

**Articles of Incorporation  
Grace Harbour HOA Inc.**

GRACE HARBOUR HOMEOWNERS' ASSOCIATION, INC.

ARTICLES OF INCORPORATION

THESE ARTICLES OF INCORPORATION, Made and entered into as of this 1 day of NOVEMBER, 1991, by JEROME COLLIDGE, being at least eighteen years of age and a citizen and resident of the State of Maryland, intending to incorporate a non-stock corporation under the general laws of the State of Maryland subject to the terms and upon the conditions hereinafter set forth:

FIRST: The terms "Declarant", "Lots", "Owner", and "Property" as used in these Articles of Incorporation shall have the meanings set forth in the By-laws of the Corporation.

SECOND: Name. The name of the Corporation (hereinafter referred to as the "Association") is and shall be the:

GRACE HARBOUR HOMEOWNERS' ASSOCIATION, INC.

THIRD: Purpose and Powers. The Association is organized exclusively for the non-profit purposes associated with the Association's Members' (as this term is defined herein) ownership of certain real property located in Harford County, Maryland; such real property is shown as those areas designated "Open Space" on plats 1-17, inclusive, of "GRACE HARBOUR", which subdivision plats are recorded among the Land Records of Harford County, Maryland in Plat Book No. 69, folios 43, 52 and 53 and in Plat Book No. 73, folios 41 thru 53, inclusive. The Association is not organized for profit and no part of the net earnings therefrom shall inure to the benefit of any member or individual. The purposes and powers shall be as follows;

(a) To exercise and perform, without limitation, all of the powers, functions and duties of a Homeowners' Association, including, but not limited to, advocacy, promotion, and sponsorship of all civic advancements, both public and private, particularly within Harford County, as may be in the mutual interest of the members.

(b) To promote social exchange among the Members.

(c) To borrow money and issue evidence of indebtedness in furtherance of any and all of the objects of the business of the Corporation.

(d) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in conjunction with, or incidental to the accomplishment of the non-profit purposes of the Corporation.

(e) Insofar as permitted by law, to do any other thing that in the judgment of the Board of Directors will promote the business of the Association or the common benefit of its Members and to do every other act not inconsistent with law, which may be appropriate to promote and attain the purposes set forth in the By-Laws and these Articles of Incorporation.

(f) To foster all possible means of keeping the Members informed about the community, the development thereof, and the furtherance of social, charitable and other activities beneficial to the Members.

(g) To promote, encourage, and participate in any type of activity deemed to be for the welfare and best interest of the community and the Members.

(h) To employ such officers, as set out in the By-Laws, to assist and further the corporate purposes and powers.

(i) To do any act or thing and exercise any power, suitable, convenient or proper for the accomplishment of any of the purposes enumerated or incidental to the powers specified in these Articles of Incorporation which at any time may appear conducive to, or expedient for the accomplishment of any of such purposes.

(j) To establish, levy and collect from Members annual and special assessments, as more particularly set forth in the Declaration of Covenants, Conditions and Restrictions recorded among the Land Records of Harford County in Liber \_\_\_\_\_ No. \_\_\_\_\_, folio \_\_\_\_\_.

The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of this Association and the enjoyment of the exercise thereof conferred by the general laws of the State of Maryland, the By Laws, or these Articles of Incorporation.

Notwithstanding any other provision of these Articles of Incorporation, the Association shall not carry on any activities not permitted to be carried on either by a homeowners' association, as defined and set forth in Section 528 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United

States Internal Revenue Law).

FOURTH: Principal Office and Resident Agent.

(a) The post office address of the principal office of the Association in the State of Maryland is Suite 109, 10 Gerard Avenue, Timonium, Maryland 21093.

(b) The Resident Agent of the Association is Jerome Collidge, Suite 109, 10 Gerard Avenue, Timonium, Maryland 21093, a citizen of the State of Maryland, who actually resides therein.

FIFTH: Lack of Authority to Issue Stock. The Association is not authorized or empowered to issue capital stock of any type or class. Nothing in the foregoing provisions of this Article shall be deemed in any manner to alter or impair any right or power of the Association to issue bonds, notes or other evidence of secured or unsecured indebtedness in such amounts, for such consideration, upon such terms and subject to such conditions as the Association may determine.

SIXTH: Section 1. Membership and Voting Rights.

(a) Every record owner of a lot shown on the aforementioned subdivision plat shall be a Member (the "Member") of the Association. Membership is mandatory, shall be appurtenant to, and may not be separated from, ownership of any lot.

