

ARTICLES OF INCORPORATION OF CABIN BRANCH FOREST ASSOCIATION, INC.

ARTICLE 1

NAME

The name of this corporation is Cabin Branch Forest Association, Inc., which is hereby incorporated as a nonstock corporation pursuant to Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended (the "Act").

ARTICLE 2

INTERPRETIVE PROVISIONS

Section 2.1. Definitions

Terms used herein without definition shall have the meaning specified for such terms in Section 13.1-803 of the Act. Capitalized terms used herein shall have the meaning specified for such terms below.

- (a) "Association" means Cabin Branch Forest Association, Inc., and for the purposes of defining the Association's rights and obligations under the Declaration, its successors and assigns.
- (b) "Association Documents" means collectively these Articles of Incorporation, the Declaration, the Bylaws and the Rules and Regulations, as the same may be amended from time to time in accordance with the provisions therein. Any exhibit, schedules or certification, and any amendment to an Association Document shall be an integral part of that document.
- (c) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 hereof, as the governing body of the Association.
- (d) "Bylaws" means the Bylaws of the Association, as amended, attached as Exhibit B to the Declaration and as recorded from time to time among the Land Records.
- (e) "Common Area" means, at any given time, all of the Property, other than Lots, then owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of the Owners.
- (f) "Declarant" means Cabin Branch Forest Associates, a Virginia limited partnership. Following recordation of a document assigning to another Person all of the rights reserved to the Declarant under the Association Documents, the term "Declarant" shall mean that assignee.
- (g) "Declarant Control Period" means the period prior to the earliest of:
 - (i) the third anniversary of the date of the first conveyance of a Lot to an Owner other than the Declarant (provided, however, that if the Declarant is delayed in the improvement and development of the Property due to a sewer, water or building permit moratorium or any other cause or event beyond the Declarant's control, then the aforesaid period shall be extended by a period of time equal to the length of the delay or three years, whichever is less);
 - (ii) the date the number of votes of the Class A members exceeds the number of votes of the Class B member; or
 - (iii) the date specified by the Declarant is a notice to the Association that the Declarant Control Period is to terminate on that date.
- (h) "Declaration" means the Declaration of Covenants and Restrictions for Cabin Branch Forest made by the Declarant and recorded among the Land Records. The term Declaration shall include all amendments thereto.
- (i) "Land Records" means the land records of Loudoun County, Virginia, the jurisdiction in which the Property is located.
- (j) "Lot" means a portion of the Property designated as a separate lot (but not including the real estate designated as Common Area) on a plat of subdivision of the Property recorded among the Land Records and includes any dwelling and other improvements now or hereafter appurtenant to that real estate.
- (k) "Majority Vote" means a simple majority (more than fifty percent) of the votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any vote of a specified percentage of Owner means that percentage with respect to the total number of votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a

specified percentage of the Board of Directors (or Covenants Committee) means that percentage with respect to votes actually cast at a duly held meeting of the Board (or Committee) at which a quorum is present. Any approval by a specified percentage of the Mortgagees means approval by the Mortgagees of Lots calculated according to the number of Lots on which each has a Mortgage.

- (l) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of an unrecorded contract or as security for an obligation.
- (m) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title to real estate, or any combination thereof.
- (n) "Property" means, at any given time, the real estate then subject to the Declaration (both Common Area and Lots) and includes all improvements and appurtenances thereto now or hereafter existing.
- (o) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation and physical appearance of the Property adopted from time to time by the Board of Directors.
- (p) "Upkeep" means care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvements, renovation, alteration, replacement and reconstruction.

