

ARTICLES OF INCORPORATION

GREENWOOD HOMEOWNERS' ASSOCIATION, INC.

A NON-STOCK MEMBERSHIP CORPORATION

FIRST: I, James E. Malaro, whose post office address is 124 North Commerce Street, P.O. Box 356, Centreville, Maryland, 21617 being at least eighteen (18) years of age, am hereby forming a non-stock Corporation under and by virtue of the General Laws of the State of Maryland.

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

GREENWOOD HOMEOWNERS' ASSOCIATION, INC.

THIRD: The Corporation is formed exclusively for the maintenance, preservation and architectural control of the Common Areas and Lots within those certain tracts of land known as "MAJOR SUBDIVISION OF PHASE I GREENWOOD, FIFTH ELECTION DISTRICT, QUEEN ANNE'S COUNTY, MARYLAND," dated January 2001, by McCrone, Inc., Registered Land Surveyors, and recorded January 26, 2001 among the Land Records of Queen Anne's County in Plat Book S.M. No. 30, folio 6 A through G.; "MAJOR SUBDIVISION OF PHASE II GREENWOOD, FIFTH ELECTION DISTRICT, QUEEN ANNE'S COUNTY, MARYLAND," dated January 2002, by McCrone, Inc., Registered Land Surveyors, and recorded May 31, 2002 among the Land Records of Queen Anne's County in Plat Book S.M. No. 31, folio 66 A through E.; and "MAJOR SUBDIVISION OF PHASE III GREENWOOD, FIFTH ELECTION DISTRICT, QUEEN ANNE'S COUNTY, MARYLAND," dated July 2002, by McCrone, Inc., Registered Land Surveyors, and recorded February 13, 2003 among the Land Records of Queen Anne's County in Plat Book S.M. No. 32, folio 83 A through E.

In furtherance of these purposes, the Corporation shall have the full power to:

(a) Exercise all the powers, privileges, obligations and duties as set forth in the declaration

entitled DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GREENWOOD, (hereinafter "Declaration") dated January 25, 2001, and recorded among the Land Records of Queen Anne's County at Liber 776, Folio 405, and as the same may be amended from time to time.

(b) To set, levy, collect and enforce all charges or assessments pursuant to the terms of the Declaration and the By-Laws of the Corporation.

(c) To borrow money in furtherance of the purposes of the Corporation, and with the consent of two-thirds (2/3) of the Members, to secure the same by mortgage, deed of trust or other lien.

(d) To merge and/or consolidate with other nonprofit corporations organized for the same purposes, or annex additional residential property or common area, provided that any merger, consolidation or annexation shall have the assent of at least two-thirds of the Members.

(e) To exercise all the general powers of a non-stock, nonprofit corporation under the General Laws of the State of Maryland which further the purposes of the Corporation and the common benefit of its Members.

FOURTH: The post office address of the principal office of the Corporation in this State is 362 Poplar School Road, Centreville, MD 21617. The name and post office address of the Resident Agent of the Corporation in this State are James E. Malaro, Thompson & Thompson, LLP 124 North Commerce Street, P.O. Box 356, Centreville, MD 21617. Said Resident Agent is an individual actually residing in this State.

FIFTH: The Corporation is not organized for profit; it shall have no capital stock and shall not be authorized to issue capital stock. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, directors, officers, or other private persons, except

that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article THIRD hereof.

SIXTH: The number of Directors of the Corporation shall be three (3) which number may be increased or decreased pursuant to the By-Laws of the Corporation, but shall never be less than three (3). The names of the initial Directors, who need not be Members of the Corporation and who shall manage the affairs of the Corporation until the first annual meeting or until their successors are duly elected and qualify, are: Jeffrey E. Thompson, Keith M. Moore, and Seth E. Barker.

SEVENTH: Upon the dissolution of the Corporation's affairs, or upon the abandonment of the Corporation's activities due to its impracticable or inexpedient nature, the assets of the Corporation then remaining in the hands of the Corporation shall be distributed, transferred, conveyed, delivered and paid over to an appropriate public agency to be used for purposes similar to those for which the Corporation was formed. If no appropriate public agency will accept such dedication, such assets shall be conveyed and assigned to another nonprofit corporation, association or trust with analogous character or purpose, and devoted to such similar purposes.

EIGHTH: The Corporation may by its By-Laws make any other provisions or requirements for the arrangement or conduct of the business of the Corporation, provided the same be not inconsistent with these Articles of Incorporation nor contrary to the laws of the State of Maryland or of the United States.

