

ARTICLES OF INCORPORATION OF
SUN VALLEY ASSOCIATION, INC.

FIRST: The undersigned, Lennart Larson and Doris K. Larson whose post office address is 218 Sun Valley Drive, Waldorf, Maryland 20603, being at least twenty-one (21) years of age, do hereby associate as Incorporators for the purposes of forming a nonstock corporation under and by virtue of the general laws of the State of Maryland, and to that end do hereby adopt Articles of Incorporation as follows:

SECOND: The name of the corporation (which is hereinafter referred to as the "Association") is:

SUN VALLEY ASSOCIATION, INC.

THIRD: The Association does not contemplate pecuniary gain or profit to its members, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots and the Association common area property within all that certain real property known as Sun Valley Estates, Sections 3, 4 and 4-A (hereinafter referred to as the "Property"), as per plat(s) thereof recorded or to be recorded among the Land Records of Charles County, Maryland, subjected to the Declaration of Covenants, Conditions and Restrictions made by Lennart Larson and Doris K. Larson (collectively, the "Declarant"), dated of even date herewith, and recorded or to be recorded among the Land Records of Charles County, Maryland (the "Declaration"); and to promote the health, safety and welfare of the residents within the Property and any additions thereto as may hereafter

be brought within the jurisdiction of this Association for this purpose, and, 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 the Declaration, or incident thereto, as the same may be amended from time to time as therein provided;

(b) 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 and purposes of the Association;

(c) Dedicate, sell or transfer all or any part of the Association property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association; except that, no such dedication or transfer shall be effective unless an instrument has been signed by at least two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(d) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of at least two-thirds (2/3) of each class of members of the Association;

(e) Annex additional residential property and common area property as and when provided in the Declaration;

(f) Have and exercise any and all powers, rights and

privileges which a corporation organized under the Non-Profit Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

FOURTH: The post office address of the initial Principal Office of the Association in this State is 218 Sun Valley Drive, Waldorf, Maryland 20603. The name and post office address of the Resident Agent of the Association in this State is Lennart Larson, 218 Sun Valley Drive, Waldorf, Maryland 20603. Said Resident Agent is an individual actually residing in the State of Maryland.

FIFTH: The Association shall not be authorized to issue any capital stock, nor to declare dividends; and no other pecuniary profits shall be declared or paid to the members of the Association. Every person or entity who is a record owner of the fee simple title to any lot which is subject by covenants of record to assessment by the Association, or, if such lot is subject to a reversion reserved in a lease redeemable pursuant to Title 8 of the Real Property Article, Annotated Code of Maryland, the owner of the leasehold interest, including contract sellers, but excluding those having an interest in any such lot merely as security for the performance of an obligation, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

SIXTH: The Association shall have two (2) classes of voting membership:

(a) Class A. The Class A member(s) shall be all owners, with the exception of the Declarant, and shall be entitled to (1) 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 among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot owned by a Class A member.

(b) Class B. The Class B member shall be the Declarant, and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease, subject to revival upon additional land being annexed pursuant to the Declaration, and be converted to a Class A membership on the happening of any of the following events, whichever occurs earlier:

(i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(ii) when the development period for the Property expires (not to exceed six (6) years).

SEVENTH: The affairs of the Association shall be managed by a Board of three (3) directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association, but shall never be less than three (3). The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are: Lennart Larson, Doris K. Larson and Lynn Wells.

At the first annual meeting of the Association, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect one (1) director for a term of three (3) years.

EIGHTH: 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

NINTH: The Association shall exist perpetually.

TENTH: Amendment of these Articles shall require the assent of at least seventy-five percent (75%) of the entire membership of the Association.

ELEVENTH: If the Property, or the development thereof, is approved by the Federal Housing Administration ("FHA") or the United States Veterans Administration ("VA") for FHA or VA insured or guaranteed mortgages, so long as there is a Class B membership, the following actions will require the prior) approval of FHA or VA, as applicable: annexation of additional

properties, mergers and consolidations, mortgaging of Association property, dedication of Association property, dissolution of the Association, or amendment of these Articles.

IN WITNESS WHEREOF, the Incorporators have signed these Articles of Incorporation and have acknowledged the same to be their act as of this 27th day April, 1994.

WITNESS:

INCORPORATORS:

[Signature]

Lennart Larson (SEAL)
Lennart Larson

[Signature]

Doris K. Larson (SEAL)
Doris K. Larson

STATE OF MARYLAND
COUNTY OF CHARLES; to wit,

I April 27th day of

HEREBY CERTIFY that on this _____, 1994, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Lennart Larson and Doris K. Larson and acknowledged that they executed the foregoing instrument for the purposes therein contained.

Michelle L. Scott
Notary Public

AS WITNESS my hand and Notarial Seal.

My Commission expires: 07-24-95

After Recording Return To:

Stephen H. Scott, Esq.
Andrews, Schick, Bongar & Starkey, P.A.,
P.O. Box 696

Waldorf, Maryland 20604