

ARTICLES OF INCORPORATION  
OF  
FOGG COVE HOMEOWNERS ASSOCIATION, INC.

approved and received for record by the State Department of Assessments and Taxation  
of Maryland October 10, 1983 at 4:26 o'clock P.M. as in conformity  
with law and ordered recorded.

Recorded in Liber 2613, folio 1480, one of the Charter Records of the State  
Department of Assessments and Taxation of Maryland.

Bonus tax paid \$ 20.00 Recording fee paid \$ 32.00 Special Fee paid \$ \_\_\_\_\_

To the clerk of the circuit Court of Talbot County

IT IS HEREBY CERTIFIED, that the within instrument, together with all indorsements thereon, has  
been received, approved and recorded by the State Department of Assessments and Taxation of Maryland.

AS WITNESS my hand and seal of the said Department at Baltimore.



A 148822

265:228 U  
CO31EE:1:10/6/93

FOGG COVE HOMEOWNERS ASSOCIATION, INC.

ARTICLES OF INCORPORATION

FIRST: THE UNDERSIGNED, Thomas J. Doud, Jr., whose post office address is 1200 Garrett Building, 233 East Redwood Street, Baltimore, Maryland 21202, being at least eighteen (18) years of age, does hereby form a corporation under and by virtue of the General Laws of the State of Maryland:

SECOND: The name of the corporation (hereinafter referred to as the "Association") is FOGG COVE HOMEOWNERS ASSOCIATION, INC.

THIRD: The Association is not formed for pecuniary gain or profit, direct or indirect, to itself or its members. The purposes for which the Association is formed are as follows:

To organize and operate a nonprofit organization, which shall be organized and operated exclusively for the promotion of the health, safety, common good and social welfare of the owners of the property in, and the residents of that development (the "Development") located upon the tract or parcel of land, situated in the Town of St. Michaels, Talbot County, Maryland, and described more specifically in that certain Declaration (hereinafter referred to as the "Declaration"), to be executed by Miles River Homes, Inc., (the "Declarant"), a Maryland corporation and recorded among the Land Records of Talbot County, Maryland, and such additions thereto as may hereafter be annexed to the Development pursuant to the provisions of the Declaration.

For the general purpose aforesaid, and limited to that purpose (hereinafter sometimes referred to as the "Purpose"), the Association shall have the following specific purposes:

1. to do any and all lawful things and acts within its powers, as hereinafter set forth, which the Association from

32848341

265:228 U  
C031EE:1:10/6/83

time to time may deem to be appropriate in order to benefit, aid, promote and provide for peace, health, safety, convenience, comfort and the general welfare of the owners of property in, and the residents of, the Development;

2. to conduct all activities and perform all responsibilities relating to the operation, maintenance and development of community facilities and services within the Development as the same are more fully set forth in the Declaration;

3. to operate and maintain any and all property or facilities which it may acquire for the use and benefit of its members;

Solely in aid of the Purposes of the Association, the Association shall have the following powers:

1. to purchase, lease, hire, receive donations of, or otherwise acquire, hold, own, develop, improve, maintain and operate and to aid and subscribe toward the acquisition, development or improvement, of real and personal property, and rights and privileges therein, suitable or convenient for the Purpose of the Association;

2. to purchase, lease, hire, receive donations of, or otherwise acquire, hold, own, develop, erect, improve, manage, maintain, and operate, and to aid and subscribe toward the acquisition, construction or improvement of, system buildings, machinery, equipment and facilities, and any other property or appliances which may appertain to or be useful in the accomplishment of the Purpose of the Association;

3. to impose, collect and disburse dues and assessments in accordance with and subject to the provisions of the Declaration;

4. to solicit, receive and accept donations of money or property or any interest in property from the State of

265:228 U  
CO31EE:1:10/6/83

Maryland, Talbot County, or any subdivision of either, the federal government or any agency or instrumentality thereof, or from any person or entity;

5. to raise money for any particular facility or service which the Association proposes to provide by means of payment of dues or special assessments by its members and to provide, operate and maintain, and supervise the use of any such facility or service upon the voluntary payment of such dues or assessments by its members;

6. to make contracts, incur liabilities, and borrow money, and to issue bonds, notes or other obligations and secure the same by mortgage or deed of trust of all or any part of the property, franchise or income owned by the Association and to guarantee the obligations of others in which it may be interested for the furtherance of the Purpose of the Association;

7. to undertake and prepare or cause to be prepared studies, plans, recommendations, budgets and any other similar things (for submission to any public authority, civic group or association, or for its own use) which relate to any phase or aspect of the physical, social or cultural development of the Development, and to create, or cause to be created, committees and other organizations for the supervision and implementation thereof;

8. to engage in and sponsor civic activities relating to the cultural, educational, social and civic affairs of the owners of property in, or residents of, the Development, and to appear before and represent its members in or before other civic groups, associations, boards or other like organizations;

9. to sponsor, engage in, conduct and encourage cultural, educational, social and civic and other beneficial activities relating to the Development;

265:228 D  
CO31EE:2:10/6/83

10. to have and exercise to the extent necessary or desirable for the accomplishment of the aforesaid specific purposes and to the extent that they are not inconsistent with the Purpose of the Association, any and all powers conferred upon corporations of a similar character by the General Laws of the State of Maryland.

