

**Articles of Incorporation
of
Krim Point Homeowners Association**

The Grove Homeowners Association

ARTICLES OF INCORPORATION

OF

KRIM POINT HOMEOWNERS ASSOCIATION

We hereby associate to form 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:

ARTICLE I

NAME OF THE CORPORATION

The name of the corporation is Krim Point Homeowners Association (the "Neighborhood Association").

ARTICLE II

PURPOSES

The specific purpose for which the Neighborhood Association is formed is to provide for the enforcement of the covenants and restrictions that apply to the neighborhood known as Krim Point at The Grove (the "Neighborhood") and for these purposes to: (a) enforce any bylaws of the Neighborhood Association and Declaration of Neighborhood Restrictions for Krim Point at The Grove (the "Declaration") and exercise all of the powers and privileges and perform all of the duties and obligations of the Neighborhood Association thereunder; (b) fix, levy, collect and enforce payment by any lawful means, all charges, dues or assessments pursuant to the the Declaration; (c) pay all Neighborhood Expenses, as hereafter defined; (d) subject to the bylaws and the Declaration, 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 Neighborhood Association; and (e) to conduct any and all business and to have and exercise any and all powers, rights and privileges that a corporation organized under the Virginia Non-Stock Corporation Act may now or hereafter conduct or exercise and that are not required by law to be specifically set forth in these articles, provided, however, that no part of the Neighborhood Association's net earnings inure to the benefit of its officers, directors, or member, except that the Neighborhood Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

ARTICLE III

DEFINITIONS

The capitalized terms contained in these Articles of Incorporation and not otherwise defined herein, shall have the meanings set forth below:

"Declarant" shall mean and refer to The Grove, L.P., a Virginia limited partnership, its successors and assigns.

"Lot" shall mean any residential lot developed by Declarant in the Neighborhood.

"Neighborhood " shall mean Krim Point at The Grove.

"Neighborhood Association" shall mean and refer to Krim Point Homeowners Association, a Virginia non-stock corporation, its successors and assigns.

"Neighborhood Board" shall mean the board of directors of the Neighborhood Association.

"Neighborhood Expenses" shall mean all actual and estimated expenditures incurred by or on behalf of the Neighborhood Association for the benefit of Owners of Lots within the Neighborhood.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot in the Neighborhood, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE IV

VOTING RIGHTS

The Neighborhood Association shall have two (2) classes of voting memberships:

Class A. Class A Members shall be all Owners (with the exception of the Declarant) and shall be entitled to one (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.

Class B. The Class B Member shall be the Declarant, or its successor in interest. The Class B membership shall cease and be converted to Class A membership on the happening of whichever of the following events first occurs:

(i) When all Lots have certificates of occupancy issued for the residences constructed thereon and have been conveyed to parties other than the Declarant or builders holding title solely for the purpose of construction and resale; or

(ii) December 31, 2003; or

(iii) When the Declarant, in its sole discretion, determines to withdraw from Class B membership in th Neighborhood Association and so notifies the Association in writing.

ARTICLE V

REGISTERED OFFICE; REGISTERED AGENT

The post office address of the initial registered office is Two James Center, Suite 1400, 1021 E. Cary Street, Richmond, Virginia 23219. The name of the City in which the initial registered office is located is the City of Richmond, Virginia. The name of its registered agent is Hugh T. Harrison, II, who is a resident of Virginia, a member of the Virginia State Bar and whose business office is the same as the registered office of the corporation.

ARTICLE VI

LIMIT ON LIABILITY AND INDEMNIFICATION

(a) Definitions. For purposes of this Article the following definitions shall apply:

(i) "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;

(ii) "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;

(iii) "legal entity" means a corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; and

(iv) "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 permitted by the Virginia Non-Stock Corporation Act, as it exists on the date hereof or may hereafter be amended, the liability of a director or officer of the Neighborhood Association to the Neighborhood Association or its members shall be eliminated.

(c) Indemnification of Director and Officers. The Neighborhood Association 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 Neighborhood Association) because such individual is or was a director or officer of the Neighborhood Association or because such individual is or was serving the Neighborhood Association or any other legal entity in any capacity at the request of the Neighborhood Association while a director or officer of the Neighborhood Association 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 Neighborhood Association shall be deemed service at the request of the Neighborhood Association. 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 Neighborhood Association 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 Neighborhood Association 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 Neighborhood Association 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).

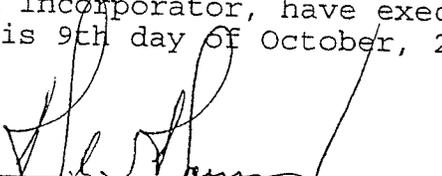
(d) Indemnification of Others. The Neighborhood Association may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursements for expenses to its directors and officers pursuant to Section (c), provide indemnification and make advances and reimbursements for expenses to its employees and agents, the directors, officers, employees and agents of its subsidiaries, and any person serving any other legal entity in any capacity at the request of the Neighborhood Association, 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 Neighborhood Association. 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 Neighborhood Association and indemnification under policies of insurance purchased and maintained by the Neighborhood Association or others. However, no person shall be entitled to indemnification by the Neighborhood Association to the extent such person is indemnified by another, including an insurer. The Neighborhood Association 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 service to the Neighborhood Association or any other legal entity at the request of the Neighborhood Association regardless of the Neighborhood Association's power to indemnify against such liability. The provisions of this Article shall not be deemed to preclude the Neighborhood Association from entering into contracts otherwise permitted by law with any individuals or legal entities, including those named above. If any provisions 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 Neighborhood Association under the laws of the Commonwealth of Virginia, I, the undersigned incorporator, have executed these Articles of Incorporation this 9th day of October, 2001.



Incorporator

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