

ARTICLES OF INCORPORATION
OF
CLARENDON ALLIANCE, INC.

The UNDERSIGNED, for the purpose of forming a non-stock corporation pursuant to Chapter 10 of Title 13.1 of the Code of Virginia of 1950, as amended (the "Code"), does hereby certify:

ARTICLE I - NAME

The name of the Corporation shall be "Clarendon Alliance, Inc."

ARTICLE II - DURATION

The duration of the Corporation shall be perpetual.

ARTICLE III - PURPOSES

The Corporation is organized and shall be operated exclusively for the purpose of fostering the development, redevelopment and revitalization of the Clarendon area of Arlington, County, Virginia (as that area is defined in the Clarendon Sector Plan ("Sector Plan") adopted by the Arlington County Board in May, 1984), and the businesses located therein, through the pursuit of the following principal goals:

- (i) Encouraging the physical development and redevelopment of the Clarendon area within the general guidelines of the Sector Plan;
- (ii) Fostering the development of economically sound businesses – including, especially, a strong retail business community – in the Clarendon area;
- (iii) Coordinating public and private expenditures for development and redevelopment in the Clarendon area so as to foster the development of Clarendon as a cohesive, magnetic business and residential location alive with offices, retail shops, residences and parks that contribute to a pleasing and economically stable environment.

ARTICLE IV - POWERS

In furtherance of the foregoing purposes, the Corporation may, except as otherwise limited herein or in its By-laws, exercise all corporate powers enumerated in Section 13.1 of the Code.

ARTICLE V - MEMBERSHIP

The Corporation shall have three (3) classes of voting Members and two (2) classes of Non-voting Members as described below. The qualifications for each class of membership shall be as set forth in the Corporation's By-laws. Voting Members shall be entitled to elect Directors pursuant to the applicable provisions of the Corporation's By-laws. Except as otherwise provided in the By-laws, Voting Members shall not be entitled to vote on any matters except the election of Directors. Non-voting Members shall not be entitled to vote on any matters.

Section 1 - Voting Members

The Corporation shall have three (3) classes of Voting Members as follows:

- (A) Property Owners/Real Estate Developers/Real Estate Sales and Leasing Agents and Brokers
- (B) Business and Professional Firms
- (C) Civic Associations.

Section 2 - Non-Voting Members

The Corporation shall have two (2) classes of Non-voting Members as follows:

- (A) Individuals
- (B) Honorary Members.

Section 3 - Procedures for Voting

On all other matters submitted to the Voting Members for a vote, each Voting Member shall have one vote and shall vote either in person or by proxy. All proxies must be submitted to the Secretary of the Corporation prior to the commencement of any meeting in which the proxy is to be voted. Each proxy must be in writing and shall be valid for no more than sixty (60) days from the date of its execution. No person may vote the proxies of more than five (5) other persons at any meeting.

All votes by Voting Members shall be conducted pursuant to the further voting procedures set forth in the Corporation's By-laws.

ARTICLE VI - BOARD OF DIRECTORS

Section 1 - Number and Classes of Directors

The affairs of the Corporation shall be managed by a Board of Directors comprised of not less than seven (7) nor more than fifteen (15) persons. The Board of Directors shall be divided into four (4) classes of Directors as follows;

Class A Directors: Shall be elected by Members of the Property Owners/Real Estate Developers/ Real Estate Sales and Leasing Agents and Brokers class of membership. There shall be no restrictions as to the residence, business location, or occupation of those persons elected as Class A Directors.

Class B Directors: Shall be elected by Members of the Business and Professional Firms class of membership. There shall be no restrictions as to the

residence, business location or occupation of those persons elected as Class B Directors.

Class C Directors: Shall be elected by Members of the Civic Association class of membership. There shall be no restrictions as to the residence, business location or occupation of those persons elected as Class C Directors.

Class D Directors: Shall be appointed by the Arlington County Board. There shall be no restrictions as to the residence, business location or occupation of those persons appointed as Class D Directors.

The Initial Board of Directors shall be composed of seven persons. The number of Directors may be changed from time to time, within the limits set above, by the vote of at least two-thirds (2/3) of the Board of Directors, subject also to the following additional limitations:

- (i) The number of authorized Class A, Class B and Class C Directors shall not be less than two (2) nor more than four (4) Directors per Class.
- (ii) The number of authorized Class A, Class B and Class C Directors shall at all times be the same for each Class.
- (iii) The number of authorized Class D Directors shall not be less than one (1) nor more than three (3).
- (iv) The number of authorized Class D Directors shall at all times be one (1) less than the number of authorized Directors for each of the other Classes of Directors.