FOURTH: The post office address of the principal office of the Association in this State is Perry Cabin Drive, St. Michaels, Maryland 21663. The name and post office address of the resident agent of the Association in this state are Thomas J. Doud, Jr., 1200 Garrett Building, 233 East Redwood Street, Baltimore, Maryland 21202. The resident agent is an individual actually residing in this State.

FIFTH: The Association is not authorized to issue capital stock.

SIXTH: Every Owner shall automatically be a member of the Association. "Owner", for purposes of this Article Sixth, shall mean and include the owner of the fee simple, or long term leasehold interest (being a term of at least fifteen (15) years) in any lot ("Lot") within the Development, or any common or joint interest therein if a Lot is owned by more than one person or entity, but persons having an interest merely as security for the performance of an obligation or payment of a debt shall not be members of the Association.

No person or other entity shall be a member of the Association after he ceases to own or hold the interest in a portion of the Development which theretofore qualified him for membership under the provisions set forth above.

SEVENTH: All members, so long as the same shall qualify under Article Sixth above, shall be entitled to vote on each matter submitted to a vote at a meeting of members. There shall be two classes of members, Class A and Class B. The

265:228 U  
CO31EE:1:10/6/83

Class A members shall be all Owners of Lots with the exception of the Declarant under the Declaration. The Class B member(s) shall be the Declarant. The Class B member(s) shall be entitled to three (3) votes for each Lot which it owns. However, the Class B membership shall cease when all the Lots are sold. Each Class A member of the Association shall have one vote, subject to the following exceptions and conditions.

A. If any Class A member owns more than one Lot, such member, subject to the provisions of this Article Seventh, shall be entitled to one vote per Lot.

B. When any Lot is owned or held by more than one Class A member as tenants by the entireties or in joint tenancy or tenancy in common or any other manner of joint or common ownership or interest, such members shall collectively be entitled to only one vote relative to that Lot, and if the members are unable to jointly agree as to how that vote should be cast, no vote shall be allowed with respect to that Lot.

C. Any Class A member who is in violation of the Declaration, as determined by the Board of Directors, or who fails to pay any dues or assessments established by the Association shall not be entitled to vote during any period when the dues or assessments are due and unpaid or in which a violation continues.

D. The Board of Directors may make such regulations consistent with the terms of the Declaration and this Charter, as it deems advisable for any meeting of members, in regard to proof of membership in the Association, evidence or right to vote, the appointment and duties of inspectors of votes, registration of Class A members for voting purposes, and such other matters concerning the conduct of meetings and voting as it shall deem fit.

265-228 U  
CORP:1:10/6/83

E. Class A members shall be entitled to assign their right to vote, by power of attorney or by proxy. In the case of joint or common ownership as set forth in subparagraph B of this Article Seventh, any one such Class A member shall be entitled to cast the vote with respect to the Lot in question.

EIGHTH: The affairs of the corporation shall be managed by a Board of Directors, at least one (1) of whom shall be a member of the Association after there are at least nine (9) Class A members of the Association. The initial Board of Directors shall consist of three (3) directors who shall hold office until the election of their successors. The names of those persons who are to act as the initial Board of Directors are:

Harry C. Meyerhoff

Tom O. Meyerhoff

Jack Meyerhoff, II

The number of directors may be increased or decreased, but never below three (3) directors, from time to time as provided in the by-laws.

Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director, and if not previously so filled shall be filled at the next meeting of members of the Association. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the director, the vacancy in whose position he was elected to fill.

NINTH: The following provisions are hereby adopted for the purpose of defining, limiting and regulating the powers of the Association and of the directors and members:

265:228 U  
CO31EE:1:10/6/83

1. The Board of Directors shall have power to determine from time to time whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Association, or any of them shall be open to the inspection of members, except as otherwise provided by statute or by the by-laws; and, except as so provided no member shall have any right to inspect any book, account or document of the Association unless authorized so to do by resolution of the Board of Directors.

2. The Association may enter into contracts and transact business with any director or member or with any corporation, partnership, trust or association of which any director or member is a stockholder, director, officer, partner, member, trustee, beneficiary, employee or in which any director or member is otherwise interested; and such contract or transaction shall not be invalidated or in any way affected by the fact that such director or member has or may have an interest therein which is or might be adverse to the interests of the Association, provided that the fact of such interest shall be disclosed or known to the other directors or members acting upon such contract or transaction; and such director or member may be counted in determining the existence of a quorum at any meeting of the members of Board of Directors which shall authorize any such contract or transaction, with like force and effect as if he were not so interested. No director or member having disclosed or made known an adverse interest shall be liable to the Association or any member or creditor thereof or any other person for any loss incurred by the Association under or by reason of any such contract or transaction, nor shall any such director or member be accountable for any gains or profits realized therefrom.



