

ARTICLES OF INCORPORATION
OF

KENDALL'S CHOICE TOWNHOUSE ASSOCIATION, INC.

THIS IS TO CERTIFY:

FIRST: That the subscriber, B. James Greenfield, whose post office address is Suite 200, Three Lakefront North, Columbia, Maryland 21044, being of full age, does under and by virtue of the General Laws of the State of Maryland authorizing the formation of corporations, intend to form a membership corporation without capital sock by the execution and filing of these Articles.

SECOND: The name of the corporation (which is hereinafter called the "Association") is "KENDALL'S CHOICE TOWNHOUSE ASSOCIATION, INC."

THIRD: The principal office of the Association is located at Suite 200, Three Lakefront North, Columbia, Maryland 21044.

FOURTH: John P. Healy, whose address is Suite 100, Hawthorn Executive Center, 10715 Charter Drive, Columbia, Maryland 21044, is hereby designated the resident agent of this corporation; and that the said John P. Healy is of full age, is a citizen of the State of Maryland and actually resides therein.

FIFTH: PURPOSES AND POWERS OF THE ASSOCIATION

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 maintenance and preservation of the residential and Community Owned Open Space lots

STATE DEPARTMENT OF ASSESSMENTS
AND TAXATION
APPROVED FOR RECORD
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within that certain tract of property located in the 2nd Election District, Howard County, Maryland, and known as all those certain eighty-five (85) residential townhouse lots (designated as Lot C-1 through Lot C-85, inclusive) and three (3) Community Open Space lots (designated as Community Open Space Lots C-86, C-87 and C-88) as shown and designated on those subdivision plats entitled, "COLUMBIA VILLAGE OF LONGREACH, SECTION 3, AREA 2, LOTS C-1 thru C-88, a Resubdivision of Parcel "C", which Plats are recorded among the Land Records of Howard County, Maryland as Plat 8457 and Plat 8458; 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 the Association and for this purpose 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, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the office of the Clerk of the Circuit Court for Howard County, Maryland, as may be amended from time to time;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all 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, 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 each class of members, give as security for money borrowed or debts incurred, a mortgage, deed of trust or otherwise pledge, or hypothecate any or all of its real or personal property;

(e) dedicate, sell or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;

(f) participate in mergers and consolidations with other non-profit corporation organized for the same purposes or annex additional residential property and common area, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members; and

(g) exercise any and all powers, rights and privileges that a corporation organized under the Non-Stock Corporation Law of the State of Maryland may now or hereafter have or exercise.

SIXTH: STOCK

The corporation shall have no authority to issue stock.

SEVENTH: MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by the Declaration of record to assessment by the Association, including

contract sellers, shall be a member of the Association. The foregoing is not intended to 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.

EIGHTH: VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners with the exception of Class B members 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. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B members shall be the Declarant (as defined in the Declaration) and any person, firm or corporation to which Declarant shall transfer two or more undeveloped lots for the purpose of development, and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following events:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) December 31, 1992; or

(c) the filing of a Declaration among the Land Records of Howard County by the Declarant relinquishing Class B membership.

NINTH: BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three nor more than five Director, who need not be members of the Association. The Association shall initially have three directors who shall be B. James Greenfield, Richard D. Bishop, and John P. Nealy, and who shall serve as such until the first annual meeting of the Association or until their successors are elected and qualified.

TENTH: DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members and two-thirds (2/3) of the first mortgagees of record. 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 acceptance, 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.

ELEVENTH: DURATION

The Corporation shall exist perpetually.

TWELFTH: AMENDMENTS

Amendments of these Articles shall require the assent of

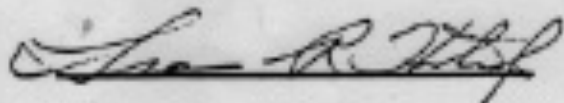
seventy-five percent (75%) of the entire membership.

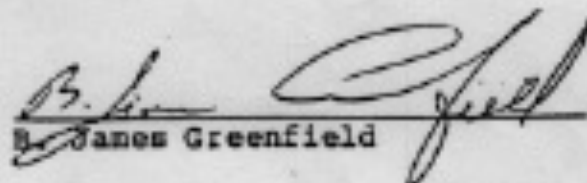
THIRTEENTH: FHA/VA APPROVAL

Except as to those matters and rights reserved unto the Declarant in the Declaration, as long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: annexation of additional properties, mergers and consolidation, mortgaging of common area, dedication of common area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Maryland, I, the undersigned, being the incorporator of this Association, have executed these Articles of Incorporation this 29th day of December, 1989 and acknowledge the same to be my act.

WITNESS:




By Janes Greenfield