

ARTICLES OF INCORPORATION  
OF  
HOLLYMEAD CITIZENS  
ASSOCIATION, INC.

In compliance with the requirements of Chapter 2, Title 13.1 of the Code of Virginia (1950), the undersigned, all of whom are residents of the State of Virginia and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation shall be Hollymead Citizens Association, Inc., hereinafter called the "Association".

ARTICLE II

The initial registered office of the Association in the Commonwealth of Virginia shall be located at the office of the Virginia Land Company, U. S. Highway 29 North, Charlottesville, Virginia, in the County of Albemarle, Virginia. The initial registered agent for the Association shall be Charles Wm. Hurt, who is a resident of Virginia, whose business office is identical with the registered office, and who is a director of the corporation.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to promote the health, safety, and welfare of the residents and to provide for maintenance, preservation and architectural control of the Lots and Common Area within that certain tract of property described as: Sections One, Two and Three of Hollymead, Albemarle County, Virginia, as shown and described on plats of B. Aubrey Huffman and Associates and any additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation as provided in this Article, hereinafter referred to as "The Properties", and for this purpose to:

(a) add additional real property to The Properties, including, without limitation thereto, additional "Common Properties"; provided, however, that the assent of at least two-thirds (2/3) of the votes of each class of members of the Association must be obtained to add additional real property to The Properties pursuant to the provisions of Article II, Section 2.b. of the "Hollymead Declaration of Covenants, Conditions and Restrictions," hereinafter referred to as the "Declaration", which is recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia.

(b) acquire, build, organize, equip, operate, and provide for operation by a licensee, swimming pools, tennis courts, recreation parks, playgrounds, golf courses, commons, streets, scenic easement areas, footways, including buildings, structures, and personal properties incident thereto, hereinafter referred to as "the common properties and facilities"; to provide exterior maintenance for the lots and residences within the Properties; provide garbage and trash collection; maintain unkempt lands or trees; supplement municipal services; enforce any and all covenants, restrictions and agreements applicable to The Properties; and insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Properties.

(c) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration, applicable to the property and recorded or to be recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia, and as the same may be amended from time to time as therein provided, said Declaration and the definitions therein being incorporated herein as if set

forth at length;

(d) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; 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 license fees, taxes or governmental charges levied or imposed against the property of the Association;

(e) 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; provided, however, that the sale, lease, exchange, or other disposition of all, or substantially all such property of the Association shall require the assent of more than two-thirds (2/3) of each class of its membership;

(f) borrow money, and with the assent of more than two-thirds (2/3) of each class of 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;

(g) dedicate, sell or transfer all or any part of the Common Properties to any public agency, or authority 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 approved in the manner required by law by more than two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer. The Association shall have the authority to grant easements for public utility purposes to any municipality or public utility upon approval by the Board of Directors of a resolution authorizing said grant and nothing set forth in this Article III, Section (g) shall be construed as placing any additional restrictions upon the granting of such easements;

(h) participate in mergers and consolidations with other non-stock corporations organized for the same purposes or annex additional residential property and Common Properties provided that any such merger, consolidation or annexation shall have the assent of more than two-thirds (2/3) of each class of members;

(i) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Stock Corporation Act of the State of Virginia by law may now or hereafter have or exercise.

(j) admit, under procedures enumerated in the Association's By-Laws, non-residents of Hollymead to membership in certain recreational facilities which may be constructed upon the common Properties, such as swimming pools, tennis courts, or golf courses.

(k) In general, and subject to such limitations and conditions as are or may be prescribed by law, to exercise such other powers which now are or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the purposes of the corporation, subject to the further limitation and condition that, notwithstanding any other provisions of this certificate, only such powers shall be exercised as are in furtherance of the tax-exempt purposes of the corporation and as may be exercised by an organization exempt under Section 501 (c) (7) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

#### ARTICLE IV NON-PROFIT CORPORATION

The corporation is not organized for profit; no part of the net earnings of the corporation shall inure to the benefit of any director or officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no director or officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

## ARTICLE V 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. Notwithstanding any other provision of this Article, all members of the Association and all persons not members of the Association who reside within Hollymead as tenants of Association members shall have the right to apply for membership in any recreational facilities situated on the Common Properties, such as swimming pools, tennis courts, or golf courses.

## ARTICLE VI VOTING RIGHTS

The Association shall have six classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Developers, of Lots upon which is constructed a single family detached home, and shall be entitled to one vote for each site owned. When more than one person owns any Site, all such persons shall be members. The vote for such Site shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Site.

Class B. Class B members shall be all Owners, with the exception of the Developers, of Lots designated as sites for single family detached residences upon which no residence has been constructed, and shall be entitled to one vote for each Site owned. When more than one person owns any Site, all such persons shall be members. The vote for such Site shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Site.

Class C. Class C members shall be all Owners, with the exception of the Developers, of Townhouse Lots and shall be entitled to one vote for each Townhouse Lot owned. When more than one person owns any Townhouse 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 Townhouse Lot.

Class D. Class D members shall be all Owners, with the exception of the Developers, of "Apartments" as that term is defined in Title 55, Chapter 4.1 of the Code of Virginia (1950), as supplemented and amended, to wit: the Horizontal Property Act, and shall be entitled to one vote for each "Apartment" owned. When more than one person holds an interest in any "Apartment", all such persons shall be members. The vote for any such "Apartment" shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any "Apartment".

