

State of Maryland
Department of
Assessments and Taxation

Charter Division



Martin O'Malley
Governor

C. John Sullivan, Jr.
Director

Paul B. Anderson
Administrator

Date: 02/15/2008

SAUL EWING, LLP
LISA NOELL
9TH FLOOR
500 E PRATT ST
BALTIMORE

MD 21202-3133

THIS LETTER IS TO CONFIRM ACCEPTANCE OF THE FOLLOWING FILING:

ENTITY NAME : THE TOWNHOMES AT ELLENDALE CONDOMINIUM, INC.
DEPARTMENT ID : D12372975
TYPE OF REQUEST : ARTICLES OF INCORPORATION
DATE FILED : 02-15-2008
TIME FILED : 02:51 PM
RECORDING FEE : \$100.00
ORG. & CAP FEE : \$20.00
EXPEDITED FEE : \$50.00
POSTAGE FEE : \$5.00
FILING NUMBER : 1000361995979220
CUSTOMER ID : 0002087724
WORK ORDER NUMBER : 0001530762

PLEASE VERIFY THE INFORMATION CONTAINED IN THIS LETTER. NOTIFY THIS DEPARTMENT
IN WRITING IF ANY INFORMATION IS INCORRECT. INCLUDE THE CUSTOMER ID AND THE WORK
ORDER NUMBER ON ANY INQUIRIES.

Charter Division

Baltimore Metro Area (410) 767-1350

Outside Metro Area (888) 246-5941

EFFECTIVE DATE: 02-15-2008
PRINCIPAL OFFICE: 6730 WHITESTONE RD.
BALTIMORE
RESIDENT AGENT: BARRY F. LEVIN
500 E. PRATT ST.
8TH FLOOR
BALTIMORE

MD 21207

MD 21202

RECEIVED
DEPARTMENT OF
RECORDS & TAXATION
THE TOWNHOMES AT ELLENDALE CONDOMINIUM, INC.

ARTICLES OF INCORPORATION

2008 FEB 15 P 2:52

THIS IS TO CERTIFY:

ARTICLE I: NAME AND ADDRESS OF INCORPORATOR

The undersigned, Francie Cohen Spahn, whose address is 500 East Pratt Street, Suite 900, Baltimore, Maryland 21202, being at least eighteen (18) years of age, hereby forms a non-stock corporation under the laws of the State of Maryland.

ARTICLE II: NAME OF CORPORATION

The name of the corporation, hereinafter called the "Corporation", is:

The Townhomes At Ellendale Condominium, Inc.

ARTICLE III: PURPOSES AND POWERS OF CORPORATION

The purposes for which the Corporation is formed are as follows: To organize and operate a real estate management association exclusively to provide for the acquisition, improvement, management, maintenance, care and preservation of the General Common Elements, and to promote the recreation, health, safety and welfare of the residents of the Units, upon the "Land", as that term is hereinafter defined, and upon any addition thereto as may hereafter be brought within the jurisdiction of this Corporation. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any director, officer or member of the Corporation, or any other individual, so that no pecuniary gain or profit to the members thereof is contemplated. For the foregoing general purposes, and limited to those purposes, the Corporation shall have the following powers:

(a) To acquire, own, hold, preserve, develop, improve, build upon, manage, operate, and maintain open space tracts or areas and common or recreational areas, land, facilities and real estate, whether fee simple or leasehold, and whether improved or unimproved, all designed for the common use, benefit, enjoyment, recreation, health, safety and welfare of the Record Owner of each Unit now or hereafter laid out or established within the "Land", as said term is defined within the Declaration made by Reliable Development Company LLC, dated _____, 2008 and recorded among the Land Records of Queen Anne's County, Maryland, in Liber ____, folio ____, as same may hereafter from time to time be amended (the "Declaration"). Each capitalized term used herein and defined in the Declaration shall have the meaning ascribed to that term by the Declaration.

(b) To exercise all the powers, rights and privileges, and to perform all the duties and obligations, of the Corporation, as the same are set forth in the Declaration.

(c) To establish, fix, make, impose, levy, collect and enforce payment of, by any lawful means, all charges or assessments made or established pursuant to the terms of the Declaration, and, from time to time, increase or decrease the same, as the need therefor may require, to provide operating and reserve funds for, and pay all costs and expenses incurred in connection with the preservation, development, improvement, operation, maintenance and care of the General Common Elements, property and facilities held by the Corporation, and any convenience deemed desirable to or for the use and enjoyment thereof, and for any other corporate purposes, including particularly, but not by way of limitation, all office and other expenses incident to the business of the Corporation, premiums for casualty, liability and other insurance, all license and franchise fees or charges, and all taxes and assessments charged, levied or imposed on the property of the Corporation.

