

## ARTICLES OF INCORPORATION

SENECA WHETSTONE HOMEOWNERS  
ASSOCIATION, INC.

(a non-stock corporation)

The undersigned, Charles T. Albert, whose address is 1100 Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201, being at least eighteen years of age, acting as incorporator, does hereby form a non-stock corporation under and by virtue of the laws of the State of Maryland and does hereby certify:

## ARTICLE I

The name of the corporation is SENECA WHETSTONE HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

## ARTICLE II

The principal office of the Association is located at 10705 Donovan Court, Gaithersburg, Maryland 20760.

## ARTICLE III

The name and address of the resident agent of the Association in this State are Charles T. Albert, 1100 Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201. Said resident agent is a citizen of the State of Maryland who resides therein.

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## ARTICLE IV

## PURPOSE AND POWERS OF THE ASSOCIATION

This Association is not organized for pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are:

- (1) To provide for the acquisition, construction, management, maintenance, and care of Association Property; and
- (2) In connection with the objectives stated in clause (1) of this sentence, to promote the health, safety and welfare of residents owning and occupying Association Property.

*Corporate Purpose*

In furtherance of the foregoing purposes the Association shall have the power 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 Land Records for Montgomery County, Maryland, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(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 in connection therewith and all office and other 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 (by gift, purchase or otherwise), 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, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(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. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

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

(g) have and to exercise any and all powers, rights, and privileges which a corporation organized under the Corporations and Associations Article of the Annotated Code of Maryland by law may now or hereafter have or exercise.

For purposes of these Articles, the term "Association Property" shall refer to all of the Lots and Common Area, as defined in the Declaration, within that certain tract of property described on Exhibit A attached to the Declaration, provided, however, such property shall not constitute Association Property unless it:

- (1) Is owned by the Association or owned as tenants in common by members of the

Association, is available for the common benefit of all members of the Association and is of a nature that tends to enhance the beneficial enjoyment of the private residences by their owners;

- (2) Consists of areas or facilities traditionally recognized and accepted as being of direct governmental concern in the exercise of the powers and duties entrusted to governments to regulate community health, safety and welfare; or
- (3) Is privately owned by members of the Association and so long as
  - (a) the condition of such privately owned property affects the overall appearance and structure of residential units making up the Association,
  - (b) there exists a covenant relating to the exterior appearance that applies on the same basis to all such property,
  - (c) there is a pro rata mandatory assessment (at least annually) on all members of the Association for maintaining such property, and

(d) membership in the Association is  
a condition of ownership of such  
property.

The Association retains the right to further amend its corporate purposes so that they may embrace any activity which may properly be engaged in by any organization which is exempt from Federal income tax under section 528 of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

The enumeration and definition of the powers of the Association included in the foregoing shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other Article of the charter of the Corporation, or construed as or deemed by inference or otherwise in any manner to exclude or limit any powers conferred upon the Association under the laws of the State of Maryland now or hereafter in force, except to the extent that the laws of the State of Maryland permit activities which are not permitted under Federal Law for any organization which is exempt from Federal income tax under section 528 of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

## ARTICLE V

### MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by

covenants 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.

#### ARTICLE VI

#### VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, as defined in the Declaration, with the exception of the Declarant, 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 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 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 either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the

total votes outstanding in the Class  
B membership; or  
(b) on December 31, 1980.

#### ARTICLE VII

The Association is not authorized to issue capital stock.

#### ARTICLE VIII

##### BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of at least, and initially, three (3) Directors, but not more than five (5) Directors, who need not be members of the Association. The directors shall be elected by the members and shall serve for a term of one (1) year. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
Jack C. Burlbaugh	c/o Centex Homes of Washington D.C., Inc.
Gus Sankers	1700 Old Meadow Road
Ronald Pitt	McLean, Virginia 22101

#### ARTICLE IX

##### INDEMNIFICATION

The Association shall indemnify its directors and officers to the full extent permitted by the laws of the

State of Maryland now or hereafter in force, including the advance of related expenses, upon a determination by the Board of Directors or independent legal counsel (who may be regular counsel for the Association) made in accordance with applicable statutory standards; and, upon authorization by the Board of Directors, may indemnify other employees or agents to the same extent; provided, however, such indemnification shall only be to the extent permitted of organizations which are exempt from Federal income tax under section 528 of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

#### ARTICLE X

##### 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. 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.

#### ARTICLE XI

##### DURATION

The Association shall exist perpetually.

ARTICLE XII

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XIII

HUD/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of HUD or the VA: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation, acknowledging the same to be my act, on this

29<sup>th</sup> day of May, 1979.

Witness:

Marguerite Agnew

Charles T. Albert  
Charles T. Albert