Class E. Class E members shall be all Owners of Lots, with the exception of the Developers; upon which are constructed multi-family structure containing Living Units constructed for rental purposes and shall be entitled to one vote for each Living Unit owned at such time as such Living Unit is first occupied by a tenant. When more than one person owns any said Living Unit, all such persons shall be members. The votes for such Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Living Unit. The votes expressed by any such members, if voted in a bloc, shall be entitled to a weight not greater than forty-nine (49) percent of the vote on any matter pending before the Association.

Class F. The Class F members shall be the Developers and shall be entitled to three votes for each Lot owned or for each Living Unit which the County of Albemarle, Virginia, approves to be constructed on any Lot shown on a plat which is subjected to the terms of this Declaration and which as been zoned and approved for the construction of Condominium Units or multifamily structures, whether said Lot is owned by the Developer or not. In no event shall the Class F member be entitled to both three votes for a Lot and three

votes for each Living Unit approved by the County of Albemarle, Virginia, for construction on said Lot; but if such a situation should arise, the number of their votes shall be based upon the number of approved Living Units only. At such time as a Condominium Lot or a multifamily structure Living Unit is completed on such Lots and is either sold or occupied by a tenant, the owner of said Condominium Lot or said Living Unit shall be entitled to one vote as a Class D or Class E member, as the case may be, and the Class F member shall no longer be entitled to any votes as to that Condominium Lot or that Living Unit.

The class F membership shall cease and be converted to Class A, Class B, Class C, class D, or Class E membership, as the case may be, on the happening of either of the following events, whichever occurs earlier:

(a) When Class A, B, C, D, and E memberships are all in existence and the total votes outstanding in the Class A, B, C, D, and E memberships equals or exceeds the total votes outstanding in the Class F membership, or

(b) On January 1, 1990.

The rights of Class A, Class B, Class C, Class D, or Class E membership are subject to the payment of annual and special assessments levied by the Association the obligation of which assessments are imposed against each owner of and becomes a lien against the property on which such assessments are made, as provided by the provisions contained in Article VI of the "Hollymead Declaration of Covenants, Conditions and Restrictions" which is recorded in the office of the Clerk of the Circuit Court of Albemarle County, Virginia. The provisions of said Article VI are hereby incorporated herein by reference thereto the same as if set forth in full herein and shall be applicable not only to property located within Sections One, Two and Three of Hollymead, according to the recorded plats thereof, but also to all property located within any other addition or additions which may hereafter become a part of Hollymead.

The Class A, Class B, Class C, Class D and Class E membership rights of any person or legal entity whose interest in property located in Hollymead is subject to assessments under Article XII, Section 3 hereof, whether or not he or it be personally obligated to pay such assessments, and the rights of any individual who is a tenant of any such member may be suspended by action of the Board of Directors during the period when the assessments remain unpaid, but upon payment of said assessments, his or its rights and privileges shall be automatically restored. If the Board of Directors has adopted rules and regulations governing the use of the Common Properties as provided for in the By-Laws of this corporation, they may, in their discretion, after notice and hearing, suspend the rights of any person violating such rules and regulations for a period of not to exceed sixty (60) days for each infraction of said rules and regulations.

ARTICLE VII  
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) initial Directors, who need not be members of the Association. The number of directors may be changed only by amendment of these Articles. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
W. David Galione	U. S. Route 29, North Charlottesville, Virginia
B. Aubrey Huffman	1317 Rose Hill Drive Charlottesville, Virginia
Charles Wm. Hurt	U. S. Route 29, North Charlottesville, Virginia
Jean Morris	U. S. Route 29, North Charlottesville, Virginia

Warren B. O'Brien	Free Union, Virginia
H. Shannon Shirley	3209 Clark Lane Charlottesville, Virginia
Marilyn D. Steuber	Route 250 East Charlottesville, Virginia
Woods P. Stringfellow	107 Georgetown Green Charlottesville, Virginia
Leonard F. Winslow	Flordon Charlottesville, Virginia

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

#### ARTICLE VIII

##### DISSOLUTION

The corporation may be dissolved in the manner provided by law only with the assent of more than two-thirds (2/3) of each class of its membership. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with this Article) shall be mailed to every member at least ninety (90) days in advance of any action taken. Upon the dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be dedicated to the County of Albemarle, Virginia, or an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be distributed in accordance with a plan of distribution adopted pursuant to the Virginia Non-Stock Corporation Act or by a court of competent jurisdiction exclusively to an organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation; provided, however, that said organization shall qualify under the provisions of Section 501 (c) (7) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the recorded covenants and deeds applicable to The Properties unless made in accordance with the provisions of such covenants and deeds.

#### ARTICLE IX

##### DURATION

The corporation shall exist perpetually.

#### ARTICLE X

##### AMENDMENTS

Amendment of these Articles shall require the assent of more than two-thirds (2/3) of each class of its membership.

#### ARTICLE XI

##### FHA/VA APPROVAL

In the event that the Developers of Hollymead have obtained the approval of the Federal Housing Administration and/or the Veterans Administration of the Hollymead Planned Unit Development in order that Hollymead be eligible for FHA and/or VA financing and as long as there is a Class F membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans

Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, of the purpose of forming this corporation under the laws of the State of Virginia, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 21st day of June, 1973.

Beverly S. Johnson (ss) (SEAL)  
Stuart F. Carwile (ss) (SEAL)  
Gary M. Nuchols\_ (ss) (SEAL)