

Commonwealth of Virginia



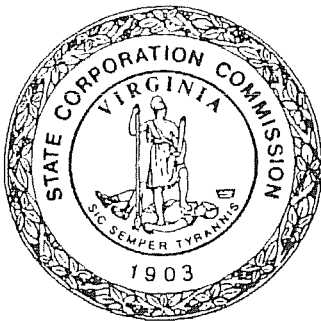
STATE CORPORATION COMMISSION

Richmond, August 26, 2010

This is to certify that the certificate of incorporation of

Chesapeake Shores Homeowners Association

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date: August 26, 2010



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Office of the Clerk

August 26, 2010

B M MILLNER
JONES BLECHMAN ET AL
PO BOX 12888
NEWPORT NEWS, VA 23612-2888

RECEIPT

RE: Chesapeake Shores Homeowners Association

ID: 0727162 - 0

DCN: 10-08-25-0087

Dear Customer:

This is your receipt for \$75.00, to cover the fees for filing articles of incorporation with this office.

The effective date of the certificate of incorporation is August 26, 2010.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

CORPRCPT
NEWCD
CIS0313

ARTICLES OF INCORPORATION
FOR
CHESAPEAKE SHORES HOMEOWNERS ASSOCIATION

ARTICLE I
NAME

The name of this corporation is Chesapeake Shores Homeowners Association, which is hereby incorporated as a nonstock corporation pursuant to the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended ("Act"). The duration of the corporation is perpetual.

ARTICLE 2
INTERPRETIVE PROVISIONS

Section 2.1. Definitions. Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Act. Capitalized terms used herein or in the Bylaws of the Association shall have the meanings specified for such terms below.

- (a) "Articles of Incorporation" means the Articles of Incorporation for the Association filed with the Virginia State Corporation Commission, as amended from time to time.
- (b) "Association" means the Chesapeake Shores Homeowners Association.
- (c) "Association Documents" means collectively, these Articles of Incorporation and the Bylaws, all as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.
- (d) "Chesapeake Shores" means the subdivision located in Mathews County, Virginia, generally known as Chesapeake Shores.
- (e) "Beach" means the area adjacent to Chesapeake Shores located generally between the Chesapeake Bay and the Lots and on which the Owners have a common easement.
- (f) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 of these Articles of Incorporation as the governing body of the Association.

(g) "Bylaws" means the Bylaws of the Association, as amended from time to time.

(h) "Common Area" means, at any given time, all of the Property then owned or used by the Association and available to the Association for the benefit, use and enjoyment of the Owners and Non-voting Owners. Common Area shall include the streets, easements or rights of way in Chesapeake Shores, together with all real property not owned by the Owners or Non-voting Owners as a part of their respective Lots. Common Area shall include such property as may be conveyed to the Association, including but not limited to, any property owned by the corporation which developed Chesapeake Shores and has not been conveyed by it.

(i) "Common Expenses" means all expenses incurred by or on behalf of the Association, together with all sums determined by the Board of Directors to be reasonably necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents. Except when the context clearly requires otherwise, any reference to Common Expenses includes Limited Common Expenses.

(j) "County" means Mathews County, Virginia. All references to approval by the County shall mean approval by the appropriate agency of the County, as determined by the Office of the County Attorney at that time.

(k) "Land Records" means the land records of Mathews County, Virginia.

(l) "Lot" means a portion of the Property which is a separate, subdivided lot of record or any other parcel of land held in separate ownership (but not including land designated as Common Area and owned by the Association or land dedicated for public street purposes), together with any improvements now or hereafter appurtenant thereto.

(m) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by Owners present in person or by proxy at a duly held meeting of the Owners at which a quorum is present. Any vote of a specified percentage of Voting Owners means that percentage with respect to the number of votes actually cast by Owners present in person or by proxy at a duly held meeting of the Owners at which a quorum is present. Any vote of a specified percentage of the Board of Directors (or committee) means that percentage with respect to the number of votes entitled to be cast by directors (or committee members) present at a duly held meeting of the Board (or committee) at which a quorum is present.

(n) "Officer" means any Person holding office pursuant to Article 6 of the Bylaws.

(o) "Owner" means one or more Persons who has paid annual dues of the Association set by the Board of Directors and is no more than 60 days delinquent on current annual dues set by the Board, and owns a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of a contract or as security for an obligation.