NINTH: The authorized membership of the Corporation shall consist of every person, group of persons or entity (hereinafter "Member") who is the record owner of a fee interest in any Lot; provided, however, that any such person, group of persons or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. Members shall be

entitled to one (1) vote for each Lot owned. When more than one person or entity qualifies as a member as to any Lot, the vote for such Lot shall be as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

TENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in the foregoing Articles of Incorporation in the manner now or hereafter prescribed by law, but only with the consent of at least two-thirds (2/3) of the Members.

ELEVENTH: No director or officer of the Corporation shall be liable to the Corporation or to its stockholders for money damages except (1) 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 (2) 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 (a) the result of active and deliberate dishonesty, or (b) intentionally wrongful, willful or malicious and, in each such case, was material to the cause of action adjudicated in the proceeding.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation this 21st day of May, 2003, and I acknowledge same to be my act.


James E. Malaro

GREENWOOD HOMEOWNERS' ASSOCIATION, INC.

Non-Stock Membership Corporation

BY-LAWS

ARTICLE I

General Provisions

SECTION 1. *Principal Office.* The principal office of the Corporation shall be in Queen Anne's County, Maryland.

SECTION 2. *Status.* The Corporation is a nonprofit, non-stock, membership corporation for the benefit of the lot owners of Greenwood Subdivision Phase I, Phase II and Phase III.

SECTION 3. *Purpose.* The purpose of the Corporation is for the maintenance, preservation and architectural control of the Common Areas and Lots within those certain tracts of land known as Major Subdivision of Phase I Greenwood, Major Subdivision of Phase II Greenwood, and Major Subdivision of Phase III Greenwood and any additions thereto which may hereinafter be brought within the jurisdiction of the Corporation.

SECTION 4. *Parliamentary Procedure.* Robert's Rules of Order, as last revised, shall establish the parliamentary procedure for all Association and Committee meetings.

ARTICLE II

Members

SECTION 1. *Annual Meeting.* The annual meeting of the members of the Corporation shall be held on a day duly designated by the Board of Directors in October of each year, if not a legal holiday, and if a legal holiday then the next succeeding day not a legal holiday, for the purpose of electing directors to succeed those whose terms shall have expired as of the date of such annual meeting, and for the transaction of such other corporate business as may come before the meeting.

SECTION 2. *Special Meetings.* Special meetings of the members may be called at any time for any purpose or purposes by the Chairman of the Board or by a majority of the Board of Directors, and shall be called forthwith by the Chairman of the Board, the Vice Chairman, the Secretary or any director of the Corporation upon the request in writing of a majority of all the members entitled to vote on the business to be transacted at such meeting. Such request shall state the purpose or purposes of the meeting. Business transacted at all special meetings of members shall be confined to the purpose or purposes stated in the notice of the meeting.

SECTION 3. *Place of Holding Meetings.* All meetings of members shall be held at a suitable location within Queen Anne's County, Maryland.

SECTION 4. *Notice of Meetings.* Written notice of each meeting of the members shall be mailed, postage prepaid by the Secretary, to each member of record entitled to vote thereat at his post office address, as it appears upon the books of the Corporation, at least ten (10) days before the meeting. Each such notice shall state the place, day, and hour at which the meeting is to be held and, in the case of any special meeting, shall state briefly the purpose or purposes thereof.

SECTION 5. *Quorum.* The presence in person or by proxy of a majority of the members of the Corporation shall constitute a quorum at all meetings of the members except as otherwise provided by law, by the Articles of Incorporation or by these By-Laws. If less than a quorum shall be in attendance at the time for which the meeting shall have been called, the meeting may be adjourned from time to time by a majority vote of the members present or represented, without any notice other than by announcement at the meeting, until a quorum shall attend. At any adjourned meeting at which a quorum shall attend, any business may be transacted which might have been transacted if the meeting had been held as originally called.

SECTION 6. *Conduct of Meetings.* Meetings of members shall be presided over by the Chairman of the Board of Directors, if he/she is not present, by the Vice Chairman, or, if none of said officers is present, by a chairman to be elected at the meeting. The Secretary of the Corporation shall act as secretary of such meetings; in the absence of the Secretary, the presiding officer may appoint a person to act as Secretary of the meeting.