(d) To purchase, lease, option, or otherwise acquire, own, hold, preserve, develop, improve, build upon, manage, operate, maintain, convey, sell, exchange, rent, lease, dedicate for public use, or in any manner transfer or dispose of any real or personal property in connection with the affairs of the Corporation.

(e) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization by members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately), to secure the payment of the money borrowed and of 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.

(f) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonstock Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE IV: PRINCIPAL OFFICE AND RESIDENT AGENT

The address of the principal office of the Corporation in this State is 165 Log Canoe Circle, Suite B, Stevensville, Maryland 21666. The name and post office address of the resident agent of the Corporation in this State is John Dixon, 803 Homestead Lane, Crownsville, Maryland 21032. The resident agent is a citizen of the State of Maryland and actually resides therein.

ARTICLE V: MEMBERSHIP AND VOTING RIGHTS

(a) The Corporation is not authorized to issue any capital stock. The membership of the Corporation shall consist of the Unit Owners now or hereafter laid out or established on the Land. Each member shall be designated as either a Class A Member or a Class B Member. A description of each class of membership, with the voting rights and powers of each class, is as follows:

(i) Class A Member: Except for the Declarant, who shall initially be a Class B Member, the Class A Members shall be all Unit Owners holding title to one (1) or more Units; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A Member solely on account of such interest. Each Class A Member shall be entitled to one (1) vote per Unit, for each Unit owned by it, in all proceedings in which action shall be taken by the Council of Unit Owners.

(ii) Class B member. The Class B Member shall be the Declarant. The Class B Member shall be entitled to five hundred twenty-two (522) votes per Unit for each Unit owned in all proceedings in which actions shall be taken by the Council of Unit Owners.

(iii) Conversion. The Class B membership in the Council of Unit Owners shall cease and be converted to Class A membership in the Council of Unit Owners, upon the earlier to occur of (i) December 31, 2023; or (ii) at such time as the total number of votes entitled to be cast by Class A Members of the Council of Unit Owners equals or exceeds the total number of votes entitled to be cast by the Class B Member of the Council of Unit Owners. If after such conversion Additional Property is made subject to the Declaration, then the Class B Member shall be reinstated until December 31, 2024, or such earlier time as the total number of votes entitled to be cast by Class A Members again equals or exceeds the total number of votes entitled to be cast by the Class B Member. The Declarant and any Builder shall thereafter remain Class A Members of the Council of Unit Owners as to each and every Unit from time to time subject to the terms and provisions of the Declaration in which the Declarant and any Builder then holds the interest otherwise required for Class A membership.

(b) Membership in the Corporation shall be appurtenant to and may not be separated from the ownership of any Unit. Conversely, the Unit Owner shall be a member of the Corporation.

(c) Every person or entity who is an Unit Owner of any Unit is entitled to membership and voting rights in the Corporation. Membership is appurtenant to, and inseparable from, ownership of an Unit.

ARTICLE VI: CONDOMINIUM BOARD OF DIRECTORS

The affairs of the Corporation shall be governed by a board of directors composed of three (3) or five (5) directors. The initial directors shall be selected by the Declarant. A director need not be an Owner. The names of the directors who shall act as such from the date upon which the Declaration is recorded among the Land Records of Queen Anne's County, Maryland until such time as their successors are duly chosen and qualified are John Dixon, Michael Baldwin and Joseph Baldwin. These directors shall serve until the first meeting of the Corporation, at which time the Unit Owners shall elect the members of the Council of Unit Owners, all as prescribed herein. An initial director may be removed and his or her or successor appointed by the Declarant, its successors and assigns. The Declarant shall also have the right to

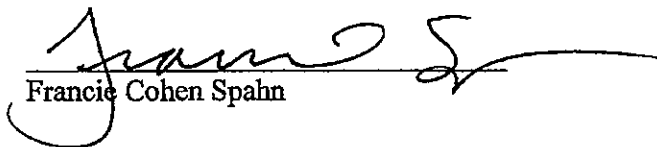
appoint additional directors to the board of directors until the first meeting of the Corporation.

The terms of the directors named herein shall expire when their successors have been elected at the first meeting of the Corporation and are duly qualified. At the first meeting of the Corporation, a successor shall be elected to each director whose term then expires and two (2) new directors shall be elected. Two (2) directors shall be elected to serve for a term of three (3) years, two (2) directors shall be elected to serve for two (2) years, and one (1) director shall be elected to serve for one (1) year. At each annual meeting thereafter, a successor shall be elected to each director whose term then expires, to serve for a term of three (3) years.

ARTICLE VII: DURATION AND DISSOLUTION OF CORPORATION

The Corporation shall have perpetual existence, subject to the right of the Owners to terminate the Corporation as provided in Section 13.4 of the Declaration.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and acknowledge the same to be my act on this 6th day of February, 2008.


Francie Cohen Spahn

I hereby consent to act as resident agent in Maryland for the entity named in this document.


John Dixon