

## **ARTICLES OF INCORPORATION**

### **OF DECATUR FARM HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of Corporations and Associations, Title 2, Annotated Code of Maryland (1999), and any amendments thereto, the undersigned, Christy Lombard, being at least eighteen (18) years of age, has this day, by execution of these Articles, voluntarily declared himself to be an incorporator for the purpose of forming a nonstock, nonprofit corporation pursuant to the general laws of Maryland, and does hereby certify:

#### **ARTICLE 1**

##### **NAME OF CORPORATION**

The name of the corporation is DECATUR FARM HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

#### **ARTICLE 2**

##### **PRINCIPAL OFFICE**

The post office address of the initial principal office of the Association is 7904 Coastal Highway, Suite 2, Ocean City, Maryland 21842.

#### **ARTICLE 3**

##### **RESIDENT AGENT**

The name of the Association's resident agent is Patricia DuBuque whose address is 7904 Coastal Highway, Suite 2, Ocean City, Maryland 21842.

#### **ARTICLE 4**

##### **POWERS AND PURPOSES**

This Association does not contemplate pecuniary gain or profit, direct or indirect, to the Members thereof, and the specific purposes for which it is formed are to provide for and assure the maintenance, preservation and architectural control of the Lots and Common Area within the Property described in the Declaration of Covenants, Conditions, Easements and Restrictions recorded or to be recorded among the Land Records of Worcester County, Maryland, including such additions thereto as may be hereafter brought within the jurisdiction of the Association, and to promote the health, safety and welfare of the Owners within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. For this purpose, the Association shall have the power and authority to:

(a) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions,

Easements and Restrictions, hereinafter called the "Declaration", applicable to the Property and recorded or to be recorded among the Land Records of Worcester County, Maryland, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length and made a part hereof;

(b) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith, including all office expenses, licenses, taxes or governmental charges levied or imposed against the property of the Association and all other expenses incident to the conduct of the business of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs incurred;

(d) borrow money, and with the consent of no less than two-thirds (2/3) of the total votes of the Members of the Association, mortgage, pledge, deed in trust, or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association. No such dedication, sale or transfer shall be effective without the consent of at least two-thirds (2/3) of the total votes of the Members;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the consent of no less than two-thirds (2/3) of the total votes of the Members, unless the Declaration or Bylaws provide otherwise; and

(g) have and exercise any and all powers, rights and privileges which a nonstock corporation organized under the laws of the State of Maryland by law may now or hereafter have or exercise.

Notwithstanding any provision of these Articles of Incorporation to the contrary, until the expiration of the Declarant's Rights Period, the Association shall not take any actions pursuant to Article 4(d), (e), or (f) above without the prior written consent of the Declarant.

**ARTICLE 5**  
**NO CAPITAL STOCK**

This Association is not authorized to issue any capital stock and shall not be operated for profit. The Association does not anticipate distributing dividends, gains or profits to its Members. No Member shall have any personal liability for the debts or obligations of the Association.

**ARTICLE 6**  
**VOTING RIGHTS**

The Association shall have two (2) classes of voting membership:

*Class A.* With the exception of the Declarant (until expiration of the Class B memberships as provided below), every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who is an Owner of any Lot which is part of the Property shall be a Class A Member of the Association; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a Class A Member solely on account of such interest. When more than one (1) person or entity are Owners of any Lot, all such persons and entities shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot owned by a Class A Member.

*Class B.* There shall initially be two thousand four hundred (2,400) Class B memberships in the Association. This number shall be increased by ten (10) memberships for each Lot which is annexed within the jurisdiction of the Association in accordance with Section 2.2 of the Declaration in excess of two hundred forty (240) Lots, and shall be decreased by ten (10) memberships for each Lot conveyed to a Class A Member. The Class B Member shall be the Declarant, its nominee or nominees, and shall include every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who shall obtain any Class B membership by specific assignment in writing from the Declarant. The Class B Member shall be entitled to one (1) vote for each Class B membership. Each Class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) one hundred twenty (120) days following the date on which ninety percent (90%) of the total number of Lots intended, from time to time, by the Declarant to be annexed within the Association pursuant to the Development Plan, as may be supplemented and/or amended from time to time, have been conveyed to Owners other than the Declarant or a successor Declarant; or

(ii) upon the expiration of the Declarant's Rights Period; or

(iii) upon the surrender of said Class B memberships by the then holders thereof for cancellation on the books of the Association.

