

Delaware

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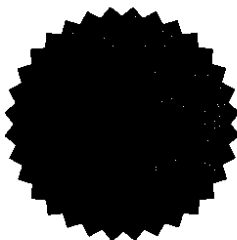
The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "BAYSIDE COMMUNITY ASSOCIATION, INC.", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF SEPTEMBER, A.D. 2005, AT 7:53 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

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Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4163638

DATE: 09-19-05

**CERTIFICATE OF INCORPORATION
OF BAYSIDE COMMUNITY ASSOCIATION, INC.**

Article 1. NAME OF CORPORATION: The name of the corporation is Bayside Community Association, Inc. (the "Association").

Article 2. PRINCIPAL OFFICE: The initial principal office of the Association is:

Bayside Community Association, Inc.
RR 2 Box 577J
Ocean View, Delaware 19970

Article 3. REGISTERED AGENT AND OFFICE: The initial registered office of the corporation is located at RR2 Box 577J, Ocean View, Sussex County, Delaware 19970, and the initial registered agent at such address is David E. Levitsky.

Article 4. APPLICABLE STATUTE: The corporation is organized pursuant to the provisions of the Delaware General Corporation Law.

Article 5. DEFINITIONS: All capitalized terms used herein that are not defined shall have the same meaning as set forth in the Community Charter for Bayside ("Charter"), recorded or to be recorded in the Office of the Recorder of Deeds of Sussex County, Delaware.

Article 6. PURPOSES AND POWERS: The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law. This corporation shall be a nonprofit corporation.

(a) In way of explanation and not of limitation, the purposes for which it is formed are:

(i) to be and constitute the Association to which reference is made in the Charter, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws of Bayside Community Association, Inc. ("By-Laws"), and as provided by law; and

(ii) to provide an entity for the furtherance of the interests of the Owners in the development.

(b) In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Charter or By-Laws, may be exercised by the Board of Directors:

(i) all of the powers conferred upon nonprofit corporations by common law and the Delaware statutes in effect from time to time;

(ii) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in this Certificate, the By-Laws, or the Charter, including, without limitation, the following:

(A) to fix and to collect assessments or other charges to be levied;

(B) to manage, control, operate, maintain, repair, and improve property subjected to the Charter or any other property for which the Association by rule, regulation, declaration, Covenant to Share Costs, or contract has a right or duty to provide such services;

(C) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Charter or By-Laws;

(D) to engage in activities that will actively foster, promote, and advance the common interests of all owners of property subject to the Charter;

(E) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association;

(F) to borrow money for any purpose;

(G) to enter into, make, perform, or enforce contracts of every kind and description and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in connection with any other association, corporation, or other entity or agency, public or private;

(H) to act as agent, trustee, or other representative of other corporations, firms, or individuals and, as such, to advance the business or ownership interests in such corporations, firms, or individuals;

(I) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the Association's affairs pursuant to the terms thereof; provided, such By-Laws may not be inconsistent with or contrary to any provisions of the Charter; and

(J) to provide any and all supplemental municipal services as may be necessary or proper.

(c) The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers that may now or hereafter be allowed or permitted

by law; and the powers specified in each of the paragraphs of this article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this article.

Article 7. BOARD OF DIRECTORS: The Association's business and affairs shall be conducted, managed, and controlled by a Board of Directors. The initial Board shall consist of three directors.

The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until their resignation or removal, are as follows:

<u>Name</u>	<u>Address</u>
Patti A. Grimes	RR 2 Box 577J, Ocean View, Delaware 19970
Thomas C. Halverstadt	RR 2 Box 577J, Ocean View, Delaware 19970
David E. Levitsky	RR 2 Box 577J, Ocean View, Delaware 19970

The number of directors; method of election, removal, and filling of vacancies on the Board of Directors; and the term of office of directors shall be as set forth in the By-Laws. The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

Article 8. INDEMNIFICATION OF DIRECTORS AND OFFICERS: To the extent consistent with, and subject to any limitations imposed under, the Delaware General Corporation Law, as it exists on the date hereof or as it may hereafter be amended, the Association shall indemnify its officers and directors as required by the Charter and By-Laws. No amendment to or repeal of this article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

Article 9. MEMBERSHIP: The Association shall be a membership corporation without certificates or shares of stock. Each Person who is the Owner of a Unit subject to the Charter is a member and shall be entitled to vote as set forth herein and in the Charter and the By-Laws.

Article 10. CERTIFICATES: The Association shall be a corporation without shares of stock and shall not be required to issue membership certificates.

Article 11. DURATION: The Association shall have perpetual duration.

Article 12. MERGER AND CONSOLIDATION: The Association may merge or consolidate only upon a resolution duly adopted by the Board of Directors and the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Units owned by persons other than the Founder. During the Development and Sale Period, the consent of the Founder shall also be required.

