Section 4. Secretary. The Secretary shall perform all duties ordinarily exercised by the secretary of a corporation. The Secretary shall record the minutes of the meetings of the Board of Directors, ensure that all notices are given in accordance with these bylaws, post meeting minutes and financial reports on Riverbea's website as required by these bylaws, attest to and affix the corporate seal to all contracts and other instruments, and be the custodian of Riverbea's records. The Secretary shall perform such other duties as may be assigned to the Secretary by the Board of Directors or the President.

Section 5. Treasurer. The Treasurer shall perform all duties ordinarily exercised by the treasurer of a corporation. The Treasurer shall be in charge of and responsible for all funds, securities, receipts, and disbursements and shall deposit, or cause to be deposited, in Riverbea's name, all monies in a bank, trust company, savings and loan association, or other depository selected by the Board or Directors. The Treasurer shall present an account of the financial condition of Riverbea at the Annual Meeting and at such other times as may be determined by the Board of Directors. The Treasurer shall perform such other duties as may be assigned to the Treasurer by the Board of Directors or the President.

Section 6. Assistant Secretary and Assistant Treasurer. The Board of Directors may elect an Assistant Secretary and Assistant Treasurer who shall have all of the powers of the Secretary and Treasurer, respectively, in the event of the absence of the Secretary or Treasurer.

Section 7. Officers holding more than one office. Two or more offices, except for that of the President and any other office, may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity.

ARTICLE IV – REMOVAL

Section 1. Removal of officers, members, and employees. The Board of Directors shall have the power at any annual or special meeting to remove any officer for cause or any employee, with or without cause, and such action shall be conclusive on the person so removed. The failure to attend three consecutive meetings without reasonable explanation shall be considered cause for removal. The Board may remove a member if the Board determines that the member does not meet the qualifications for membership.

After the Annual Meeting held on or about the last Thursday of September, 2014: 1) a director may be forced to run for election upon petition of 25 members of Riverbea; and, 2) at an Annual Meeting, the members may vote to remove a director upon motion and affirmative vote of 75% of the members present so long as a quorum is present.

ARTICLE V - MISCELLANEOUS

Section 1. Endorsement of Checks and other Negotiable Instruments. All checks, drafts, or orders for the payment of money that are issued in the name of Riverbea shall be signed by the President or Vice President and by the Treasurer or an Assistant Treasurer. No checks, drafts, or orders for the payment of money shall be signed in blank.

Section 2. Fiscal year. The fiscal year for Riverbea shall commence on the first day of March and end on the last day of February.

AFFIX SEAL:

