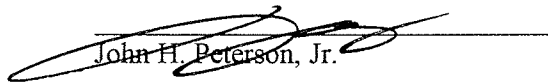


**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

**ARTICLES OF AMENDMENT OF
THE QUARTERS OF YORK COMMUNITY ASSOCIATION, INC.**

The undersigned corporation, pursuant to Title 13.1, Chapter 9, Article 11 of the Code of Virginia, hereby executes the following articles of amendment and sets forth:

1. The name of the corporation is The Quarters of York Community Association, Inc.
2. The name of the corporation is changed to The Quarters of York County Community Association, Inc.
3. The foregoing amendment was adopted on April 26, 2004.
4. The amendment was adopted by the incorporator. Shareholder and director approval of the amendment is not required as the corporation has not issued shares and has no directors.


John H. Peterson, Jr.

April 26, 2004.

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

May 12, 2004

The State Corporation Commission has found the accompanying articles submitted on behalf of
The Quarters of York County Community Association, Inc. (formerly QUARTERS OF YORK
COMMUNITY ASSOCIATION, INC., THE)
to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

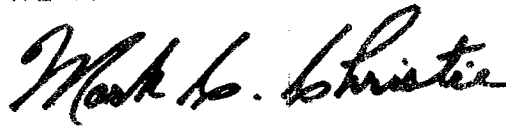
CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the
Commission, effective May 12, 2004.

The corporation is granted the authority conferred on it by law in accordance with the articles,
subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

04-05-06-0111
AMENACPT
CIS0436

ARTICLES OF INCORPORATION

OF

THE QUARTERS OF YORK COMMUNITY ASSOCIATION, INC.

In compliance with the requirements of the Virginia non-stock Corporation Act, the undersigned has this day voluntarily signed and submitted these Articles for the purpose of forming a corporation not for profit and does hereby certify;

ARTICLE I

NAME

The name of the corporation is THE QUARTERS OF YORK COMMUNITY ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 4640 Shore Drive, Suite 111, Virginia Beach, Virginia 23455. It shall not be necessary to amend these Articles when such principal office changes.

ARTICLE III

REGISTERED AGENT

Richard D. Guy, a member of the Virginia State Bar and a resident of Virginia, whose office is located in the City of Virginia Beach, State of Virginia, and whose address is 4525 South Boulevard, Suite 300, Virginia Beach, Virginia 23452, is hereby appointed 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" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 2. "Declarant" shall mean and refer to Terry/Peterson Residential Ten, L.L.C., its successors and assigns.

Section 3. "General Plan of Development" shall mean that plan or plans encompassing the area of the intended community of The Quarters of York, in York County, Virginia, to be set aside for single family units, which plan sets forth the general uses of the land including types of dwellings, general locations of dwellings, number of dwelling units and any and all such other uses as the Declarant may determine in such plan as ultimately may be approved by the County of York, Virginia, Federal Housing Administration ("FHA"), or the Veterans Administration ("VA"), and which plan may be comprised of text, plats, plans, proffers, applications and/or approvals, together with any and all Section Declarations which may be recorded by Declarant, as said Section Declarations may be amended from time to time relating to all or part of the portion of the Community of The Quarters of York to be set aside for single family attached units.

Section 4. "The Quarters" shall mean all real property located in the County of York, 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 within the area of The Quarters , with the exception of the Common Area.

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 owns

or purchases a Lot in The Quarters 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, except a Developer as defined above, who becomes an Owner of any Lot within The Quarters.

Section 10. "Section" shall mean all that land area containing Lots recorded by subdivision plat for residential purposes encompassed in a specific stage of development as set forth more particularly in the General Plan of Development as approved by the County of York and as amended from time to time.

Section 11. "Section Declarations" shall mean any declarations of covenants, conditions and restrictions which may be recorded by Declarant, relating to all or part of The Quarters, whether such document is referred to as a declaration, amendment, or supplement.

Section 12. "Single Family Residence" shall refer to a structure containing dwelling units where each dwelling unit is located on a separate Lot and shall include single family attached units.

Section 13. "FHA" and "VA" shall mean the Federal Housing Administration and the Veterans Administration, respectively.

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 maintenance, preservation and architectural control

of the individual properties and Common Area within that portion of the community known or intended to be named "The Quarters" in the County of York, Virginia, that is developed and used for residential purposes and associated 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 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, and with the assent of more than two-thirds (2/3) of the members, 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) 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 an instrument signed by at least two-thirds of the members has been recorded. However, without the consent of two-thirds (2/3) of the members, the Association may grant easements over, along, under and through the Common Area to the City of the County of York or to any utility company for drainage or utility purposes.

(f) 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 such merger, consolidation or annexation shall not be effective unless it shall have been agreed to by more than two-thirds (2/3) of the members. Additional adjacent areas may be annexed by the Declarant without the consent of members within ten (10) years after the date of the recording of the Declaration provided that the Federal Housing Administration (FHA) or Veterans Administration (VA) determine that the annexation is in accord with the general plan heretofore or hereafter approved by them. Any merger shall be subject to provisions of the Declaration dealing with mergers and to VA and FHA approval.

