

## ARTICLES OF INCORPORATION

OF

FOREST LAKES COMMUNITY ASSOCIATION, INC.  
(A Non-Stock Corporation)

### ARTICLE I NAME

The name of the Association shall be Forest Lakes Community Association, Inc. (the “Association”).

### ARTICLE II PURPOSE

The Association is organized and shall be operated exclusively as a Homeowners Association within the meaning of Section 528(c) of the Internal Revenue Code of 1986, as amended (all reference herein to such section or other sections of such Code include the corresponding provision of any future United States internal revenue law). The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purpose for which it is formed is to provide for the acquisition, construction, management, maintenance and care of certain real estate and the enforcement of covenants within the planned unit development known as “Forest Lakes” located in the County of Albemarle, Virginia as more particularly described in the Declaration of Covenants and Restrictions dated October 4, 1988, made by Forest Lakes Associates, a Virginia general partnership, recorded in the Clerk’s Office of the Circuit Court of the County of Albemarle, Virginia in Deed Book 1018, commencing at page 318, and also more particularly described in the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to All Property in Forest Lakes, dated October 4, 1988, made by Forest Lakes Associates, a Virginia general partnership, recorded in the Clerk’s Office of the Circuit Court of the County of Albemarle, Virginia in Deed Book 1018, commencing at page 373, as each of them may hereafter be amended or supplemented from time to time (collectively, the “Covenants”) and to provide a means whereby the Members, acting together, may provide for the management, maintenance and care of the Common Area, and shall: (a) enforce the Covenants and exercise all of the powers and privileges and perform all of the duties and obligations, of the Association; (b) fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the Covenants and Bylaws; (c) pay all expenses of the Association; (d) subject to the Covenants and the Bylaws, acquire, own, hold, provide, 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 Association and exercise or waive any rights in its favor arising under the Covenants; and (e) have and exercise any and all powers, rights and privileges which a corporation organized under the Nonstock Corporation Act of the Commonwealth of Virginia may by law now or hereafter have or exercise. No part of the net earnings of the Association shall inure, other than by acquiring, constructing, or providing management, maintenance and care of the Common Area, and other than by rebate of excess membership dues, fees and assessments, to the benefit of any private individual.

ARTICLE III  
MEMBERSHIP AND VOTING RIGHTS

The Association shall have one or more classes of Members as designated in its Bylaws. The Bylaws shall also state the qualifications and rights of the Members of each class and shall confer, limit or deny the right to vote.

ARTICLE IV  
BOARD OF DIRECTORS

(a) The number of directors constituting the initial Board of Directors is one, and his name and address are as follows:

Frank A. Kessler

P.O. Box 5207  
Charlottesville, Virginia 22905

Except for the initial Board of Directors, the number of directors shall be as established by the Bylaws, or in the absence of such a bylaw, shall be one.

(b) The term of office for a director shall be one year.

(c) Requirements and qualifications for directors shall be as set forth in the Bylaws.

ARTICLE V  
DEFINITIONS

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

ARTICLE VI  
REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Association, which is

located in the City of Charlottesville, Virginia is c/o McGuire, Woods, Battle & Boothe, Court Square Building, 5th and East Jefferson Streets, P.O. Box 1288, Charlottesville, Virginia 22902. The name of the initial registered agent of the Association is Gary C. McGee, who is a resident of Virginia and a member of the Virginia State Bar and whose business address is identical with the registered office.

## ARTICLE VII INDEMNIFICATION

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

- (a) “Association” means this Association only and no predecessor entity or other legal entity;
- (b) “expenses” include counsel fees, expert witness fees, and costs of investigation, litigation and appeal, as well as any amount expended in asserting a claim for indemnification;
- (c) “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;
- (d) “legal entity” means a corporation, Partnership, joint venture, trust, employee benefit plan or other enterprise;
- (e) “predecessor entity” means a legal entity the existence of which ceased upon its acquisition by the Association in a merger or otherwise; and
- (f) “proceeding” means any threatened, pending, or completed action, suit, proceeding or appeal whether civil, criminal, administrative or investigative and whether formal or informal.

7.2 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 Association shall not be liable to the Association or its Members.

7.3 Indemnification of Directors and Officers. The 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 Association or by or on behalf of its Members) because such individual is or was a director or officer of the Association or because such individual is or was serving the Association, or any other legal entity in any capacity at the request of the Association while a director or officer of the 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 Association shall be deemed service at the request of the Association. The determination that Indemnification under this Section 7.3 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 7.4 of this Article; provided, however, that if a majority of the directors of the 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 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 directors or officers 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 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 7.3.

7.4 Indemnification of Others. The 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 7.3, 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 Association, and may contract in advance to do so. The determination that indemnification under this Section 7.4 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 7.3 of this Article shall be limited by the provisions of this Section 7.4.

7.5 Miscellaneous. The rights of each person entitled to indemnification under this Article VII shall inure to the benefit of such person's heirs, executors and administrators. 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 Association and indemnification under policies of insurance purchased and maintained by the Association or others. However, no person shall be entitled to indemnification by the Association to the extent such person is indemnified by another, including an insurer. The 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 Association or any other legal entity at the request of the Association regardless of the Associations power to indemnify against such liability. The provisions of this Article shall not be deemed to preclude the Association 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.

7.6 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 repeat.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the Commonwealth of Virginia, the undersigned Incorporator has executed these Articles of Incorporation this 7<sup>th</sup> day of December, 1988.

Gary C. McGee, Incorporator

KJK01001.AOI  
December 7, 1988