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

Class A. Except for Declarant, who shall initially be a Class B Member, Class A Members shall be the Owners of all Lots. Each Class A Member shall be entitled to one (1) vote per Lot for

each Lot owned by such Member in all proceedings in which action shall be taken by members of the Association.

Class B. The Class B Member shall be Declarant and shall be entitled to three (3) votes for each Lot to which it holds record title in all proceedings in which action shall be taken by Members of the Association.

If more than one person, firm, corporation, trustee or other legal entity, or other combination thereof, other than Declarant, hold the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single Class A Member of the Association. The vote of any Class A Member comprised of two or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, shall be cast as the several constituents may determine, but in no event shall such constituents cast more than one vote per Lot for each Lot owned by them.

Conversion. The Class B membership in the Association shall cease and be converted to Class A membership in the Association on the earlier to occur of (a) when the total votes outstanding in the Class A membership exceeds the total votes outstanding in the Class B membership; or, (b) on the tenth (10th) anniversary of the execution of the Declaration. However, the Class B membership may exist for a longer period if so provided in the Declaration.

Section 2. Suspension of Membership Rights. The membership rights of any Member whose Lot is subject to assessments shall be suspended by action of the Board of Directors during the period when the assessments remain unpaid, provided however, that upon

payment of such delinquent assessments, such membership rights shall be automatically restored.

SEVENTH: Directors.

(a) The number of directors which the Association shall have shall initially be three (3) and may be increased by an Amendment of the Association's By-Laws.

(b) The names of the directors who shall act until the first meeting of the Association and until their successors are elected and duly qualified are:

Jerome Collidge

David Gonzales

Cathy Cox

(c) The Board of Directors of the Association shall exercise all of the powers of the Association, except for those, if any, which are conferred upon or reserved to the Members of the Association by law, or by any provision of these Articles of Incorporation or the Association's By-Laws as from time to time amended.

(d) (i) The liability of directors and officers to the Association or its stockholders for money damages shall be limited to the maximum extent that the liability of directors and officers of Maryland corporations is permitted to be limited by Maryland law. This limitation on liability shall apply to events occurring at the time a person serves as a director or officer of the Association whether or not such person is a director or officer at the time of any proceeding in which liability is asserted.

(ii) To the maximum extent permitted by Maryland law, the Association shall indemnify its currently acting and its former directors against any and all liabilities and expenses incurred in connection with their services in such capacities, shall indemnify its currently acting and its former officers to the full extent that indemnification shall be provided to directors, and shall indemnify, to the same extent, its employees, agents and persons who serve and have served, at its request, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture or other enterprise. The Association shall advance expenses to its directors, officers and other persons referred to above to the extent permitted by Maryland law. The Board of Directors may by law, resolution or agreement make further provision for indemnification of directors, officers, employees and agents to the extent permitted by Maryland law.

(iii) References to Maryland law shall include the Maryland General Corporation Law as from time to time amended. Neither the repeal or amendment of this paragraph (d), nor any other amendment to these Articles of Incorporation, shall eliminate or reduce the protection afforded to any person by the foregoing provisions of this paragraph (d) with respect to any act or omission which shall have occurred prior to such repeal or amendment.

EIGHTH: Existence. The existence of the Association shall be perpetual.

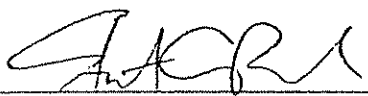



NINTH: Dissolution of the Association. The Association may be voluntarily dissolved only in accordance with the provisions of Section 5-208 of the Corporations and Associations Article of the Annotated Code of Maryland (1985 Repl. Vol.), except that such dissolution must have been approved by the Membership of the Association by the affirmative vote of sixty-seven percent (67%) of all the votes of each class of membership which are entitled to be cast thereon. If the Association is to be dissolved pursuant to the provisions hereof the Association shall either convey or dedicate its assets to a public body, or convey the assets to a nonprofit organization with similar purposes prior to dissolution.

TENTH: Expansion of the Membership. So long as there is a Class B Member of the Association, the Class B Member shall be entitled to incorporate additional areas and make the owners of Lots therein eligible for membership in the Association, without the assent of Class A Members of the Association. When there is no longer a Class B Member of the Association, the consent of sixty-seven percent (67%) of Class A Members shall be required for the incorporation of additional areas and the making of the owners of Lots therein eligible for membership in the Association.

ELEVENTH: Amendment of these Articles of Incorporation shall require the assent of the holders of not less than sixty-seven percent (67%) of the votes of the Members entitled to be cast.

IN WITNESS WHEREOF, the undersigned has signed and  
acknowledged the foregoing Articles of Incorporation this 1 day  
of November, 1991.

  
Witness

 (SEAL)  
Jerome Collidge