

ARTICLES OF INCORPORATION
OF
ROYAL COURT CONDOMINIUM ASSOCIATION

The undersigned hereby forms a non-stock corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia, and to that end set forth the following:

1. The name of the corporation is ROYAL COURT CONDOMINIUM ASSOCIATION (hereinafter called the "Association").

2. This 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 maintenance, preservations and architectural control of the condominium units (the "Units") and Common elements (the "Common elements") comprising ROYAL COURT ESTATE CONDOMINIUM (the "Condominium"), in Virginia Beach, Virginia; and

(a) To promote the health, safety and welfare of the owners within the Condominium and any additions thereto as may hereafter be brought within the jurisdiction of this Association; and

(b) To 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 and Bylaws for ROYAL COURT ESTATE CONDOMINIUM (the "Condominium Documents"), to be recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, as the same may be amended from time to time as therein provided, said Condominium Documents being incorporated herein as if set forth in their entirety; and

(c) To fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Condominium Documents; 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 Common elements and the Association; and

(d) To acquire (by gift, purchase or otherwise), own, hold, improve, build, operate, maintain, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association; and

(e) To borrow money, mortgage, pledge, encumber or hypothecate any part or all of its real or personal property as security for money borrowed or debts incurred; provided however, that the consent of two-thirds $\frac{2}{3}$ of the members shall be required to borrow any sum in excess of \$10,000.00, and said consent shall be obtained either in writing or at a meeting duly called and held for such purpose in accordance with the provisions of the Condominium instruments; and

(f) To 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 approved in writing by more than two-thirds (2/3) of the members (except for the granting of utility easements, etc., pursuant to Section 8.5 of the Condominium ByLaws); and

(g) To participate in mergers and consolidations with other non-profit 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 consent of more than two-thirds (2/3) of the members; and to have and to exercise any and all powers, rights and privileges granted to it by virtue of Chapter 10 of Title 13.1 of the code of Virginia.

3. Every person or entity who is a record owner of a fee or undivided fee interest in any Unit in the Condominium 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 unit which is subject to assessment by the Association.

4. The members of the Association shall all be Unit owners in the Condominium, and each member shall be entitled to a vote in the Association as provided in the Condominium Documents. When more than one person holds an interest in any Unit, all such persons shall be members, and the vote for such Unit shall be exercised as the majority of the owners thereof may determine, but in no event shall any one Unit be entitled to a vote greater than that set forth therefor in the Condominium Documents.

5. (a) the address of the initial registered office is SHUTTLEWORTH, RULOFF, GIORDANO & KAHLE, P.C., Attorneys and Counselors at Law, 4425 Corporation Land, Suite 300, Virginia Beach, Virginia, 23462.

(b) The name of the City in which the initial registered office is located is Virginia Beach, Virginia.

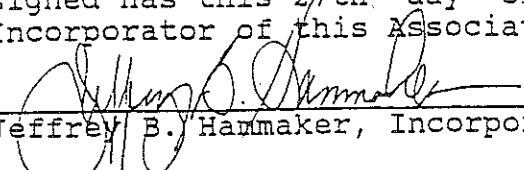
(c) The name of the registered agent is Robert E. Ruloff, who is a resident of the Commonwealth of Virginia, a member of the Virginia State Bar and whose business address is the same as the registered office of the Association.

6. Notwithstanding anything set forth in these Articles of Incorporation, the Declarant for the Condominium shall have the

right to select and appoint the Directors for the Association for the maximum period provided in Section 55-79.74 of the Code of Virginia.

7. This Association shall not be dissolved or terminated so long as the Declaration for the Condominium shall remain in effect. In the event the required percentage of the Unit owners of the Condominium should, pursuant to the Condominium instruments, vote to terminate and dissolve this Association, then the assets of the Association shall be distributed to the Unit owners in the proportion set forth in the Condominium instruments.

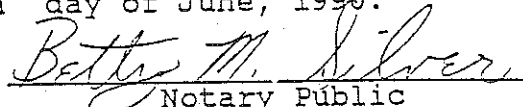
WITNESS WHEREOF the undersigned has this 27th day of June, 1990 set his hand and seal as Incorporator of this Association.


Jeffrey B. Hammaker, Incorporator

COMMONWEALTH OF VIRGINIA AT LARGE,
CITY OF VIRGINIA BEACH, to-wit:

Subscribed and sworn to before a Notary Public in and for the City and State aforesaid, by Jeffrey B. Hammaker, Incorporator, whose name is signed to the foregoing writing, dated this 27th day of June, 1990.

Given under my hand this 27th day of June, 1990.


Betty M. Silver
Notary Public

My commission expires: 10-31-93

jbh/condo/ryl.inc