Upon the lapse or surrender of the Class B memberships as provided for in this Article, the Declarant shall thereafter become a Class A Member of the Association as to each and every Lot in which the Declarant then holds the interest otherwise required for such Class A membership.

The Members of the Association shall have no preemptive rights, as such Members, to acquire any memberships of this Association that may at any time be issued by the Association except as may be specifically provided in these Articles of Incorporation, the Bylaws or the Declaration of the Association.

**ARTICLE 7**  
**MEMBERSHIP**

Every person or entity who is a record owner of a fee or undivided fee interest of any Lot, including contract sellers, shall be a Member of the Association; provided that any such person or entity who or which holds such interest merely as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

**ARTICLE 8**  
**RIGHT OF ENJOYMENT**

Every Owner shall have a right and easement of enjoyment in and to the Common Area, including an easement for the use and enjoyment of the private streets, parking areas, sidewalks, and walkways, if any, included therein, which shall be appurtenant to and shall pass with the title to every Lot, for purposes of ingress and egress to and from such Owner's Lot.

**ARTICLE 9**  
**BOARD OF DIRECTORS**

The affairs of this Association shall be managed by a Board initially consisting of three (3) Directors whose names and addresses are hereinafter listed. Commencing not later than the expiration of the Class B memberships as provided above, the Board shall consist of an uneven number of not less than three (3) nor more than five (5) Directors who shall be elected by the Members of the Association. The names and addresses of the persons who are to initially act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
Tim Moran	7 Chester Street Berlin, Maryland 21811
Joshua Mastrangelo	7 Chester Street Berlin, Maryland 21811
Christy Lombard	7 Chester Street Berlin, Maryland 21811

The number, qualifications, powers, duties and tenure of the office of the Directors and the manner by which Directors are to be chosen shall be as prescribed and set forth in the Bylaws of the Association. Officers of the Association shall be elected and shall serve as provided for in said Bylaws.

**ARTICLE 10**  
**DISSOLUTION**

The Association may be dissolved with the consent given in writing and signed by not less than sixty-seven percent (67%) of the Members and shall require the prior written consent of the Declarant (until the expiration of the Declarant's Rights Period). Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with this Article 10), shall be mailed to every Member and the Declarant (until the expiration of the Declarant's Rights Period) not less than ten (10) days nor more than fifty (50) days in advance of any action to be taken. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

**ARTICLE 11**  
**DURATION**

This Association shall exist perpetually.

**ARTICLE 12**  
**AMENDMENTS**

Amendment of these Articles shall require the assent of no less than seventy-five percent (75%) of the total votes of the membership and the prior written consent of the Declarant (until the expiration of the Declarant's Rights Period).

**ARTICLE 13**  
**LIABILITY**

No Director or officer of the Association shall be liable to the Association or to its Members for money damages except (i) to the extent that it is proved that such Director or officer actually received an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received, or (ii) to the extent that a judgment or other final adjudication adverse to such Director or officer is entered in a proceeding based on a finding in the proceeding that such Director's or officer's action, or

failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding.

**ARTICLE 14**  
**MISCELLANEOUS**

Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Articles and the Declaration, the terms and provisions of the Declaration shall control.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered these Articles of Incorporation as his/her own free act and deed on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

WITNESS:

\_\_\_\_\_ (SEAL)  
Christy Lombard

\*\*\*

STATE OF MARYLAND

\*  
\* to wit:

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_, before me, a Notary Public in and for the above County and State, personally appeared Christy Lombard and acknowledged that he or she signed the foregoing Articles of Incorporation for the purposes therein stated.

WITNESS my hand and Notarial Seal.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[NOTARIAL SEAL]

**CONSENT TO ACT AS RESIDENT AGENT:**

Pursuant to Section 1-208 of the Corporations and Associations Article of the Annotated Code of Maryland (1999 Replacement Volume), the undersigned consents to serve as the resident agent of Decatur Farm Homeowners Association, Inc. pursuant to Article 3 above.

IN WITNESS WHEREOF, I have signed this Consent and acknowledged it to be my act as of the \_\_\_\_ day of \_\_\_\_\_, 200\_.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_  
Patricia DuBuque