SECTION 7. *Voting.* At all meetings of members every Lot entitled to vote thereat shall have one (1) vote. Such vote may be either in person or by proxy appointed by an instrument in writing subscribed by such members or his duly authorized attorney, bearing a date not more than three (3) months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be dated, but need not be sealed, witnessed or acknowledged. All elections shall be had and all questions shall be decided by a majority of the votes cast at a duly constituted meeting, except as otherwise provided by law, in the Articles of Incorporation or by these By-Laws.

SECTION 8. *Identity of Members.* The authorized membership of the Corporation shall consist of every person, group of persons or entity who is the record owner of a fee interest in any Lot; provided, however, that any such person, group of persons or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. Members shall be entitled to one (1) vote for each Lot owned. When more than one person or entity qualifies as a member as to any Lot, the vote for such Lot shall be as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

SECTION 9. *Directors as Members.* The Board of Directors of the Corporation shall be members and when meeting as Directors may exercise the rights and powers of members if the Charter or these By-Laws do not provide for members of the Corporation or in fact the Corporation has no members.

ARTICLE III

Board of Directors

SECTION 1. *General Powers.* The property and business of the Corporation shall be managed under the direction of the Board of Directors of the Corporation.

SECTION 2. *Number and Term of Office.* The number of directors shall be Seven (7). Directors must be members. All Directors shall be elected at large from all the Members of the Association. The directors shall serve for a period of One (1) year. No Director may serve more than Three (3) consecutive terms.

SECTION 3. *Nomination and Election of Directors.* At least thirty (30) days prior to the Annual Meeting (of which Directors shall be elected) of the members of the Corporation, the Nominating Committee, shall decide upon a slate of directors, and shall present such slate to the Board of Directors of the Corporation not less than twenty (20) days prior to said Annual Meeting. Upon written request of at least one of the members of the Corporation, made to a member of the Nominating Committee, not less than ten (10) days prior to said Annual Meeting, designating an additional slate or slates of directors, the Nominating Committee shall present such slate or slates to the Board of Directors of the Corporation. Immediately thereafter, the Secretary shall apprise the members of the Corporation of said slate or slates.

The Nominating Committee shall thereafter present the said slate or slates of nominees to the members of the Corporation for election at the Annual Meeting.

SECTION 4. *Filling of Vacancies.* In the case of any vacancy in the Board of Directors through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of the majority thereof, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of his successor, or until he shall be removed, prior thereto, by an affirmative vote of a majority of the members. However, if the vacancy is one of the Street Representatives, the Board of Directors must fill the vacancy with a member whose lot is on the same street as the vacating member.

Any director may be removed from office with or without cause by the affirmative vote of a two-thirds (2/3) of the members entitled to vote at any special meeting of members regularly called for the purpose.

SECTION 5. *Place of Meeting.* The Board of Directors may hold their meetings at any suitable location within Queen Anne's County, Maryland. All meeting of the Board of Directors shall be open to all members of the Corporation.

SECTION 6. *Regular Meetings.* Regular meetings of the Board of Directors shall be held at such time and place as shall from time to time be determined by resolution of the Board, provided that notice of every resolution of the Board fixing or changing the time or place for the holding of regular meetings of the Board shall be mailed to each member at least Five (5) days before the first meeting held pursuant thereto. The Board shall hold regular meetings no less than Six (6) times in each calendar year.

The regular meeting held in October of each year shall be known as the Annual Meeting of the Board of Directors for the purpose of electing officers and Directors, and receiving annual reports.

SECTION 7. *Special Meetings.* Special meetings of the Board of Directors shall be held whenever called by any member of the Board of Directors. The Secretary shall give notice of each special meeting of the Board of Directors, by mailing the same at least three (5) days prior to the meeting to each member of the Corporation; but such notice may be waived by any member. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any special meetings. At any meeting at which every director shall be present, even though without notice, any business may be transacted and any director may in writing waive notice of the time, place and objectives of any special meeting.

SECTION 8. *Quorum.* A majority of the whole number of directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, but, if at any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting from time to time, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by, law or by the Articles of Incorporation or by these By-Laws.

SECTION 9. *Required Vote.* An affirmative vote of a majority of those present shall be necessary for the passage of any resolution.

SECTION 10. *Compensation of Directors.* Directors shall not receive any salary or compensation for performing their duties as Directors.