The persons listed as Class A, Class B or Class C Directors shall serve until the first Annual Meeting of Members, or until their successors are qualified. The person listed above as the Class D Director shall serve on an interim basis only until the Arlington County Board designates a Class D Director.

The Initial Board of Directors shall meet, in an organizational meeting and elect officers.

Section 2 - Initial Board of Directors.

The Initial Board of Directors shall be comprised of the following persons:

Class A Directors:

Jonathan C. Kinney
2350 North Lincoln Street
Arlington, Virginia 22207

Tim Reese
2519 Wilson Boulevard
Arlington, Virginia 22201

David DeCamp
2901 Dartmouth Road
Alexandria, Virginia 22314

Class B Directors:

Joseph Corey
1408 North Fillmore Street, Suite 100
Arlington, Virginia 22201

Rebecca Tax
2925 Wilson Boulevard
Arlington, Virginia 22201

Toby Dimock
2690 Clarendon Boulevard, Suite 200
Arlington, Virginia 22201

Greg Cahill
2854 Wilson Boulevard
Arlington, Virginia 22201

Class C Directors:

Bill Gearhart
1806 North Herndon Street
Arlington, Virginia 22201

Peter Spaulding
1011 North Daniel Street
Arlington, Virginia 22201

Larry Mayer
3108 North 4th Street
Arlington, Virginia 22201

Tom Petty
917 North Ivy Street
Arlington, Virginia 22201

Class D Directors:

Roni Freeman
1206 North Cleveland Street
Arlington, Virginia 22201

Peter Pflug
3185 Wilson Boulevard
Arlington, Virginia 22201

Lisa Nisonson
USEPA
Development, Community and Environment Div.
Mail Code 1808T
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

ARTICLE VII - PRINCIPAL OFFICE

The principal office of the Corporation shall be located at 3195 Wilson Boulevard
Arlington, Virginia 22201.

ARTICLE VIII - REGISTERED OFFICE/AGENT

The initial registered office of the Corporation shall be located in Arlington County, and the post office address shall be 2000 North 14th Street, Suite 100, Arlington, Virginia 22201. The registered agent at such address shall be Jonathan C. Kinney, a resident of Virginia and a member of the Virginia State Bar.

ARTICLE IX - INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each Officer and Director of the Corporation shall be indemnified by the Corporation against any and all claims and liabilities to which he becomes subject by reason of his being or having been an Officer or Director, whether or not he continues to be an Officer or Director at the time of the adjudication of such claim or liability. The Corporation shall also indemnify each such Officer or Director for any and all legal and other expenses reasonably incurred by him in connection with any actual or threatened action, suit or proceeding to which he may be made a party by reason of his being or having been such an Officer or Director, whether or not he continues to be an Officer or Director at the time of incurring such expenses. No Officer or Director shall be indemnified against any action, claim suit or proceeding in which he shall be finally adjudged liable by reason of his own negligence or willful misconduct; and no such Officer or Director shall be indemnified against the cost of any compromise or settlement of any such alleged claim or liability, unless said compromise or settlement shall be approved in advance by the Board of Directors.

ARTICLE XI - CERTAIN ACTIVITIES/TRANSACTIONS PROHIBITED

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Members, Directors, Officers or any other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III.

No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda or otherwise attempting to influence legislation at any level of government and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any activities not permitted to be carried on:

- by a corporation exempt from federal income tax under Section 501(C)(6) of the Internal Revenue Code of 1954 (or corresponding provisions of any future federal tax laws); or

- by a corporation, contributions to which are deductible under Section 170(C) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future federal tax laws).

ARTICLE XII - DISPOSITION OF ASSETS UPON
DISSOLUTION OF CORPORATION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, donate any remaining assets to Arlington County or to one or more other organizations selected by the Corporation's Board of Directors; provided, however, that any such other donee shall, at the time, qualify as an exempt organization under Section 501(C)(6) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future federal tax laws).

The undersigned, being the incorporator hereinbefore named, hereby declares and certifies that this is her free act and deed and that the facts herein stated are true as of this 31st day of March, 2004.

Sona Verdi