



STATE OF MARYLAND

State Department of Assessments and Taxation

MILES & STOCKBRIDGE
10 LIGHT STREET
BALTIMORE

MD 21202

212C3000805

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THE
ARTICLES OF INCORPORATION
OF
OLD FARM HOMEOWNERS ASSOCIATION, INC.

HAVE BEEN RECEIVED AND APPROVED BY THE STATE DEPARTMENT OF ASSESSMENTS
AND TAXATION THIS 13TH DAY OF MAY, 1987, AT 10:57 A.M.
AND WILL BE RECORDED.

DEAN W. KITCHEN
CORPORATE ADMINISTRATOR
By:.....

<u>FEE PAID</u>		<u>AMOUNT</u>	<u>DOCUMENT REFERENCE</u>
RECORDING FEE	61	28	60
ORG. & CAP. FEE	20	20	60
CERTIFIED COPY FEE	13	15	60

THE ACCOUNT NUMBER WITH THIS OFFICE IS D2340941

STATE DEPARTMENT OF ASSESSMENT
AND TAXATION

033087
GMB

APPROVED FOR RECORD

5/13/87 at 10:57

OLD FARM HOMEOWNERS ASSOCIATION, inc.
ARTICLES OF INCORPORATION

THIS IS TO CERTIFY:

That I, Gregory M. Burgee, whose post office address is 117 West Patrick Street, P.O. Box 688, Frederick, Maryland 21701, being at least eighteen (18) years of age, do hereby declare myself as incorporator with the intention of forming a corporation under and by virtue of the General Laws of the State of Maryland, and for such purpose, do hereby make, execute and adopt the following Articles of Incorporation:

ARTICLE I. The name of this Corporation shall be:
OLD FARM HOMEOWNERS ASSOCIATION, INC.

ARTICLE II. The period of existence and duration of the life of this Corporation shall be perpetual, subject to the right of the unit owners to terminate the Corporation as provided in the Declaration of Covenants, Conditions and Restrictions and any other applicable provisions of Maryland law.

ARTICLE III. The principal office for the transaction of business of this Corporation shall initially be located in the City of Frederick, State of Maryland, at:

c/o Castle Homes, Ltd.
216 West Patrick Street
P.O. Box 3385
Frederick, Maryland 21701

The following named person shall be designated as the statutory resident agent of this Corporation, said resident agent being a citizen and an adult resident of the State of Maryland:

Charles E. Castle
c/o Castle Homes, Ltd.
216 West Patrick Street
P.O. Box 3385
Frederick, Maryland 21701

ARTICLE IV. The general purposes for which this Corporation formed, and the business or objects to be carried on and promoted by it, are as follows:

(a) to organize and operate a corporation, no part of the net earnings of which is to inure to the benefit of any member of this Corporation or to any other individual;

(b) in conformity with and in a manner consistent with a certain Declaration of Covenants, Conditions and Restrictions to be recorded

MAY 13 10:57

among the Land Records for Frederick County, Maryland, to provide for the maintenance, operation and management of a certain residential homeowners association located in the City of Frederick, Maryland, and such others as may be added to the Association, hereinelsewhere called the "Association" and identified as follows:

"OLD FARM HOMEOWNERS ASSOCIATION"

For the general purposes aforesaid, and limited to those purposes, this Corporation shall have the following powers:

(a) to purchase, lease or otherwise acquire, hold, develop, improve, mortgage, sell, exchange, let or in any manner encumber or dispose of property of every nature and description, including real, personal, mixed and/or intangible, wherever situated; and

(b) to make contracts, and loan or advance money with or without security, without limits as to amount; to borrow or raise money for any purposes of the Corporation and to issue bonds, debentures, notes, securities or other obligations of any nature and in any manner permitted by law, for money so borrowed in payment for property purchased, or for any other lawful consideration, and to secure the payment thereof and the interest thereon, by mortgage upon or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation, real, personal, mixed and/or intangible, including contract rights, whether at the time owned or thereafter acquired; and to sell, pledge or otherwise dispose of such bonds, notes or other obligations of the Corporation for its corporate purposes; and

(c) to transact its business, carry on its operations and exercise the powers provided in this subsection in any state, territory, district, or possession of the United States and in any foreign country; and

(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 this Corporation; and

(e) to make patronage refunds to members as provided for in the By-Laws of this Corporation; and

(f) to exercise and perform, without limitation, all of the powers, functions and duties of the Association hereinabove referred to in a

manner consistent with the provisions of the aforesaid Declaration and the By-Laws of this Corporation; and

(g) insofar as permitted by law, to do any other thing that, in the judgment of the Board of Directors, will promote the business of this Corporation or the common benefit of its members and, in general, to exercise the powers set out in the Declaration hereinabove referred to and the By-Laws of this Corporation and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration and the By-Laws of this Corporation.