ARTICLE IV

Board Officers

SECTION 1. *Election, Tenure and Compensation.* The officers of the Corporation shall be a Chairman, Vice Chairman, and Secretary/Treasurer, and such other officers as the Board of Directors may consider necessary for the proper conduct of the business of the Corporation. The officers shall be the three at large representatives to the Board as defined in Article III, Section 2 above. Officers shall not receive any salary or compensation for performing their duties as Officers.

SECTION 2. *Powers and Duties of the Chairman of the Board.* The Chairman of the Board shall preside at all meetings of the Board of Directors, shall set the agenda for Board meetings, shall make committee appointments and shall perform all other duties incident to the office as well as duties prescribed by the Board or the By-Laws.

SECTION 3. *Powers and Duties of the Vice Chairman.* The Vice Chairman shall, in the absence or during the disability of the Chairman, perform the duties incident to the office of

Chairman. Other duties may be delegated to the Vice Chairman by the Board.

SECTION 4. *Secretary/Treasurer.* The Secretary/Treasurer shall give, or cause to be given, notice of all meetings of the Directors and all other notices required by law or by these By-Laws. The Secretary/Treasurer shall record all the proceedings of the meetings of the Directors or Executive Committee in books provided for that purpose. The Secretary/Treasurer may sign with the Chairman, on behalf of the Board, any contract or agreement authorized by the Board and shall perform such other duties as may be assigned by the Board.

The Secretary/Treasurer shall have custody of all the funds and securities of the Corporation, and he shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors.

The Secretary/Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Secretary/Treasurer shall render to the Board, on a regular schedule set by the Board, an account of all his transactions as Secretary/Treasurer and of the financial condition of the Corporation. The Treasurer shall furnish an annual statement of all the income and disbursements of the Corporation at the annual meeting.

The Secretary/Treasurer shall perform all the duties generally incident to the office subject to the control of the Board of Directors.

ARTICLE V

SECTION 1. *Nominating Committee.* The Nominating Committee shall consist of at least Three (3) Directors. The Nominating Committee will perform the duties described in Section Three (3) of Article III and any other duties as the Board may direct.

SECTION 2. *Architectural Review Committee.* The Architectural Review Committee shall consist of Two Directors to be appointed by the entire Board at the Association's annual meeting.

SECTION 4. *Other Committees.* The Board, as it deems necessary, may create other special or standing committees.

ARTICLE VI

Bank Accounts and Loans

SECTION 1. *Bank Accounts.* Such officers or agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors and such officers or agents as from time to time shall be authorized by the Board of

Directors may withdraw any or all of the funds of the Corporation so deposited in any such bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of this Corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors until written notice of the revocation of the authority of such officers or agents by the Board of Directors shall have been received by such bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Corporation are deposited, the signature of the officers or agents of the Corporation so authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this Section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President or a Vice President and countersigned by the Secretary or Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation.

SECTION 2. *Loans.* Such officers or agents of this Corporation as from time to time shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the Corporation from such banks, trust companies, institutions, corporations, firms or persons as the Board or Directors, shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Corporation; and for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Corporation on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Corporation, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to reply upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

ARTICLE VII

Miscellaneous Provisions

SECTION 1. *Fiscal Year.* The fiscal year of the Corporation shall end on the last day of December.

SECTION 2. *Notices.* Whenever, under the provisions of these By-Laws, notice is required to be given to any director, officer or member it shall not be construed to mean personal notice, but such notice shall be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to each member at such address as appears on the books of the Corporation. Any member, director or officer may waive any notice required to be given under these By-Laws.

ARTICLE VIII

Amendments

SECTION 1. *Amendment of By-Laws.* The members shall have the power and authority to amend, alter or repeal these By-Laws or any provision thereof, and may from time to time make additional By-Laws. Any amendment, alteration or repeal requires a Two-Thirds (2/3) vote of all Lots entitled to vote within the Corporation.

ARTICLE IX

Indemnification

SECTION 1. *Definitions.* As used in this Article X, any word or words that are defined in Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time, (the "Indemnification Section") shall have the same meaning as provided in the Indemnification Section.

SECTION 2. *Indemnification of Directors and Officers.* The Corporation shall indemnify and advance expenses to a director or officer of the Corporation in connection with a proceeding to the fullest extent permitted by and in accordance with the Indemnification Section.

SECTION 3. *Indemnification of Employees and Agents.* With respect to an employee or agent, other than a director or officer, of the Corporation, the Corporation may, as determined by the Board of Directors of the Corporation, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by and in accordance with the Indemnification Section.