(g) Exercise all of the powers and privileges and to 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 County of York, 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 Quarters 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 are unable to agree on how their vote is to be cast, then such vote shall not be counted.

Class D. The Class D member(s) shall be the Declarant, its successors and assigns, and shall be entitled to three (3) votes for each Lot owned by it and each Lot owned by a builder or developer, including all Lots which may be annexed. In no event shall the Class D member be entitled to both three votes for a Lot and three votes for Living Units located on that Lot. The Class D 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 D membership, or (b) at the expiration of three (3) years after the date of the Declaration, provided that if a Section Declaration (or "Supplemental Declaration") is filed annexing additional land pursuant to the provisions of the Declaration at any time or times prior to expiration of said three (3) year period (as same may have been extended by the filing of any Section Declaration), such period shall be extended each time until the expiration of three (3) years from the date of filing of the last such Supplemental Declaration.

Notwithstanding the foregoing, the Class D membership shall permanently terminate ten years from the date of the recording of the Declaration and shall not thereafter be reactivated.

Upon the conversion of Class D to Class A membership, no action may be taken by the Association which would serve to impede the installation of Common Area 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 Federal Housing Administration, the Veterans Administration and the County of York, Virginia and others as may have been party to a common understanding of Common Area 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 facilities as generally set forth in the General Plan of Development. When the Class D membership has ceased to exist or has been converted to Class A membership, nothing contained in the Declaration shall prevent the reactivation of Class D membership as a result of annexation of additional areas for development, except that under no circumstances shall the Class D membership be in existence after ten years.

ARTICLE VIII

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five (5) directors except that the initial Board of Directors shall be composed of one (1) member. The Directors need not be members of the Association and need not be residents of Virginia. The number of Directors may be changed by amendment of the Bylaws. The initial director shall be John H. Peterson, Jr.

When the Class D membership has converted to Class A, the members shall elect two directors for a term of one year, two directors for a term of two years, and one director for a term of three years; and at each annual meeting thereafter the members shall elect two directors for a term of three years. By unanimous approval of the Directors, the election of five directors may take place at the first or second annual meeting, and the number of Directors or the length of their terms may be changed by the like approval, except that the length of the terms may not be more than three years.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent of more than two-thirds (2/3) of the 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 the members. Notwithstanding anything else herein which may be to the contrary, The Board of this Association may, acting for the corporation, require the officers to amend these Articles at any time that they are not in compliance with VA/FHA regulations in order to make them conform with such regulations.

ARTICLE XII

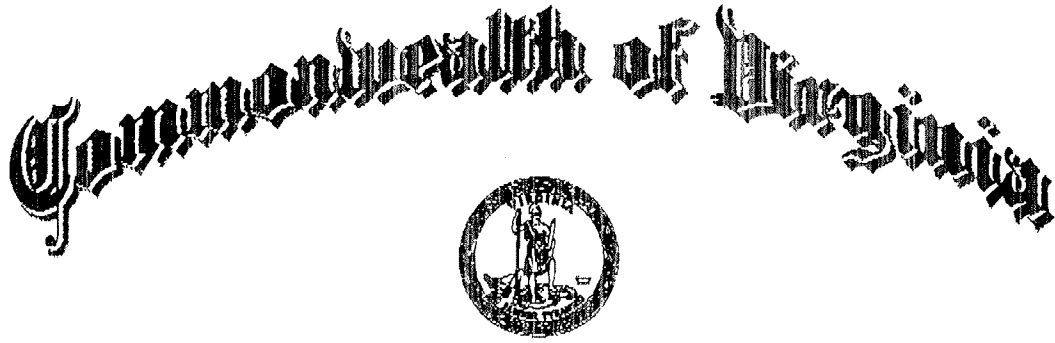
FHA/VA APPROVAL

As long as the Declarant is a member during the 10-year period from the date hereof, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration, unless those agencies do not require such approval: annexation of additional properties, dedication or mortgaging of Common Areas, mergers and consolidations, dissolution and amendment to these Articles.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Virginia, the undersigned, being the incorporator of this Association, has executed this Articles of Incorporation on this 23rd day of September, 2002.


John H. Peterson, Jr.

F:\RSTATE\Vosler\TPR10\Articles.The Quarters of York.wpd



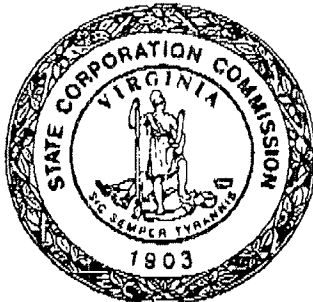
STATE CORPORATION COMMISSION

Richmond, October 16, 2002

This is to certify that the certificate of incorporation of

THE QUARTERS OF YORK COMMUNITY ASSOCIATION, INC.

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date: October 16, 2002



State Corporation Commission

Attest:

Joel H. Park

Clerk of the Commission