Section 2.2. Construction of Association Documents

- (a) Captions. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the document in which used or any provision thereof.
- (b) Pronouns. The use of the masculine gender shall be deemed to include the feminine and neuter gender and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.
- (c) Severability. Each provision of an Association Document is severable from every other provision, and the invalidity of any one or more provisions shall not change the meaning of or otherwise affect any other provision.
- (d) Incorporation and Interpretation. Any provision of any Association Document referenced in any other Association Document with the intent to incorporate the provisions of one Association Document into the other Association Document shall be deemed incorporated therein, as if set forth in full. To the extent that any requirement as to the content of one Association Document may be cured by reference to any other Association Document, then such requirement shall be deemed satisfied. If there is any conflict between the Association Documents, the Declaration shall control, except as to matters of compliance with the Act, then the Articles of Incorporation shall control. Particular provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the Bylaws shall control over the provisions of any rule, regulation or other resolution adopted pursuant to any of the Association Documents.

ARTICLE 3

PURPOSE

The purposes for which the Association is organized are to:

- (1) Provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots;
- (2) Exercise all powers and rights of the Association created in the Association Documents with respect to all or any portion of the Property; and
- (3) Exercise the powers now or hereafter conferred by law on Virginia nonstock corporations.

ARTICLE 4

MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Membership. Members of the Association shall at all times be, and be limited to, the Persons

who constitute Owners of the Lots. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner and be one member of the Association, but each Person is entitled to attend all meetings of the Association.

Section 4.2. Classes of Membership; Voting Rights

- (a) During the Declarant Control Period, the Association shall have two classes of members. The Class A members shall consist of all Owners other than the Declarant. The Class B member shall be the Declarant. Each Owner shall have one vote in the Association for each Lot owned, except that the Class B member (so long as there are two classes of members) shall have three votes in the Association for each Lot owned. For the purposes of the preceding sentence only, the Declarant shall, at any given time, be the Owner of all Lots which have been created within the real estate described in Exhibit A to the Declaration and which have not been conveyed by the Declarant to another Person. After the Declarant Control Period, the Association shall have one class of members and the Declarant will be treated as a Class A member with respect to the Lots owned by the Declarant.
- (b) Additional provisions governing the members' right to vote shall be as stated in Article 2 of the Bylaws. Unless a greater vote is required by the Act or by the Association Documents, a Majority Vote is required to adopt a decision at any meeting of the Association, except that directors shall be elected, by a plurality vote. The various provisions in the Association Documents requiring a vote greater than a Majority Vote are hereby incorporated into these Articles by this reference and shall control.

ARTICLE 5

BOARD OF DIRECTORS

Section 5.1. Term of Office

- (a) Initial Directors. The Declarant shall appoint the three initial directors of the Association, who shall serve until their successors are elected in accordance with subsection (b) hereof. The Declarant shall be entitled to remove and replace the initial directors at will.
- (b) Elected Directors. The Board of Directors shall be composed of the number of directors established in Section 3.3 of the Bylaws, and elected in accordance with Section 5.2 hereof by a vote of the members pursuant to Section 4.2 hereof. Upon the expiration of the terms of the directors elected at the first annual meeting, elected directors shall serve for staggered three-year terms so that approximately one-third of the directors are elected at each annual meeting. At the first annual meeting approximately one-third of the total number of directors to be elected shall serve for one-year terms, approximately one-third of the total number of directors to be elected shall serve for two-year terms and approximately one-third of the total number of directors to be elected shall serve for three-year terms. The directors receiving the greatest vote shall be elected for the longest available terms. For a period of one year following the termination of service by all the directors designated or elected by the Declarant, the Declarant may appoint and replace from time to time a representative who shall be entitled to notice of all meetings of the Board of Directors and to attend and speak (but not vote) at all Board meetings, in all respects as if such delegate were a member of the Board. If the aggregate number of directors is changed, terms shall be established so that one-third (or a fraction as near to one-third as possible) of the total number of directors is elected each year. No reduction in the aggregate number of directors shall shorten the term of any incumbent director. An elected director shall serve for a term of three years unless elected to fill a vacancy, in which case such director shall serve as provided in Section 5.5 hereof. Except for death, resignation or removal, the directors shall hold office until their respective successors shall have been elected.

