

**KENSINGTON COURTS COMMUNITY ASSOCIATION, INC.**

**ARTICLES OF INCORPORATION**

In compliance with the requirements of Title 5, Subtitle 2 of the Corporations and Associations Article of the Annotated Code of Maryland, the undersigned, a resident of Maryland, who is at least eighteen years of age, has this day formed a nonstock corporation, not for profit, and does hereby certify:

**ARTICLE I**

**NAME OF CORPORATION**

The name of the Corporation is **KENSINGTON COURTS COMMUNITY ASSOCIATION, INC.**, hereafter called the “**Association**”.

**ARTICLE II**

**PRINCIPAL OFFICE**

The principal office of the Association is located at 202 West Main Street, Elkton, Cecil County, Maryland 21921.

**ARTICLE III**

**RESIDENT AGENT**

Jennifer L. Hammond, whose address is 103 Court House Plaza, Suite 202, Elkton, Cecil County, Maryland 21921, is hereby appointed the registered agent of the Association.

**ARTICLE IV**

**DEFINITIONS**

The terms “Association”, “Common Area”, “Company”, “Lots”, “Owner”, and “Property” as used in these Articles of Incorporation shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions relating to the Kensington Courts Community Association, recorded or to be recorded, among the Land Records of Cecil County (the “Declaration”).

## ARTICLE V

### PURPOSES AND POWERS OF THE ASSOCIATION

The Association shall not operate for pecuniary gain or profit, shall not issue capital stock, and no part of the net earnings of the Association shall inure to the benefit of any member or individual (except that reasonable compensation may be paid for services rendered), and the specific purposes for which it is formed are to provide for : (i) the use, improvement, maintenance, operation and repair of the Common Areas located in the Property including any improvements and amenities located thereon; (ii) the establishment of rules and regulations for the use of the Common Areas including any improvements and amenities located thereon; (iii) the distribution among the Owners of the Property of the cost of the use, improvement, maintenance, and repair of the Common Areas including any improvements and amenities located thereon; (iv) the promotion of the health, safety, pleasure, recreation, and welfare of the residents of the Lots within the Property; (v) to assure the maintenance, preservation and architectural control of the lots and Common Areas. In furtherance of these purposes, the Association, (by action of its Directors unless otherwise noted in these Articles of Incorporation or in the Declaration) 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 the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by reference as if set forth at length;

(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 affairs 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, subject, however, to the requirements of the Declaration;

(d) borrow money and, with the assent of two-thirds (2/3) of the votes of each class of members of the Association, mortgage, pledge, convey by deed of trust, or hypothecate 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 Area to any public agency, authority, or utility subject, however, to the requirements of the Declaration and to such conditions as may be agreed to by the members; and

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation or

annexation shall have the assent of two-thirds (2/3) of the votes of each class of the members; and

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

## **ARTICLE VI**

### **MEMBERSHIP**

Every Owner shall be a member of the Association and shall be entitled to voting rights in the Association as specified in the Article VII of these Articles. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

## **ARTICLE VII**

### **CLASSES OF MEMBERSHIP**

The Association shall have two classes of voting membership:

*Class A:* Class A members shall be all Owners with the exception of the Company and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members; however, for purposes of a quorum they shall be treated as a single member. The votes 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:* The Class B Member(s) shall be the Company and shall be entitled to three votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(a) Seventy-five percent (75%) of the units are deeded to homeowners; or

(b) On the tenth (10th) anniversary of the date of the Declaration.

Provided, however, the Class B Membership shall be revived (and the Company shall again be entitled to three votes for each Lot owned by the Company) during any periods of time occurring before the tenth (10<sup>th</sup>) anniversary of the date of the Declaration, when by reason of the annexation of additional land as a part of the Property additional Lots owned by the Company exist which, when added to the other Lots then owned by the Company, would result in the Company having more than fifty percent (50%) of the votes of the Association were the Company to have three votes for each Lot owned by the Company instead of only a single vote for each Lot owned by the Company.

**ARTICLE VIII**

**BOARD OF DIRECTORS**

The affairs of this Association shall be managed by a Board of not less than four (4), nor more than nine (9), Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the Bylaws 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:

<b><u>Name</u></b>	<b><u>Address</u></b>
Bruce Schneider	755 West Pulaski Highway Elkton, Maryland 21921
Elmer Justice	112 Delaware Avenue Elkton, Maryland 21921
Harry E. Hammond	P.O. Box 130 Elkton, Maryland 21921
Harry C. Brown	P.O. Box 130 Elkton, Maryland 21921

These Directors, (herein called "Charter Directors") shall serve until the first annual meeting of the members at which their successors are elected. In the Event of death or resignation of a Charter Director during his term of office, the remaining Charter Directors shall elect a successor Charter Director to fill the unexpired term of such Charter Director.

**ARTICLE IX**

**DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by the holders of not less than 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 or conveyed to a nonprofit organization to be used for purposes similar to those for which this Association was created. In the event that acceptance of such a dedication is refused, the assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to similar purposes.

**ARTICLE X**

**DURATION**

The Association shall exist perpetually.

**ARTICLE XI**

**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 and parking lots 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 his Lot.

**ARTICLE XII**

**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 XIII**

**AMENDMENTS**

Amendment of these Articles shall require the assent of the holders of two-thirds (2/3) of the votes of each class of members present in person or by proxy at the meeting at which the vote is taken. Anything set forth above in this Article XIII to the contrary notwithstanding, the Company shall have the absolute unilateral right, power, and authority to modify, revise, amend, or change any of the terms or provisions of these Articles of Incorporation all as from time to time amended or supplemented. However, this unilateral right, power, and authority of the Company may be exercised if and only if the U.S. Department of Housing and Urban Development (HUD), the Veterans Administration (VA), the Federal Housing Administration (FHA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), or the Government National Mortgage Association (Ginnie Mae) or any successor agencies or entities thereto or any agencies or entities providing similar programs shall require such action as a condition precedent to the approval by such agency or entity of the Property or any part thereof or any Lots thereon for approved mortgage financing purposes under applicable VA, FHA, Freddie Mac, Fannie Mae, Ginnie Mae, or similar programs. If HUD, the VA or the FHA or any successor agencies thereto approve the Property or any part thereof or any Lot therein for federally approved mortgage financing purposes, any amendments to these Articles, the annexation of additional properties, mergers, consolidations, mortgaging of the Common Area, or the dissolution of the Association made during any period of time when there are Class B members of the Association shall also require the prior consent of the agency giving such approval.

**IN WITNESS WHEREOF**, for the purpose of forming this corporation under the laws of the State of Maryland, the undersigned, Susan S. Flanigan, whose post office address is 25 South Charles Street, Suite 1008, Baltimore, Maryland 21201, being at least eighteen years of age, has executed these articles of Incorporation this 8th day of April, 1994, for the purpose of incorporating this Association, and acknowledge the same to be my act.

Signed by Susan S. Flanigan  
Susan S. Flanigan

The original document was signed and notarized by Susan S. Flanigan on April 8<sup>th</sup>, 1994.