(p) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title or any combination thereof.

(q) "Property" means, at any given time, the land within the Chesapeake Shores Subdivision, together with all improvements and appurtenances thereto now or hereafter existing.

(r) Intentionally deleted.

(s) "Upkeep" means care, inspection, maintenance, snow and ice removal, operation, repair, repainting, remodeling, restoration, renovation, alteration, replacement and reconstruction of the Common Area.

Section 2.2. Construction of Association Documents.

(a) Captions. The captions are provided only for reference, and shall not be deemed to define, limit or otherwise affect the scope, meaning or effect of any provision of the document in which used.

(b) Pronouns. The use of the masculine gender shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

(c) Severability. Each provision of an Association Document is severable from every other provision, and the invalidity or unenforceability of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision of the Association Documents is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent lawful, the provision shall be enforced.

(d) Interpretation. If there is any conflict among the Association Documents, the Articles of Incorporation shall control. Specific provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent with the Act. The provisions of the Bylaws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. The Association Documents shall be construed together and shall be deemed to incorporate one another in full. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others.

ARTICLE 3
PURPOSES AND LIMITATIONS

The Association does not contemplate pecuniary gain or profit to the Owners from the activities of the Association. No part of any net earnings shall be paid to any director, Officer or Owner, and as such they will have no interest in or any title to any of the property or assets of the Association except in accordance with the provision herein relating to dissolution. Nothing shall prohibit the Association from reimbursing its directors and Officers for services performed or for all reasonable expenses incurred in performing services for the Association. The purposes for which the Association is organized are to:

- (a) provide for the Upkeep of the Common Area and to the extent provided in the Association Documents, of the Beach;
- (b) establish and administer the architectural, landscaping and maintenance standards governing the Common Area;
- (c) promote the health, safety, convenience, comfort and the general welfare of the Lots and the occupants of the Common Area;
- (d) impose, collect and disburse dues, Assessments, and charges in accordance with the provisions of the Bylaws and the Declaration;
- (e) exercise all other powers and perform all duties and obligations of the Association as set forth in the Association Documents; and
- (f) exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes set forth above.

ARTICLE 4
MEMBERSHIP AND VOTING

Section 4.1. Membership. Members of the Association shall at all times be, and be limited to, the Owners. If more than one Person owns a Lot, then all of such Persons shall collectively constitute one Owner and be one member of the Association. Each Owner is entitled to attend all meetings of the Association. Any person or persons who own a Lot but do not elect to pay the annual dues shall be deemed to be a Non-voting Owner. Any Non-voting Owner may on a voluntary basis make a contribution to the Association, but would be penalized in no way for failure to do so.

Section 4.2. Required Vote. A Majority Vote of the Owners shall be necessary for the adoption of any matter voted upon, except as otherwise provided in the Association Documents. Directors shall be elected as provided in Article 5 below. The Bylaws shall be amended only in accordance with the terms thereof.

Section 4.3. Cumulative Voting. There shall be no cumulative voting.

ARTICLE 5
BOARD OF DIRECTORS

Section 5.1. Initial Directors. The eight (8) initial directors of the Association are Drew Mulhare, Joe Dzikiewicz, David Fauver, Hal Rose, Peyton Carr, David Norris, Jack Caldwell and Billie Millner. The initial directors shall serve until their successors are elected in accordance with Section 5.2 below. The number of Directors may be increased or decreased as provided in the Bylaws.

Section 5.2. Election of Directors and Term of Office. At the first annual meeting of the Association the directors shall be elected by all Owners having voting rights. Persons elected shall serve for the remainder of the terms of the directors replaced or, if no resignation was required for the terms of office necessary so that the term of office of one-third (1/3)(or a whole number as near to one-third (1/3) of the total number of directors as possible) of the directors shall expire at the first three (3) annual meetings after their election. The directors receiving the greatest number of votes shall be elected for the longest available terms. All successor directors shall be elected to serve for staggered terms of three years each, unless elected to fill a vacancy, in which case such director shall serve as provided in Section 5.6 below. Except for death, resignation or removal, the directors shall hold office until their respective successors shall have been elected. If an election is not held when required, the directors holding over shall have the authority and power to manage the business of the Association until their successors are duly elected.

