

**ARTICLES OF INCORPORATION**

**FARMINGTON VILLAGE AT SCHRAM'S CROSSING  
HOMEOWNERS ASSOCIATION, INC.**

THIS IS TO CERTIFY:

FIRST: The undersigned, James C. Praley, whose post office address is 7419 Baltimore-Annapolis Blvd., Glen Burnie, Maryland 21061, being at least eighteen years of age, is hereby forming a non-stock not-for-profit corporation under and by virtue of the general laws of the State of Maryland.

SECOND: The name of the corporation (which is hereinafter called the "Corporation")

FARMINGTON VILLAGE HOMEOWNERS ASSOCIATION, INC.

THIRD: The purposes: for which the Corporation are formed are as follows.

To organize and operate a real estate management association exclusively to provide for the acquisition, construction, management, maintenance, care and preservation of the open spaces, common area and facilities within those certain tracts of property described in paragraph (a) of this Article Third, and to promote the recreation, health, safety and welfare of the residents within the said described property, and any addition thereto as may hereafter be brought within the jurisdiction of this Corporation, no part of the net earnings of which is to inure to the benefit of, or be distributable to, any director, officer, or member of the Corporation, or any other individual, so that no pecuniary gain or profit to the members thereof is contemplated, and for such general purposes, and limited to those purposes, the Corporation shall have the following powers:

(a) To acquire, own, hold, preserve, develop, improve, build upon, manage, operate and maintain open space tracts or areas and common or recreational areas, property, facilities and real estate, whether fee simple or leasehold, and whether improved or unimproved, all designed for the common use, benefit, enjoyment, recreation, health, safety and welfare of the record owner or owners of each lot now or hereafter laid out or established within that parcel of land located in the Third District of Anne Arundel County, Maryland, shown on the plats entitled "FARMINGTON VILLAGE AT SCHRAMM'S CROSSING", intended to be recorded in the Land Records of Anne Arundel County (the "County"), Maryland.

As of the date hereof, the aforesaid parcel includes those residential lots, open spaces and common areas as is more particularly described in Exhibit A to the Declaration of Covenants, Conditions, and Restrictions. hereinafter called the "Declaration", made by Farmington Village Limited Partnership, a Maryland limited partnership, and recorded or intended to be recorded among the Land Records of the County, as the same may hereafter from time to time be amended, or extended to any additional properties, said Declaration, made a part hereof, by

reference thereto, as fully, and to the same extent as though incorporated herein, being applicable to the Community (as hereinafter defined) and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation. The aforesaid lots, open spaces and common areas are hereinabove and hereinafter referred to as the "Community".

(b) To exercise all the powers, rights and privileges and to perform all the duties and obligations of the Corporation, as the same are set forth in the Declaration.

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

(d) To purchase, lease, option, or otherwise acquire, own, hold, preserve, develop, improve, build upon, manage, operate, maintain, convey, sell, exchange, rent, lease, dedicate for public use, or in any manner transfer or dispose of any real or personal property in connection with the affairs of the Corporation.

(e) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization of two-thirds (2/3) of the Class A members in the Corporation (except the Declarant if the Declarant is a Class A member) to secure the payment of the money borrowed and of the interest thereon, by mortgage upon, or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation.

(f) To dedicate, sell or otherwise transfer all or any part of the common areas, property and facilities of the Corporation to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed upon by the members, provided, however, that no such dedication, sale or transfer shall be effective unless approved in writing by two-thirds (2/3)) of the Class A members in the Corporation (except the Declarant if the Declarant is a Class A member) agreeing to such dedication, sale or transfer.

(g) To participate in mergers and consolidations with other nonprofit organizations, organized for the same purpose, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the members of each class of the membership in the Corporation, voting separately thereon.

(h) To annex to the Community, at any time, and from time to time, other and additional residential property, open space and common area, provided that any annexation of such other additional residential property, open space and common.

(i) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

The Corporation is formed under the articles, conditions and provisions expressed herein and in the general laws of this State. In no event, however, shall the Corporation: (i) carry on any propaganda or otherwise attempt to influence any legislation or any public administrative action; (ii) participate or intervene in any political campaign on behalf of any candidate -for public office, any means, including the publication or distribution of any statement for or against any candidate; (iii) carry on any activity not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501(c) or 528 of the Internal Revenue Code of 1986, as amended to date, or corresponding provision of any future United States Internal Revenue law; or (iv) invest in or use any property in such a manner as to jeopardize the exemption of the Corporation from taxation under the aforesaid Section 501(c) or 528 of the Internal Revenue Code of 1986, as now in force or hereafter amended.

FOURTH: The post office address of the principal office of the Corporation in this State is c/o Farmington Village Limited Partnership, 2661 Riva Road, Suite 220, Annapolis, Maryland 21401. The name and-post office address of the resident agent of the Corporation in this State are James C. Praley, Lessans, Praley & McCormick, P.A., 7419 Baltimore-Annapolis Blvd., Glen Burnie, Maryland 21061. Said resident agent is a citizen of the State of Maryland and actually resides therein.

