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JUL 25 1988

ARTICLES OF INCORPORATION
OF
VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

In compliance with the Annotated Code of Maryland, Corporations and Associations Article, Title 5, Subtitle 2, I, James C. Oliver, the undersigned, being at least eighteen (18) years of age, do hereby declare myself as incorporator with the intention of forming a non-stock and non-profit corporation under the general laws of the State of Maryland and hereby certify:

ARTICLE I

NAME

The name of the corporation is VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 9621 Harford Road, Baltimore, Maryland 21234.

ARTICLE III

RESIDENT AGENT

Michael J. Palmisano, whose address is 9621 Harford Road, Baltimore, Maryland 21234, is hereby appointed the initial resident agent of this Association.

ARTICLE IV

PURPOSES AND POWERS

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Lots, Common Area and Storm Water Management Facility (as those terms are defined in the Declaration hereinafter referred to) within that certain tract of real property described in Exhibit A annexed hereto as a part hereof

("the Property") and such additional real property as may be added to the Property pursuant to the provisions of the Declaration and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. In furtherance of these purposes, the Association shall have full power to:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions entitled "Valewood Estates Homeowners Association, Inc., Declaration of Covenants, Conditions and Restrictions", (hereinafter called the "Declaration") applicable to the Property and recorded or to be recorded among the Land Records of Harford County, Maryland, and as the same may be amended from time to time as therein provided.

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 and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property 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 of the Association.

D. Borrow money and, with the assent of two-thirds (2/3) of the votes of each class of members, mortgage, pledge, hypothecate or grant a deed of trust covering any or all of its real or personal property as security for money borrowed or debts incurred.

E. Dedicate, sell or transfer all or any part of the Common Areas, private roads, if any, or other facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by the holders of two-thirds (2/3) of the votes of each class of members agreeing to such dedication, sale or transfer.

F. Grant utility and drainage easements in, under, over and through properties owned by the Association.

G. To enter into agreements, or any amendments thereto, with the owner of any land not within the Properties or any community association or homeowner's association having jurisdiction over such land for the joint maintenance and operation of the Storm Water Management Facility.

H. Have and to exercise any and all powers, rights and privileges which a non-stock corporation organized under the Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE V

ASSOCIATION NOT AUTHORIZED TO ISSUE STOCK

The Association has no authority to issue capital stock.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association pursuant to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include and does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII

VOTING RIGHTS

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

Class A. During the Development Period (as defined in the Declaration), the Class A members shall be all Owners, with the exception of the Declarant (as that term is defined in the Declaration) and any builder, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. During the Development Period, the Class B member(s) shall be the Declarant and each Builder and shall be entitled to cast three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership. If at any time or from time to time the Property is expanded, the Class B membership shall recommence as of the time at which such expansion occurs, and shall terminate thereafter on the date on which the total number of votes held by the Class A membership becomes equal to the total number of votes held by the Class B membership. Notwithstanding the foregoing, the Class B membership shall be terminated and be converted to Class A membership on December 31, 1999, unless sooner terminated. Each Builder shall be conclusively presumed, by its having accepted the conveyance of the legal title to a Lot from the Declarant or another Builder to have given the Declarant an irrevocable and exclusive proxy entitling the Declarant to cast all of the votes of the Builder and to have agreed that such proxy is coupled with an interest.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall initially be managed by a Board of three (3) Directors who need not be members of the Association. The number, terms and election of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

1. Michael J. Palmisano
9621 Harford Road
Baltimore, Maryland 21234
2. Patrick F. O'Shea
9621 Harford Road
Baltimore, Maryland 21234
3. Francine R. Palmisano
9621 Harford Road
Baltimore, Maryland 21234

The above-named Directors shall serve until the first annual meeting of the members at which their successors are elected. The remaining Directors may elect a successor to fill the unexpired term of a Director in the event of death, resignation or removal of a Director.

From and after the first annual meeting of members, the term of office of the Directors shall be staggered. At the first meeting of members, one-third (1/3) of the Directors shall be elected to an initial term of three (3) years, one-third (1/3) of the Directors shall be elected to an initial term of two (2) years and one-third (1/3) of the Directors shall be elected to an initial term of one (1) year. At each subsequent meeting of members, the members shall elect one-third (1/3) of the total number of Directors and the term of each Director shall be three (3) years.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent in writing and signed by not less than the holders of two-thirds (2/3) of the votes of each class of members. 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, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X

DURATION

The Association shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent of the holders of seventy-five percent (75%) of the votes of each class of members except that, prior to December 31, 1989, amendments required by the Federal Mortgage Agencies (as defined in the Declaration) as a condition of approval shall only require the assent of the Class B membership.

ARTICLE XII

APPROVAL BY FEDERAL MORTGAGE AGENCIES

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Mortgage Agencies: annexation of additional properties not described in the Declaration, mergers and consolidations, mortgaging of the Common Areas, dedication of Common Areas, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, I have signed these articles and acknowledge same to be my act for the purpose of forming this corporation under the laws of the State of Maryland, on this 22nd day of January, 1988.

WITNESS:

Faith A. Townsend

James C. Oliver
James C. Oliver

MEG/02-18-87
0080s

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OF
VALEWOOD ESTATES HOMEOWNERS ASSOCIATION, INC.

EXHIBIT A

Description of the Property

Section One of Valewood Estates, as shown on the Subdivision Plat entitled "Section One - Valewood Estates" prepared by Frederick Ward Associates, Inc. dated October 8, 1986, consisting of four (4) pages and recorded among the Land Records of Harford County simultaneously with this Declaration, consisting of Lots 1-5, 45-63, 79-93, and 97-114 and those portions of the beds of Eugenia Way, Alexandria Way, Red Pump Road, Dranmore Way, Fergus Court and Ambridge Road contained within Section One, and the 10' Buffer (Open Space) Areas, all as shown on said Subdivision Plat.