

**ARTICLES OF INCORPORATION
OF
SPENCE CROSSING HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of the Virginia Non-Stock Corporation Act, the undersigned have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify;

ARTICLE I

NAME

The name of the corporation is SPENCE CROSSING HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 4538 Bonney Road, Virginia Beach, Virginia 23462-3818. It shall not be necessary to amend these Articles when such principal office changes.

ARTICLE III

REGISTERED AGENT

Joyce B. Witt, a director of the Association and a resident of Virginia, whose office is located in the City of Virginia Beach, State of Virginia, and whose address is 4538 Bonney Road, Virginia Beach, Virginia 23462-3818, is hereby the initial registered agent of this Association. The initial registered office shall be the same as the office of the initial registered agent.

ARTICLE IV

DEFINITIONS

Section 1. "Common Area Easement(s)" shall mean all easements granted to the Association for the common use and enjoyment of the owners.

Section 2. "Declarant" shall mean and refer to SPENCE CROSSING RESIDENTIAL, INC., its successors and assigns.

Section 3. "General Plan of Development" shall mean that plan encompassing the area of the intended community of Spence Crossing in the City of Virginia Beach, Virginia, to be set aside for single family condominium units in multifamily structures and single family condominium units in detached structures, which plan sets forth the general uses of the land including types of dwellings, general locations of dwellings, number of dwelling units, open space areas and any and all such other uses as the Declarant may determine in such plan as ultimately may be approved by the City of Virginia Beach, Virginia, and the Veterans Administration ("VA"), together with any and all Declarations which may be recorded by Declarant, as said Declarations may be amended from time to time relating to all or part of Spence Crossing.

Section 4. "Spence Crossing" shall mean all real property located in the City of Virginia Beach, State of Virginia, which becomes subject to the Declaration hereinbefore mentioned, together with such other real property as may from time to time be annexed thereto.

Section 5. "Living Unit" shall mean and refer to any portion of a structure situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

Section 6. "Lot" shall mean any parcel of real property designated as a Lot on any recorded Subdivision Plat or a condominium unit created or to be created pursuant to a declaration of condominium within the area of Spence Crossing.

Section 7. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include one who has merely contracted to

purchase any property or a lessee or tenant of any property. The term "Owner" shall not include a Developer, who for this Declaration shall be defined as a builder, contractor, investor or other person or entity who purchases a Lot in Spence Crossing for the purpose of resale thereof to a Public Purchaser, or for the purpose of constructing improvements thereon for resale to a Public Purchaser. For the purposes of Article IV of the Declaration only, unless the context otherwise requires, "Owner" shall also include the family, invitees, licensees and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Lot.

Section 8. "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 9. "Public Purchaser" shall mean any person or other legal entity who becomes an Owner of any Lot within Spence Crossing.

Section 10. "Declarations" shall mean any declarations of covenants, conditions and restrictions which may be recorded by Declarant, relating to all or part of Spence Crossing, whether such document is referred to as a declaration, amendment, or supplement.

Section 11. "VA" shall mean the Veterans Administration.

ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

The 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 the management, maintenance, and preservation of the individual properties and Common Area Easements within the community known or intended to be named "Spence Crossing" in the City of Virginia Beach, Virginia, that is developed and used for residential purposes and associated recreational facilities and open space; and to

promote the health, safety and welfare of the residents within the said property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

(a) Exercise all of the powers and privileges granted by law to non-stock, not-for-profit corporations;

(b) Fix, levy, collect and enforce payment by any lawful means the charges assessed to the members; 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 property or Common Area Easements of the Association;

(c) Acquire (by gift, purchase or otherwise), 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 Association;

(d) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Transfer all or any part of the Common Area Easements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

(f) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property, provided that such merger, consolidation or annexation shall not be effective unless it shall have been agreed to by more than two-thirds (2/3) of each class of members.

(g) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration",

applicable to the properties and recorded or to be recorded in the Office of the Clerk of the Circuit Court of the City of Virginia Beach, Virginia and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length.

ARTICLE VI

MEMBERSHIP

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

ARTICLE VII

VOTING RIGHTS

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

Class A. Class A members shall be all Owners with the exception of the developer of the Spence Crossing properties, hereinafter called the Declarant, 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 among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. When more than one person holds an interest in any Lot, and such persons be unable to agree on how their vote is to be cast, then such vote shall not be counted.

Class B. The Class B member(s) shall be the Declarant, its successors and assigns, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier: (a) when the total votes

outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or (b) at the expiration of fifteen (15) years after the date of the Declaration.

Notwithstanding the foregoing, the Class B membership shall permanently terminate fifteen (15) years from the date of the recording of this Declaration and shall not thereafter be re-activated.

Upon the conversion of Class B to Class A membership, no action may be taken by the Association which would serve to impede the installation of facilities substantially represented in plans of public record particularly as they may have been required and/or approved by public agencies except with the assent of such principal parties including the Declarant, the City of Virginia Beach, Virginia, the Veterans Administration and others as may have been party to a common understanding of the development commitments. In the event of such conversion, the Association may not in any manner impede the implementation of the master plan nor exercise control over proposed changes in the master plan nor in any other way interfere with the development activities of Declarant. These same provisions as set forth in this paragraph apply fully to any and all such development activities including construction of residential properties and common area easement facilities as generally set forth in the General Plan of Development.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors of three classes and the initial Board of Directors shall be composed of the following three (3) members:

Helen E. Dragas
4538 Bonney Road
Virginia Beach, VA 23462-3818

Joyce B. Witt
4538 Bonney Road
Virginia Beach, VA 23462-3818

Robert Makin
4538 Bonney Road
Virginia Beach, VA 23462-3818

Except for designation of Directors by Declarant, as provided for in the Bylaws, election of future Directors shall be made by the members of the Association.

The directors need not be members of the Association and need not be residents of Virginia, except that Directors shall be elected from the membership after the period of Declarant control. The number of directors may be set and changed by amendment of the Bylaws of the Association.

At the first annual meeting after the end of the period of Declarant control the members shall elect one class of directors for a term of one (1) year, one class of directors for a term of two (2) years, and one class of directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect successor directors for terms of three (3) years. At the first annual meeting after the end of the period of Declarant control the minimum number of directors shall be five (5) and the maximum shall be nine (9).

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent of more than two-thirds (2/3) of each class of members. Except as provided by law, upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate governmental body or agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the

Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association.

ARTICLE X

DURATION

The corporation shall exist perpetually.

ARTICLE XI

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of each class of members.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Virginia, the undersigned, being the incorporators of this Association, have executed these Articles of Incorporation on this 6th day of May, 2014.



Howard R. Sykes, Jr., Incorporator