The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of this Corporation, and the enjoyment of the exercise hereof, as conferred by the General Laws of the State of Maryland.

ARTICLE V. This Corporation shall be without capital stock and will not be operated for profit. This Corporation does not contemplate the distribution of gains, profits or dividends to any of its members. This Article does not apply to the fixing by the Board of Directors of reasonable compensation to anyone in any capacity for services rendered to the Corporation. The members of this Corporation shall not be personally liable for the debts, liabilities, or obligations of this Corporation except as may be specifically provided for by the General Laws of the State of Maryland.

ARTICLE VI. The authorized number of memberships of this Corporation is equivalent to the total number of Type I and Type III Lots and Type II Units in the Association and may be increased by the future construction of additional units. Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who is a record owner of a fee interest in any Type I or Type III Lot or Type II Unit in the Association, shall be a member of this Corporation; provided, however, that any such person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation, shall not be a member by reason only of such interest. The property, voting and other rights and privileges of membership,

the liability of each member for assessments for common expenses, and the method of collection thereof, shall be as set forth in the Declaration relating to the Association and in the By-Laws of this Corporation.

ARTICLE VII. To the extent permitted by law, this Corporation shall have a lien on the outstanding memberships in order to secure payment of any sums which shall be due or become due to this Corporation from the holder thereof for any reason whatsoever.

ARTICLE VIII. In the event any member of this Corporation sells, assigns or otherwise transfers of record the fee interest in any lot or unit as the case may be in which he holds the interest required for membership, such member shall, at the same time, assign the membership in this Corporation appurtenant to such lot or unit to the transferee of the lot or unit and deliver it to him for transfer on the books of this Corporation. The foregoing requirement shall not obtain in the event a lot or unit is transferred as aforesaid solely as security for the performance of an obligation. Except as provided in this Article, membership shall not be transferable.

ARTICLE IX. The number of Directors of this Corporation shall be an uneven number of not less than three (3) and the names and post office addresses of the Directors who shall act as such until the first annual meeting, or until such time as their successors are duly chosen and qualified are:

<u>Name</u>	<u>Address</u>
Charles E. Castle	216 West Patrick Street P.O. Box 3385 Frederick, Maryland 21701
Walter G. Jolley	216 West Patrick Street P.O. Box 3385 Frederick, Maryland 21701
Gregory M. Burgee	117 West Patrick Street P.O. Box 688 Frederick, Maryland 21701

The qualifications, powers, duties and tenure of the office of Director and the manner by which Directors are to be chosen shall be as prescribed and set forth in the By-Laws of this Corporation. Officers of this Corporation shall be elected and shall serve as provided for in the By-Laws.

ARTICLE X. This Corporation shall indemnify every person who is or was an officer or Director of this Corporation and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, whether civil, criminal, administrative or investigative, if that person (i) acted in good faith; and (ii) reasonably believed (a) in the case of conduct in that person's official capacity, that the conduct was in the best interests of this Corporation; and (b) in all other cases that the conduct was at least not opposed to the best interests of this Corporation; and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful.

The indemnification provided for in this Article is against judgments, penalties, fines, settlements and reasonable expenses actually incurred in connection with any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; provided however, that if any such action, suit or proceeding was one by or in the right of this Corporation, indemnification shall be made only against reasonable expenses and shall not be made in respect of any proceeding in which the person entitled to indemnity pursuant to the provisions of this Article shall have been adjudged to be liable to this Corporation. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, created a rebuttable presumption that the person otherwise entitled to indemnify did not meet the requisite standard of conduct set forth in this Article.

A person who is or was an officer or Director of this Corporation is not indemnified under the provisions of this Article in respect of any threatened, pending or completed action, suit or proceeding charging improper personal benefit to that person, whether or not involving action in that person's official capacity, in which the person was adjudged to be liable on the basis that personal benefit was improperly received.

The provisions of this Article are intended to provide every person who is or was an officer or Director of this Corporation and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of

service in that capacity, with indemnification to the extent permitted in Section 2-418(b), Title 2, Corporations and Associations Article, Annotated Code of Maryland (1975 Repl. Vol.), as from time to time amended or superceded.

Indemnification under this Article may not be made by this Corporation unless authorized in the specific case after a determination has been made that indemnification is permissible because the person who is or was an officer or Director of this Corporation has met that standard of conduct set forth in this Article. Such determination shall be made in the manner provided in Section 2-418(e), Title 2, Corporations and Associations Article, Annotated Code of Maryland (1975 Repl. Vol.), as from time to time amended or superceded.

