

ARTICLES OF INCORPORATION
OF
EVERETTE ESTATES HOMEOWNERS' ASSOCIATION, INC.

(A Non-Stock Corporation)

In compliance with Chapter 10 of Title 13.1 of the Code of Virginia, of 1950, as amended, the undersigned hereby forms a non-stock corporation and hereby certifies:

ARTICLE I

NAME

The name of the corporation shall be Everett Estates Homeowners' Association, Inc., hereinafter referred to as the Association.

ARTICLE II

REGISTERED OFFICE

The initial registered office of the Association is located at 7426 Little Chatterton Lane, in the County of King George, Virginia. The mailing address of the initial registered office is 7426 Little Chatterton Lane, King George, Virginia 22485.

ARTICLE III

REGISTERED AGENT

The initial registered agent of the Association is William Middleton, who is a Director of the corporation and whose business address is 7426 Little Chatterton Lane, King George, Virginia 22485.

ARTICLE IV
INDEMNIFICATION

1. In this Article:

“Applicant” means the person seeking indemnification pursuant to this Article.

“Association” means the Everett Estates Homeowners’ Association, Inc.

“Expenses” includes counsel fees.

“Liability” means the obligation to pay a judgment, settlement, penalty, fine or reasonable expenses incurred with respect to a proceeding.

“Official capacity” means, (i) when used with respect to a director, the office of director in the corporation or (ii) when used with respect to an individual other than a director, the office in the corporation held by the individual or the employment or agency relationship undertaken by the employee or agent on behalf of the corporation. “Official capacity” does not include service for any foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

“Party” includes an individual who was, is, or is threatened to be made a defendant or respondent in a proceeding.

“Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

2. The Association shall indemnify any person who was or is a party of any proceeding, including a proceeding by or in the right of the Association to procure a judgment in its favor, by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the

Association as a director, trustee, partner or officer of another Association, partnership, joint venture, trust or other enterprise, against any liability incurred by him in connection with such proceeding if (i) he believed, in the case of conduct in his official capacity, that his conduct was in the best interests of the Association, and in all other cases that his conduct was at least not opposed to its best interest, and, in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (ii) he was not guilty of gross negligence or willful misconduct.

3. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the Applicant did not meet the standard of conduct described in Section (2) of this Article.

4. Notwithstanding the provisions of Section (2) of this Article: (a) no indemnification shall be made in connection with a proceeding by or in the right of the Association to procure a judgment in its favor in respect to any claim, issue or matter as to which the Applicant shall have been finally adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Association unless, and only to the extent that, the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, the Applicant is fairly and reasonably entitled to indemnification; and (b) no indemnification shall be made in connection with any proceeding charging the Applicant with improper benefit to himself, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

5. To the extent that the Applicant has been successful on the merits or otherwise in defense of any proceeding referred to in Section (2) of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.

6. Any indemnification under Section (2) of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the applicant is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections (2) and (4).

The determination shall be made:

(a) By the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding:

(b) If a quorum cannot be obtained under subsection (a) of this section, by a majority vote of a committee duly designated by the Board of Directors (in which designation directors who are parties may participate), consisting solely of two or more directors not at the time parties to the proceeding:

(c) By special legal counsel:

(i) Selected by the Board of Directors or its committee in the manner prescribed in subsection (a) and (b) of this section; or

(ii) If a quorum of the Board of Directors cannot be obtained under subsection (a) of this section and a committee cannot be designated under subsection (b) of this section, selected by majority vote of the full Board of Directors, in which selection directors who are parties may participate; or

(d) By the members, but directors who are at the time parties to the proceeding may not vote on the determination.

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection (c) of this section to select counsel.

7. (a) The Association may pay for or reimburse the reasonable expenses incurred by any Applicant who is a party to a proceeding in advance of final disposition of the proceeding if:

(i) The Applicant furnishes the Association a written statement of his good faith belief that he has met the standard of conduct described in Sections (2) and (4);

(ii) The Applicant furnishes the Association a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct; and

(iii) A determination is made that the facts then known to those making the determination would not preclude indemnification under this Article.

(b) The undertaking required by paragraph (ii) of subsection (a) of this section shall be an unlimited general obligation of the Applicant but need not be secured any may be accepted without reference to financial ability to make repayment.

(c) Determinations and authorizations of payments under this section shall be made in the manner specified in Section (6).

7. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Association to indemnify or contract in advance to indemnify any person not specified in Section (2) of this Article who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Association, or is or was serving at the request of the Association as an employee or agent of another association, partnership, joint venture, trust or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section (2). The provision of Sections (3) through (7) of this Article shall be applicable to any indemnification provided hereafter pursuant to this Section (8).

8. Every reference herein to directors, officers, employees, or agents shall include former directors, officers, employees, and agents and their respective heirs, executors, and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred on the Board of Directors shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Association or others, with respect to claims, issues or matters in relation to which the Association would not have the power to indemnify such person under the provisions of this Article.

9. The Association may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture,

trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by him in any such capacity or arising from his status as such, whether or not the Association would have power to indemnify him against such liability under the provisions of this Article.

ARTICLE V

PURPOSE

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it formed are (i) to promote the health, safety, recreation and welfare of the residents of Everette Estates in Spotsylvania County, Virginia, and (ii) to provide for the maintenance, preservation and architectural control of lots and common areas of Everette Estates, and more particularly described in the Declaration of Covenants, Conditions and Restrictions ("Declaration") executed by Mid/Ray, LLC, and recorded in the land records of Spotsylvania County, Virginia.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS

The Association shall have two classes of voting membership:

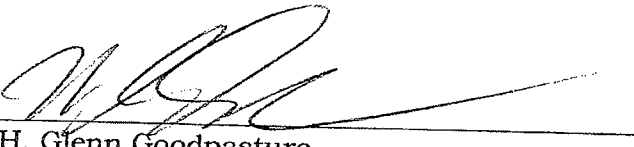
Class A. Class A members shall be all owners of single family lots located in Everette Estates, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member shall be the Declarant under the Declaration, or its successor in the development of the property, and shall be entitled to three votes for each lot owned.

ARTICLE IX
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds of the members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency or private non-profit organization to be used for purposes similar to those for which this Association was created. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to the Class A members in equal, undivided shares.

Date: January 29, 2014


H. Glenn Goodpasture
Incorporator