

# Certificate of Incorporation

## The Longwood Lane Association

**FIRST:** The name of this Corporation is: **The Longwood Lane Association.**

**SECOND:** The name and address of the Corporation's registered agent in this State is: MJH&W Service Company, 32 West Loockerman Street, Suite 202, Dover, Kent County, Delaware 19904-7356.

**THIRD:** The purposes of the Corporation shall be to exercise the rights and responsibilities assigned to it in the Declaration of Covenants, Conditions and Restrictions (the "Declaration") for "Longwood Lane," a residential community in the Town of Clayton, County of Kent, State of Delaware (the "Community"), as the Declaration may be amended and exist from time to time in the public land records, and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware which may be useful in carrying out such rights and responsibilities. The Community is shown on the Record Plan for Longwood Lane recorded in Plan Book 42 at Page 100 in the Office of the Recorder of Deeds in and for Kent County, Delaware. Capitalized words in this Certificate which are defined in the Declaration shall have the same meanings here as in the Declaration.

Without limiting the generality of the foregoing description of its purposes, the Corporation shall have the authority to: accept and hold title to the Common Facilities and Controlled Facilities described in the Declaration; manage, maintain, repair and replace the Common Facilities and Controlled Facilities; promulgate and enforce rules and regulations according to the Declaration; enforce the Declaration; obtain and maintain liability and other insurance; levy, assess and collect general and special assessments upon the Lots and Lot Owners; and take all other actions described in or reasonably necessary or desirable to carry out and accomplish the rights and responsibilities assigned to it in the Declaration; subject, nevertheless, to the limitations in the following paragraph.

Any responsibility, duty or obligation assumed by, imposed upon or attributed to the Corporation shall be solely for the benefit of its Members, the first lien mortgagee of each Member's



real property in the Community, and any insurer of such a first lien mortgage, and no other person shall be deemed a third party beneficiary of this Certificate or the Declaration.

**FOURTH:** The Corporation is not a corporation organized for profit, and it shall have no capital stock. The Members of the Corporation shall be the Owners of the residential building Lots in the Community, but only for so long as they are and remain such Owners as set forth hereinafter. Membership in the Corporation is appurtenant to and inseparable from ownership of each Lot. The Members shall be required to pay such assessments as may from time to time be levied according to the Declaration, less any discounts for prompt or early payment as may from time to time be set by the Board of Directors according to the Declaration, for the purposes of the Corporation. Subject to the provisions of the FIFTH paragraph hereof and to the right of the Corporation to suspend voting privileges according to the Declaration, at all meetings of the Members of the Corporation, the Owners of each Lot shall be entitled collectively to cast one vote on each matter to be voted upon, and such vote may be cast in person or by proxy.

**FIFTH:** The Community contains 48 Lots. Until the Declarant, as defined in the Declaration, holds title to no more than twenty-five percent (25%) of the Lots (i.e., until it holds title to not more than 12 Lots), the Directors appointed in this Certificate of Incorporation (the "Initial Directors") shall act as the Board of Directors of the Corporation, with the sole power to elect their successors and any additional Directors and to fill any vacancies on the Board of Directors. Thereafter, the Members shall be entitled to elect the Board of Directors.

**SIXTH:** Nothing herein shall be regarded as imposing on the Members of the Corporation personal liability to the Corporation's creditors. Nothing herein shall authorize the Corporation to make levies or assessments except for a proper corporate purpose assigned to it by the Declaration and adopted by this Certificate unless this Certificate is amended to expand or change the Corporate purpose by a three-fourths (3/4) vote of all Members.

**SEVENTH:** The name and mailing address of the Incorporator is as follows:

Delaware Corporate Services Inc.  
222 Delaware Avenue  
PO Box 2306  
Wilmington DE 19899



**EIGHTH:** The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The business and affairs of the Corporation shall be carried on by a Board of Directors which shall consist of no less than two (2) nor more than five (5) persons appointed or elected for such term or terms as may be established in the By-Laws. Any vacancy occurring in the Board may be filled by a majority of the remaining members of the Board until the next annual meeting of the Members or by majority vote of the Members at a special meeting for that purpose. The names and mailing addresses of the persons who are to serve as the Directors of the Corporation until their successors are elected and qualified are as follows:

<b>Name</b>	<b>Address</b>
B. L. Anstine	1 South Longwood Lane, Clayton DE 19938
J. L. Anstine	1 South Longwood Lane, Clayton DE 19938

The Directors appointed herein (the "Initial Directors") shall serve as the Board of Directors of the Corporation, with the sole power to elect their successors and to fill any vacancies, until the first annual meeting of the Members. Thereafter, the Directors shall be appointed and/or elected as provided in the By-Laws.

**NINTH:** No Director and no officer of the Corporation shall be personally liable to the Corporation or to its Members for monetary damages for breach of fiduciary duty as a Director or officer except for liability (i) for any breach of the Director's or officer's duty of loyalty to the Corporation or its Members, (ii) for acts or omissions not in good faith or which involve misconduct with the intent to harm, or (iii) for any transaction from which the Director or officer derived an improper and undisclosed personal benefit. For these purposes the fact that a Director or officer is a principal in the Declarant (which also is the developer of the Community) and likely will benefit personally from the Declarant's business of developing and marketing the Community shall not be deemed to constitute an improper or undisclosed personal benefit.

In addition to the foregoing, no Director and no officer of the Corporation shall be personally liable to the Corporation or to its Members for monetary damages for any mistake of judgment, negligence or other reason, except for his or her own individual bad faith or misconduct with the intent to harm.



**TENTH:** The power to make, alter or repeal By-Laws shall be in the Members of the Corporation as set forth in the By-Laws. The election of the Directors of the Corporation need not be done by ballot unless the By-Laws of the Corporation so provide.

**ELEVENTH:** Subject to Article Twelfth, this Corporation shall have the power to acquire by purchase, devise, donation or in any other manner, and to dispose of, any property or property rights, real or personal, and to enter into and perform any and all contracts and to mortgage, pledge, restrict the use of, or otherwise encumber any of its property and to draw, make, endorse and accept checks, promissory notes and bills of exchange, provided that any such action by the Corporation shall be for the purposes for which it is incorporated. Without limiting the foregoing, this Corporation shall have the right, power and authority to grant utility or other beneficial easements across any of the Common Facilities to which it holds title, subject to Article Twelfth.

**TWELFTH:** Whenever any mortgage against any Lot is insured by the United States Department of Housing and Urban Development ("HUD") or the United States Veterans Administration ("VA"), annexation of additional properties or expansion of the Community to include additional properties, merger and/or consolidation of the this Corporation with another corporation or business organization, dissolution of the Corporation, amendment of these Articles of Incorporation, and the mortgaging or dedication of any Common Facilities or Controlled Facilities (as such Facilities are described in the Declaration), shall require the prior written approval of HUD and VA. Moreover, if the Corporation is dissolved, it shall convey its assets only to a public body or to a non-profit organization with purposes similar to those of this Corporation, unless HUD and VA agree otherwise.

**THE UNDERSIGNED**, being the Incorporator for the purpose of forming a corporation pursuant to Chapter I, Title 8, of the Delaware Code, entitled "General Corporation Law," and the acts amendatory thereof and supplemental thereto, if any, makes and files this Certificate of Incorporation, hereby declaring and certifying that said instrument is his, her or its act and deed and that the facts stated herein are true, and accordingly has set his, her or its hand and seal the 27th day of May, 1998.

By: 

Delaware Corporate Services Inc.