Section 5.3. Qualifications: Election Procedures.

(a) Qualifications. No person shall be eligible for election as a director unless such person is an Owner. No Owner shall be elected as a director or continue to serve as a director if such Owner is more than sixty (60) days delinquent in meeting financial obligations to the Association or found by the Board of Directors after a hearing to be in violation of the Association Documents or Rules and Regulations.

(b) Nominations. Persons qualified to be directors may be nominated for election only by a nomination made by the Board of Directors and submitted to the Secretary, who shall notify the membership at least twenty-five (25) days before the meeting at which the election is to be held. Members may make additional nominations for each vacancy on the Board of Directors for which no more than one (1) Person has been nominated by notifying the Secretary of the name of the additional nominee at least twenty (20) days prior to the date of the election. The Secretary shall give all members notice of the additional nomination at least fifteen (15) days prior to the date of the election.

(c) Elections Committee. Prior to each meeting of the Association at which the directors are wholly or partially elected by Owners, the Board of Directors

shall appoint an Elections Committee consisting of one (1) director whose term is not then expiring and at least two other persons who are not directors. The Elections Committee shall develop election procedures and administer such procedures as are approved by the Board providing for election of directors by ballot of the Owners at annual meetings and, where appropriate, special meetings.

Section 5.4. Action by Board of Directors. At all meetings of the Board of Directors a majority of the total number of directors shall constitute a quorum for the transaction of business. A Majority Vote of the directors while a quorum is present shall constitute a decision of the Board of Directors, unless otherwise provided in the Act, these Articles of Incorporation or the Bylaws.

Section 5.5. Removal or Resignation of Directors. Any one or more of the directors may be removed with or without cause by the Owners entitled to cast a majority of the total number of votes entitled to elect such director, or as otherwise provided in the Act, and a successor may then and there be elected to fill the vacancy thus created,

Any director whose removal has been proposed by the Owners shall be given at least ten days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. The notice given to Owners of such meeting shall state that one of the purposes of the meeting is to remove such director. A director may resign at any time by giving notice to the Board of Directors, the President or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. A director shall be deemed to have resigned upon disposition by the Owner of the Lot which made such person eligible to be a director, or if such director is not in attendance at three (3) consecutive regular meetings of the Board without approval for such absence, and the minutes reflect the director's resignation pursuant to this section.

Section 5.6. Vacancies. Vacancies on the Board of Directors caused by any reason other than: (i) the removal of a director by the Owners; or (ii) removal or resignation of an initial director shall be filled by a Majority Vote of the remaining directors at the meeting of the Board held for such purpose promptly after the occurrence of such vacancy or, if the directors remaining in office constitute fewer than a quorum, an affirmative vote of the majority of the directors remaining in office even though the directors present at such meeting constitute less than a quorum. Each person so elected shall be a director until a successor shall be elected at the next annual meeting of the Association. Vacancies caused by removal of a director by the Owners shall be filled by a vote of the Owners and the successor director shall serve the remainder of the term of the director being replaced. The term of a replacement director shall expire so that the staggered terms shall remain unaffected.

ARTICLE 6
INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association is located in the City of Newport News, Virginia, with a mailing address of 701 Town Center Drive – Suite 800, Newport News, VA 23606, at which office the initial registered agent of the Association is B. M. Millner, who meets the requirements of Section 13.1-833 of the Act by reason of the fact that he is a resident of Virginia and member of the Virginia State Bar, and whose business address is identical with that of the registered office.

ARTICLE 7
AMENDMENT

These Articles may be amended if the amendment is adopted by at least a Sixty-Seven Percent Vote of the Owners entitled to vote under the Bylaws, pursuant to Section 13.1-886 of the Act.

ARTICLE 8
DISSOLUTION

The Association may be dissolved pursuant to a merger or consolidation with an entity formed for similar purposes, if the resolution to dissolve is adopted by at least a Sixty-Seven Percent Vote of the Owners; otherwise, dissolution of the Association must be approved by Owners entitled to cast sixty-seven percent of the total number of votes in the Association, including a majority of the total number of votes entitled to be cast by Owners.

IN WITNESS WHEREOF, the incorporator of the Association has signed these Articles of Incorporation on August 23, 2010.

Incorporator:


B. M. Millner