FIFTH: The Corporation is not authorized to issue any capital stock. Each record owner, as hereinafter defined, of a lot now or hereafter laid out or established in the Community, or in any part of such additional property that may be brought within the jurisdiction of the Corporation shall be a member of the Corporation. Each member shall be designated either a Class A member or a Class B member. A description of each class of membership, with the voting rights and powers of each class, is as follows:

(a) Class A Members: Except for the Declarant and Builder (as such terms are defined in the Declaration), who shall initially be Class B members, a Class A member shall be a record owner holding title to one or more lots laid out in the Community, or in any part of such additional property that may be brought within the jurisdiction of the Corporation. Each Class A member shall be entitled to one (1) vote per lot, for each such lot owned by such member, in all proceedings in which action shall be taken by members of the Corporation.

(b) Class B Members: Class B members shall be the Declarant and any Builder. Each Class B member shall be entitled to three (3) votes per lot, for each such lot owned by such member, in all proceedings in which the action shall be taken by members of the Corporation.

(c) Conversion: The Class B membership shall be converted to a Class A membership upon the earlier to occur of (i) December 31, 2006; or (ii) at such time as the total number of votes entitled to be cast by Class A members of the Corporation equals or exceeds the total

number of votes entitled to be cast by the Class B members of the Corporation. After such conversion, if additional property is made subject to the Declaration then the Class B membership of the Class B members shall be reinstated until December 31, 2010, or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by the Class B members.

The term "record owner," as used in these Articles, means and includes the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the record title to a lot in the Community or located on any part of such additional property that may be brought within the jurisdiction of the Corporation and subjected by covenants of record to a lien for charges and assessments levied by the Corporation, as said lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, or as joint tenants, tenants in common, tenants by the entirety, or tenancy in co-partnership, if the lot is held in such real property tenancy or partnership relationship.

If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one lot, whether in a real property tenancy, partnership relationship, or otherwise, all of same, as a unit, and not otherwise, shall be deemed a single record owner and shall be or become a single member of the Corporation by virtue of ownership of such, lot. The term "record owner," however, shall not include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any lot, nor shall it include any mortgagee, trustee or other grantee named in any mortgage, deed of trust or other security instrument covering any lot, designed solely for the purpose of securing performance of an obligation or payment of a debt. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Corporation. Conversely, every owner of a lot which is subject to assessment by the Corporation shall become and be a member of the Corporation.

If any single membership in the Corporation is comprised of two (2) or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, then each constituent may cast such portion of the vote of the member as shall equal his, her or its proportionate interest in the lot or lots held by said member, provided, however, that if only one (1) votes, he, she or it may cast the entire vote of the member and such act shall bind all.

SIXTH: The affairs of the Association shall be managed initially by a Board of three (3) directors, which number may be increased or decreased pursuant to the By-Laws of the Corporation, but shall never be less than three (3) nor more than nine (9); and the names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualified are Gary W. Koch, W. Kevin Lusby and Patricia McElwee. No Director need be a member of the Corporation.

From and after the first annual meeting of members, the term of office of the Directors shall be staggered. At the first annual meeting, the members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years

and one-third of the directors for a term of (3) three years; and at each annual meeting thereafter the members shall elect one-third of the total number of directors for a term of three (3) years.

SEVENTH: The duration of the Corporation shall be perpetual. The Corporation, however, may be dissolved under and in accordance with the laws of the State of Maryland, provided such dissolution first be authorized, in writing, signed by not less than two-thirds (2/3) of the members of the Corporation, or, if there be more than one class of members, then by not less than two thirds (2/3) of each class of members of the Corporation, computed separately. Upon any dissolution of the Corporation, after discharge of all corporate liabilities, the Board of Directors shall dispose of all assets of the Corporation, by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Corporation was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Sections 501(c) or 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue laws, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Corporation was formed.

EIGHTH: Amendment of these Articles shall require the assent of two-thirds (2/3) of the entire membership, provided; however, that the Federal Housing Administration, the Veterans Administration or the Department of Housing and Urban Development (collectively the "Federal Agencies"), or any successor agencies thereto, shall have the right to veto amendments while there is a Class B membership if any such agency or any successor agencies thereto have approved the Community, or any part thereof, or any Lot, for federal financing by one of the Federal Agencies.

NINTH: As long as there is a Class B member, if any of the Federal Agencies or any successor agencies thereto, whether public or private, approve the Community or any part thereof or any lot, therein for federally approved mortgage financing, the following actions will require the prior approval of the Federal Agencies: annexation of additional properties; mergers and consolidations; mortgaging of or dedication of any of the Common Area; dissolution; and amendment of these Articles.

TENTH: No director or officer of the Corporation shall be liable to the Corporation or to its members for money damages except (a) to the extent that it is proved that such director or officer actually receded 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 (b) 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 (i) the result of active and deliberate dishonesty or (ii) intentionally wrongful, willful or malicious and, in each such case, was material to the cause of action adjudicated in the proceeding.

ELEVENTH: Each officer and director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a director or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the director or officer or person may be entitled by law or agreement or vote of the members or otherwise.

IN WITNESS WHEREOF I have signed these Articles of Incorporation and acknowledged the same to be my act on this \_\_\_\_\_ day of \_\_\_\_\_ 1997.

WITNESS:

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\_\_\_\_\_  
James C. Praley

**After filing please return to:**

James C. Praley, Esquire  
Lessans, Praley McCormick, P.A.  
7419 Baltimore-Annapolis Blvd.  
Glen Burnie, MD 210601