Article 13. DISSOLUTION: The Association may be dissolved only upon a resolution duly adopted by the Board of Directors and the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Units owned by persons other than Founder. During the Development and Sale Period, the consent of the Founder shall also be required.


In the event of dissolution, liquidation, or winding up of the Association, subject to the Charter, the Association's assets shall be dedicated to a public body or conveyed to a nonprofit organization with similar purposes.

Article 14. AMENDMENTS: This Certificate may be amended only upon a resolution duly adopted by the Board of Directors, the affirmative vote of members entitled to cast at least two-thirds (2/3) of the total eligible votes of members. During the Development and Sale Period, the consent of the Founder shall also be required for any amendment. However, no Owners shall be entitled to vote on any amendment to this Certificate of Incorporation for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity or institutional lender authorized to fund, insure, or guarantee mortgages on individual Units, as such requirements may exist from time to time, which amendments may be adopted by the Board of Directors.

Article 15. INCORPORATOR: The name and address of the incorporator is as follows:

K. William Scott
Scott and Shuman, LLC
Route 6, Box 150
Fenwick Island, Delaware 19975-9509

I, the undersigned for the purpose of forming a Corporation under the laws of the state of Delaware, do make, file, and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 1st of August 2005.


K. William Scott

Delaware

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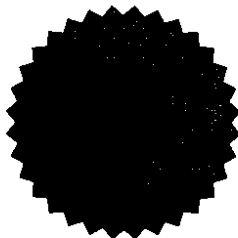
The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "BAYSIDE CONDOMINIUM ASSOCIATION, INC.", FILED IN THIS OFFICE ON THE NINTH DAY OF SEPTEMBER, A.D. 2005, AT 10:27 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

4028149 8100

050740876



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 4146563

DATE: 09-12-05

CERTIFICATE OF INCORPORATION

OF

BAYSIDE CONDOMINIUM ASSOCIATION, INC.

Article 1. NAME OF CORPORATION: The name of the corporation is Bayside Condominium Association, Inc. (the "Condominium Association").

Article 2. PRINCIPAL OFFICE: The initial principal office of the Condominium Association is:

Bayside Condominium Association, Inc.
RR 2 Box 577J
Ocean View, Delaware 19970

Article 3. REGISTERED AGENT AND OFFICE: The initial registered office of the Condominium Association is located at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, and the initial registered agent at such address is Corporation Service Company.

Article 4. DURATION: The Condominium Association shall have perpetual duration.

Article 5. APPLICABLE STATUTE: The Condominium Association is organized pursuant to the provisions of the Delaware General Corporation Law.

Article 6. DEFINITIONS: All capitalized terms used herein that are not defined shall have the same meaning as set forth in the Declaration of Condominium for Bayside ("Condominium Declaration"), executed by Carl M. Freeman Communities L.L.C. ("Declarant") and recorded or to be recorded in the Office of the Recorder of Deeds of Sussex County, Georgetown, Delaware.

Article 7. PURPOSES AND POWERS: The Condominium Association does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law. This corporation shall be a nonprofit corporation.

(a) In way of explanation and not of limitation, the purposes for which it is formed are:

(i) to be and constitute the Condominium Association to which reference is made in the Condominium Declaration, to perform all obligations and duties of the Condominium Association, and to exercise all rights and powers of the Condominium

Association, as specified therein, in the Code of Regulations of Bayside Condominium Association, Inc. ("Code of Regulations"), and as provided by law; and

(ii) to provide an entity for the furtherance of the interests of the Owners of Units in the Condominium Association.

(b) In furtherance of its purposes, the Condominium Association shall have the following powers, which, unless indicated otherwise by the Condominium Declaration, the Code of Regulations, or the Delaware Unit Property Act, 25 Del. C. § 2201, *et seq.* (the "Act"), as may be exercised by the Board of Directors:

(i) all of the powers conferred upon nonprofit corporations by common law and the Delaware statutes in effect from time to time and all of the powers conferred upon condominium associations pursuant to the Act;

(ii) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in this Condominium Certificate of Incorporation, the Code of Regulations, and the Condominium Declaration, including, without limitation, the following:

(A) to fix, levy, and collect assessments or other charges to be levied pursuant to the Condominium Instruments;

(B) to manage, control, operate, maintain, repair, and improve property subjected to the Condominium Declaration or any other property for which the Condominium Association by rule, regulation, declaration, or contract has a right or duty to provide such services;

(C) to enforce covenants, conditions, or restrictions affecting any property to the extent the Condominium Association may be authorized to do so under the Condominium Instruments;

(D) to engage in activities that will actively foster, promote, and advance the common interests of all owners of property subject to the Condominium Declaration;

(E) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Condominium Association;

(F) to borrow money;

(G) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any

purpose of the Condominium Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(H) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(I) to adopt, alter, and amend or repeal the Code of Regulations as may be necessary or desirable for the proper management of the Condominium Association's affairs pursuant to the terms thereof; provided, the Code of Regulations may not be inconsistent with or contrary to any provisions of the Condominium Declaration; and

(J) to provide any and all supplemental municipal services as may be necessary or proper.