265:228 D  
C031EE:2:10/6/33

3. Any contract, transaction or act of the Association or of the Board of Directors which shall be ratified by a majority vote of the members having voting powers and attending or entitled to vote by proxy at any annual meeting, or attending or entitled to vote by proxy at any special meeting called for such purpose, shall so far as permitted by law be as valid and as binding as though ratified by every member of the Association, provided, that a quorum of members shall be present at any such meeting.

4. The Corporation shall indemnify its officers and directors in the manner and to the extent set forth in its by-laws.

5. Except as provided in Article Ninth, Sections 6, 7 and 10, the presence of members holding 60% of the total votes eligible to be cast shall constitute a quorum at any meeting of members. If a quorum is not present at any meeting of members, by a majority vote of the members present or entitled to vote by proxy, the members may call a further meeting of members, in accordance with the provisions of § 5-206 of the Corporations and Associations Article of the Annotated Code of Maryland or other applicable law, and at the subsequent meeting a quorum shall be one-half ( $\frac{1}{2}$ ) of the required quorum at the preceding meeting.

6. The Association reserves the right to make from time to time and at any time any amendment to its Charter, as then in effect, which may be now or may hereafter be authorized by law, provided, however, that no amendment shall be made except under the affirmative vote of (i) two-thirds ( $\frac{2}{3}$ ) of the Board of Directors then in office, and, (ii) two-thirds ( $\frac{2}{3}$ ) of the votes of each Class of membership.

7. There shall be no liquidation, dissolution, or winding up of the Association, nor any transfer of any of the

265:228 U  
CQ31EE:1:10/6/83

assets of the Association except upon the affirmative vote of two-thirds (2/3) of the Board of Directors then in office, and, in addition (i) upon the affirmative vote of at least two-thirds (2/3) of the votes of each Class of membership, or (ii) upon the execution by members of each Class entitled to cast two-thirds (2/3) of the votes of those entitled to vote of a written instrument approving the proposed action. Upon any liquidation, dissolution or winding up of the Association hereunder, the property of the Association, both real and personal, shall be dedicated to and vest in any nonprofit corporation formed and operated for purposes similar to those set forth herein for the Association, Talbot County, the State of Maryland, or the United States of America, in the order stated.

8. The Board of Directors of the Association shall in each year, elect from among its members a chairman who shall preside at all meetings at which he is present.

9. The Board of Directors shall designate one (1) person (who need not be a member of the Association) to serve as the Manager of the Association. The Manager of the Association shall, ex officio, be the secretary and the chief financial officer of the Association. It shall be the function and the responsibility of the Manager of the Association to (i) attend all meetings of members and of the Board of Directors, and to keep appropriate corporate records of all proceedings; (ii) to keep the fiscal records of the Association and to prepare budget in connection with the conduct and operation of the affairs of the Association; and (iii) generally to advise the Association in the conduct and operation of its affairs; and (iv) to administer and manage the day-to-day affairs of the Association under the general supervision of the Board of Directors.

10. The Board of Directors of the Association may from time to time establish dues and assessments to be payable

265:228 U  
C031EE:1:10/6/83

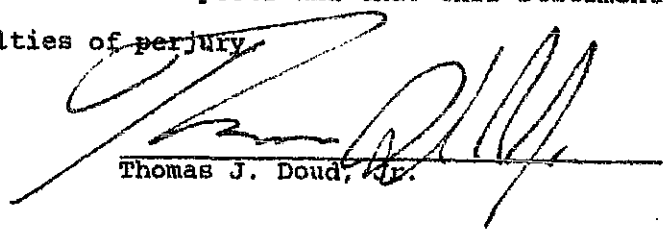
by the members of the Association, in accordance with the provisions of the Declaration, provided that special assessments for capital improvements as provided under the Declaration must be approved by the members of the Association as follows. Written notice of any meeting of members of the Association called for the purpose of approving a special assessment for capital improvements shall be sent to all members not less than 30 days or more than 60 days in advance of the meeting. At the meeting, the presence of members entitled to cast sixty percent (60%) of all the votes of each Class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ( $\frac{1}{2}$ ) of the quorum required at the preceding meeting. No subsequent meeting shall be held more than 60 days following the preceding meeting. At any such meeting at which the foregoing quorum requirements are satisfied, the members may approve a special assessment for capital improvements upon the affirmative vote of two-thirds ( $\frac{2}{3}$ ) of the votes of each class voting at the meeting.

11. In exercising the right granted to the Association hereunder to place mortgages or deeds of trust on any part of the property owned by the Association, the Board of Directors shall have the right, without referring the matter to a vote of the Association, to place a mortgage or deed of trust on a portion of the property, provided that the proceeds of such mortgage or deed of trust, after paying any expenses incurred in connection with such borrowing, are devoted solely to the maintenance and improvement to the property subjected to the mortgage or deed of trust. All mortgages or deeds of trust not specifically permitted by the preceding sentence must be submitted to and approved by a majority of each Class of the members of the Association entitled to vote.

265:228 U  
CO31EE:1:10/6/83

TENTH: The duration of the Association shall be perpetual.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation this 10th day of October , 1983, and I acknowledge the same to be my act, and that to the best of my knowledge, information and belief, the matters and facts stated herein are true in all material respects and that this statement is made under the penalties of perjury.



Thomas J. Doud, Jr.