

Articles of Incorporation

**Park Place @ Towne Square,
A Condominium**

ARTICLES OF INCORPORATION

OF

PARK PLACE AT TOWNE SQUARE CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is Park Place at Towne Square Condominium Association, Inc., hereafter called the "corporation" or the "Unit Owners Association".

ARTICLE II

PURPOSES

The Unit Owners Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the management, maintenance and care of the real estate known as "Park Place at Towne Square, a Condominium" located in the City of Virginia Beach, Virginia, as more particularly described in the Declaration of Condominium of Park Place at Towne Square, a Condominium, dated August 5, 2003, made by Sandler Development at Towne Square, L.L.C., a Virginia limited liability company, ("Declarant, which term shall include successors as provided in the Declaration") recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, as the same may from time to time be amended (the "Declaration"), and to provide a means whereby the Unit Owners, acting together, may provide for the acquisition, construction, management, maintenance and care of the Condominium, and for this purpose to: (a) enforce the Declaration and exercise all of the powers and privileges and perform all of the duties and obligations of the Unit Owners Association; (b) fix, levy, collect and enforce payment by any lawful means of, all charges or assessments pursuant to the Declaration and Bylaws; (c) pay all Common Expenses of the Condominium; (d) subject to the Declaration and the Bylaws, acquire, 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 Unit Owners Association; and (e) have and exercise any and all powers, rights and privileges which a corporation organized under the Virginia Nonstock Corporation Act may by law now or hereafter have or exercise.

ARTICLE III

DEFINITIONS

Except as expressly defined herein, all capitalized terms used herein shall have the respective meanings set forth in the Declaration or in the Bylaws of this corporation.

ARTICLE IV

MEMBERSHIP

Every Unit Owner shall be a member of this Unit Owners Association. Upon conveyance of fee simple title to any Unit to a purchasing Unit Owner, the purchasing Unit Owner shall become a member of this Unit Owners Association and the membership of the selling Unit Owner shall terminate.

ARTICLE V

VOTING RIGHTS

Each Unit Owner shall have a vote in proportion to his respective Percentage Interest in the Condominium.

ARTICLE VI

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Unit Owners Association, which is located in the County of James City, Virginia, is c/o Kaufman & Canoles, 1200 Old Colony Lane, Williamsburg, Virginia 23185. The initial registered agent of the Unit Owners Association is Elizabeth L. White, Esq., who is a resident of Virginia and a member of the Virginia State Bar and whose business office is identical with the registered office.

ARTICLE VII

BOARD OF DIRECTORS

A. The number of directors constituting the initial Board of Directors is three (3), and their names and addresses are:

Nathan D. Benson
448 Viking Drive, Suite 220
Virginia Beach, VA 23452

Debra A. Dietz
448 Viking Drive, Suite 220
Virginia Beach, VA 23452

Charles W. Parrish
448 Viking Drive, Suite 220
Virginia Beach, VA 23452

Except for the initial Board of Directors and as provided above, the number of directors shall be as established by the Bylaws, or in the absence of such a bylaw shall be five (5).

B. Until the expiration of the Period of Declarant Control (during which time members do not elect the Board of Directors), and thereafter until their successors have been elected by the Unit Owners, the Board of Directors shall consist of persons designated by the Declarant. Declarant shall have the right in its sole discretion to remove directors during the Period of Declarant Control and to designate their successors.

C. At the first meeting of the Unit Owners Association following termination of the Period of Declarant Control (which meeting shall be held within thirty days after the termination of the Period of Declarant Control), directors shall be elected by the members of the Unit Owners Association. The members of the Board of Directors so elected shall hold office until the next annual meeting of the Unit Owners Association. Thereafter, elected directors shall hold office until the next annual meeting succeeding their election. Members of the Board of Directors shall be elected by oral ballot of the Unit Owners unless any Unit Owner requests written ballot, in which event members of the Board of Directors shall be elected by written ballot.

D. Except with respect to directors designated by Declarant, at any meeting called for the purpose of removing a director, any one or more of the members of the Board of Directors may be removed with or without cause by a "Majority of the Unit Owners" (as defined in Article II of the Bylaws), and a successor may then and there be elected to fill the vacancy thus created.

Notice of such meeting shall state that the purpose, or one of the purposes, of the meeting is the removal of the director(s). A member of the Board of Directors may resign at any time in accordance with Va. Code Ann. Section 13.1-859.

E. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Unit Owners Association shall be filled by a vote of the majority of the remaining directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of such vacancy. Each person so elected shall be a member of the Board of Directors until the next meeting of the Unit Owners Association at which directors are elected. Notwithstanding anything to the contrary in this Paragraph E or in the preceding Paragraph D, until the expiration of the Period of Declarant Control the Declarant shall designate the successor to any resigned or removed director previously designated by the Declarant.

ARTICLE VIII

INDEMNIFICATION

A. Definitions. For purposes of this Article the following definitions shall apply:

"corporation" means this Corporation only and no predecessor entity or other legal entity.

"expenses" include counsel fees, expert witness fees, and costs of investigation, litigation and appeal, as well as any amounts expended in asserting a claim for indemnification.

"liability" means the obligation to pay a judgment, settlement, penalty, fine, or other such obligation, including, without limitation, any excise tax assessed with respect to an employee benefit plan.

"legal entity" means a corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

"predecessor entity" means a legal entity the existence of which ceased upon its acquisition by the Corporation in a merger or otherwise.

"proceeding" means any threatened, pending, or completed action, suit, proceeding or appeal whether civil, criminal, administrative or investigative and whether formal or informal.

B. Limit on Liability. In every instance in which the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of directors or officers of a corporation to the corporation or its members, the directors and officers of this Corporation shall not be liable to the Corporation or its Members.

C. Indemnification of Directors and Officers. The Corporation shall indemnify any individual who is, was or is threatened to be made a party to a proceeding (including a proceeding by or in the right of the Corporation or by or on behalf of its Members) because such individual is or was a director or officer of the Corporation or because such individual is or was serving the Corporation, or any other legal entity in any capacity at the request of the Corporation while a director or officer of the Corporation, against all liabilities and reasonable expenses incurred in the proceeding except such liabilities and expenses as are incurred because of such individual's willful misconduct or knowing violation of the criminal law. Service as a director or officer of a legal entity controlled by the Corporation shall be deemed service at the request of the Corporation. The determination that indemnification under this Section C is permissible and the evaluation as to the reasonableness of expenses in a specific case shall be made, in the case of a director, as provided by law, and in the case of an officer, as provided in Section D of this Article; provided, however, that if a majority of the directors of the Corporation has changed after the date of the alleged conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by the Board of Directors and such person. Unless a determination has been made that indemnification is not permissible, the Corporation shall make advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from such director or officer to repay the same if it is ultimately determined that such director or officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the director or officer and shall be accepted without reference to such director's or officer's ability to make repayment. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that a director or officer acted in such a manner as to make such director or officer ineligible for indemnification. The Corporation is authorized to contract in advance to indemnify and make advances and reimbursements for expenses to any of its directors or officers to the same extent provided in this Section C.

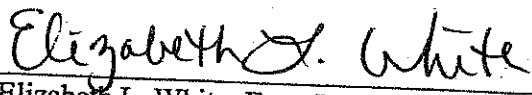
D. Indemnification of Others. The Corporation may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursements for expenses to its directors and officers pursuant to Section C, provide indemnification and make advances and reimbursements for expenses to its employees and agents, the directors, officers, employees and agents of its subsidiaries and predecessor entities, and any person serving any other legal entity in any capacity at the request of the Corporation, and may contract in advance to do so. The determination that indemnification under this Section D is permissible, the authorization of such indemnification and the evaluation as to the reasonableness of expenses in a specific case shall be made as authorized from time to time by general or specific action of the Board of Directors, which action may be taken before or after a claim for indemnification is made, or as otherwise provided by law. No person's rights under Section C of this Article shall be limited by the provisions of this Section D.

E. Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Special legal counsel selected to make determinations under this Article may be counsel for the

Corporation. Indemnification pursuant to this Article shall not be exclusive of any other right of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the corporation and indemnification under policies of insurance purchased and maintained by the Corporation or others. However, no person shall be entitled to indemnification by the Corporation to the extent such person is indemnified by another, including an insurer. The Corporation is authorized to purchase and maintain insurance against any liability it may have under this Article or to protect any of the persons named above against any liability arising from their request of the Corporation regardless of the Corporation's power to indemnify against such liability. The provisions of this Article shall not be deemed to preclude the Corporation from entering into contracts otherwise permitted by law with any individuals or legal entities, including those named above. If any provision of this Article or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Article, and to this end the provisions of this Article are severable.

F. Amendments: No amendment, modification or repeal of this Article shall diminish the rights provided hereunder to any person arising from conduct or events occurring before the adoption of such amendment, modification or repeal.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Virginia, I, the undersigned incorporator, have executed these Articles of Incorporation this 5th day of August, 2003.


Elizabeth L. White, Esq., Incorporator