(c) The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers that may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this article are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this article.

Article 8. MEMBERSHIP: The Condominium Association shall be a membership corporation without certificates or shares of stock. Each Person who is the Owner of a Unit in the Condominium (as such capitalized terms are defined in the Condominium Declaration) subject to the Condominium Declaration is a member and shall be entitled to vote as set forth herein and in the Condominium Declaration and the Code of Regulations.

Article 9. BOARD OF DIRECTORS: The Condominium Association's business and affairs shall be conducted, managed, and controlled by a Board of Directors.

The number of directors; method of election, removal, and filling of vacancies on the Board of Directors; and the term of office of directors shall be as set forth in the Code of Regulations. The Board may delegate its operating authority to such corporations, individuals, and committees as it, in its discretion, may determine.

The names and addresses of the members of the initial Board of Directors, who shall hold office until their successors are elected and have qualified, or until their resignation or removal, are as follows:

<u>Name</u>	<u>Address</u>
David E. Levitsky	RR2 Box 577J Ocean View, Delaware 19970
Patti A. Grimes	RR2 Box 577J Ocean View, Delaware 19970
Thomas C. Halverstadt	RR2 Box 577J Ocean View, Delaware 19970

Article 10. LIABILITY AND INDEMNIFICATION OF DIRECTORS: The liability of directors to the Condominium Association or its members for monetary damages for breach of duty of care or other duty as a director shall be eliminated or limited to the fullest extent allowed under the Delaware General Corporation Law. Such limitation of liability shall not limit the personal liability of a director of the Condominium Association:

(i) for any appropriation, in violation of his or her duties, of any business opportunity of the Condominium Association;

(ii) for any acts or omissions not in good faith or that involve intentional misconduct or knowing violations of the law; or

(iii) for any transaction from which the director received an improper personal benefit.

Any repeal or modification of this article by the members of the Condominium Association shall not adversely affect any right or protection of a director or the Condominium Association existing at the time of such repeal or modification.

To the extent consistent with the Delaware General Corporation Law, as it exists on the date hereof or as it may hereafter be amended, the Condominium Association shall indemnify its officers and directors as required by the Condominium Declaration and Code of Regulations.

Article 11. MERGER AND CONSOLIDATION: The Condominium Association may merge or consolidate only upon a resolution duly adopted by the Board of Directors, the affirmative vote of Voting Delegates representing not less than 67% of the total votes in the Condominium Association, and the consent of the Founder Member, if such exists.

Article 12. DISSOLUTION: The Condominium Association may be dissolved upon a resolution duly adopted by the Board of Directors and the affirmative vote of not less than 75% of the members or the highest percentage of member approval required under Delaware law for dissolution of a non-stock corporation. Alternatively, the Condominium Association may be dissolved without action of the Board of Directors if all members consent in writing to such dissolution. In the event of dissolution of the Condominium Association, the affairs of the Condominium shall be managed by an unincorporated council of members elected in the same manner as the Board of Directors and who shall be subject to the Condominium Instruments and Delaware law. In the event that such unincorporated council fails properly to perform the duties and obligations of the Board of Directors, the Board of Directors of the Master Association shall fulfill the role of the Board of Directors of the Condominium Association and shall manage the Condominium's affairs.

Article 13. AMENDMENTS: This Certificate may be amended only upon a resolution duly adopted by the Board of Directors, the affirmative vote of Voting Delegates representing not less than 67% of the total votes in the Condominium Association, and the consent of the Founder Member, if such exists. In addition, any material amendment shall require the consent of

Eligible Holders of first Mortgages on Units in the Residential Property to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated, as such terms are defined in the Condominium Declaration. However, no Voting Delegates shall be entitled to vote on any amendment to this Certificate of Incorporation for the sole purpose of complying with the requirements of any governmental or quasi-governmental entity or institutional lender authorized to fund, insure, or guarantee mortgages on individual Units, as such requirements may exist from time to time, which amendments may be adopted by the Board of Directors.

Article 14. INCORPORATOR: The name and mailing address of the incorporator are as follows:

K. William Scott
Scott and Shuman, LLC
Route 6 Box 150
West Fenwick, Delaware 19975-9509

I, THE UNDERSIGNED, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file, and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 5th day of September, 2005

By:


K. William Scott