Reasonable expenses incurred by any person who is or was an officer or Director of this Corporation and who is a party to any threatened, pending or completed action, suit or proceeding by reason of service in that capacity, may be paid or reimbursed by this Corporation in advance of the final disposition of that proceeding, after a determination that the fact then known to those making the determination would not preclude indemnification under this Article, upon receipt by this Corporation of:

- (a) a written affirmation by that person of that person's good faith belief that the standard of conduct necessary for indemnification by this Corporation as authorized in this Article has been met; and
- (b) a written undertaking by or on behalf of that person to repay the amount if it shall ultimately be determined that the standard of conduct necessary for indemnification by this Corporation as authorized in this Article has not been met. The undertaking required by this subparagraph (b) shall be an unlimited general obligation of the person making it but need not be secured and may be accepted without reference to financial ability to make the repayment.

Determination and authorization of payments under this Article shall be in the manner specified in Section 2-418(e), Title 2, Corporations and Associations Article, Annotated Code of Maryland (1975 Repl. Vol.), as from time to time amended or superceded.

The officers and Directors of this Corporation shall not be liable to this Corporation for any mistake of judgment, negligence or otherwise,

except for their own individual willful misconduct or bad faith. The officers and Directors of this Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of this Corporation, except to the extent that such officers or Directors may also be members of this Corporation, and this Corporation shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment, except as aforesaid.

The provisions of this Article do not limit the power of this Corporation to pay or reimburse expenses incurred by any person who is an officer or Director of this Corporation in connection with an appearance as a witness in any proceeding by reason of service in that capacity, or otherwise involving this Corporation, when that person has not been made a named defendant or respondent in the proceeding. Any right to indemnification provided for in this Article shall be in addition to, and not exclusive of, any other rights to which any person who is or was an officer or Director of this Corporation may be entitled by law, or otherwise.

This Corporation may purchase and maintain insurance on behalf of any person who is or was an officer or Director of this Corporation against any liability asserted against and incurred by such person in any such capacity or arising out of such person's position, whether or not this Corporation would have the power to indemnify against such liability pursuant to the provisions of this Article, or otherwise.

Any indemnification of, or advance of expenses to, any person in accordance with the provisions of this Article, if arising out of a proceeding by or in the right of this Corporation, shall be reported in writing to the members of this Corporation with notice of the next annual meeting of members of this Corporation or prior to the next annual meeting of members.

ARTICLE XI. The Directors shall exercise their powers and duties in good faith and with a view to the interests of this Corporation and the Association. A contract or other transaction between this Corporation and any of its Directors, or between this Corporation and any corporation, firm or other entity in which any of its Directors is a

director or has a material financial interest is not void or voidable solely because of the common directorship or interest, or because the Director is present at the meeting of the Board of Directors which authorizes, approves or ratifies the contract or transaction, or because the vote of the Director was counted for the authorization, approval or ratification of the contract or transaction, if any of the following conditions exist:

(a) the fact of the common directorship or interest is disclosed or known to the Board of Directors and the Board of Directors authorizes, approves or ratifies the contract or transaction by the affirmative vote of a majority of disinterested Directors, even if the disinterested Directors constitute less than a quorum; or

(b) the fact of the common directorship or interest is disclosed or known to the members of this Corporation entitled to vote, and the contract or transaction is authorized, approved or ratified by a majority of the votes cast by the members entitled to vote other than the votes appurtenant to memberships owned by the interested Directors or corporation, firm or other entity; or

(c) the contract or transaction is fair and reasonable to this Corporation at the time it was authorized, approved or ratified.

Common or interested Directors or the votes which they are entitled to cast or which are entitled to be cast by an interested corporation, firm or other entity, may be counted in determining the presence of a quorum at a meeting of the Board of Directors or at a meeting of the unit owners, as the circumstances may require, at which the contract or transaction is authorized, approved or ratified.

If a contract or transaction is not authorized, approved or ratified in the manner provided for in subparagraphs (a) or (b) of this Article, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to this Corporation at the time it was authorized, approved or ratified.

This Article does not apply to the fixing by the Board of Directors of reasonable compensation for a Director, whether as a Director or in any other capacity.

ARTICLE XII. A Director may only be removed with cause upon the majority vote of all the members of the Corporation present and entitled to vote at a duly convened regular or special meeting of members pursuant to the By-Laws of this Corporation.

ARTICLE XIII. Subject to the limitations set forth in the aforesaid Declaration and in the By-Laws of this Corporation, this Corporation reserves the right to amend, alter or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by statute for the amendment of Articles of Incorporation.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation this 11th day of May, 1987.

WITNESS:

Anne L. Heavner
Anne L. Heavner

Gregory M. Burgee (SEAL)
Gregory M. Burgee

STATE OF MARYLAND, COUNTY OF FREDERICK, TO WIT:

I HEREBY CERTIFY that on this 11th day of May, 1987, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Gregory M. Burgee, who acknowledged the foregoing Articles of Incorporation to be his act.

WITNESS my hand and Notarial Seal on the day and year first above written.

Anne L. Heavner
NOTARY PUBLIC

My Commission Expires:
July 1, 1990