Section 5.2. Election Procedures; Qualifications

- (a) Elections Committee. At least forty-five days prior to the special meeting at which directors are elected by the members and each annual meeting of the Association held thereafter, the Board of Directors shall appoint an Elections Committee consisting of a member of the Board whose term is not then expiring and at least three other Owners. The Elections Committee shall develop

election procedures and administer such procedures as are approved by the Board providing for election of directors by ballot of the Owners at annual meetings and, where appropriate, special meetings.

- (b) Nominations. Persons qualified to be directors may be nominated for election by a nominating petition submitted to the chairman of the Elections Committee at least twenty-five days before the meeting at which the election is to be held signed by Persons owning, in the aggregate, at least ten Lots and either signed by the nominee or accompanied by a document signed by the nominee indicating the willingness to serve as a director, provided, however, that additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one Person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve. This subsection (b) does not apply to Persons appointed to the Board by the Declarant.
- (c) Qualifications. No Person shall be eligible for election as a member of the Board of Directors unless such Person is an Owner, spouse of an Owner, officer or general partner of an Owner, the Declarant (or a designee of the Declarant) or a Mortgagee (or designee of a Mortgagee). No Owner shall be elected as a director or continue to serve as a director if such Owner is more than sixty days delinquent in meeting financial obligations to the Association.
- (d) Exception During the Declarant Control Period. Notwithstanding any other provision of this section, during the Declarant Control Period, the Board of Directors may waive or modify any requirements under (a) and (b) above.

Section 5.3. Action by Board of Directors. At all meetings of the Board of Directors a majority of the total number of directors shall constitute a quorum for the transaction of business, and a Majority Vote of the directors while a quorum is present shall constitute a decision of the Board of Directors, unless otherwise provided in the Association Documents. Provisions in the Association Documents requiring a different vote by the Board of Directors are hereby incorporated into these Articles by this reference and shall control. The power to amend the Bylaws is reserved exclusively to the members and the Board of Directors may not amend the Bylaws. The Board of Directors may not mortgage, pledge or dedicate to the repayment of indebtedness or otherwise encumber any or all of the Association property without approval by the Mortgagees and a vote of the members as required by Section 12.5 of the Bylaws.

Section 5.4. Removal or Resignation of Directors. Except with respect to directors designated by the Declarant, at any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by Owners entitled to cast a majority of the total number of votes and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given at least ten days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. The notice of such meeting given to Owners shall state that one of the purposes of the meeting is to remove such director. A director may resign at any time by giving notice to the Board of Directors, the President or the Secretary. Unless otherwise specified, such resignation shall not be necessary to make it effective. Except for a director designated by the Declarant, a director shall be deemed to have resigned upon disposition by the Owner of the Lot which made such Person eligible to be a director, or if not in attendance at three consecutive regular meetings of the Board, unless the minutes reflect the Board's consent to such absence. The Declarant may remove and replace any director designated by the Declarant.

Section 5.5. Vacancies. Vacancies in the Board of Directors caused by any reason, other than the removal of a director by the Owners or the Declarant shall be filled by a Majority Vote of the remaining directors at a special meeting of the Board held for such purpose promptly after the occurrence of any such vacancy or an increase in number, or, if the directors remaining in office constitute fewer than a quorum, an affirmative vote of the majority of the directors remaining in office even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a director until a successor shall be elected at the next annual meeting of the Association. Vacancies caused by removal of a director by the Owners shall be filled by a vote of the Owners in accordance with Sections 4.2 and 5.4 hereof. The term of the replacement director or new director so elected shall expire so that

the staggered terms of directors shall remain unaffected. The Declarant shall designate the successor to any director previously designated by the Declarant.

ARTICLE 6

INITIAL REGISTERED OFFICE

The initial registered office of the Association is located in the City of Alexandria at 510 King Street, Suite 200, Alexandria, Virginia 22314, at which office the initial registered agent of the Association is Robert M. Diamond, a resident of Virginia and a member of the Virginia State Bar whose business address is identical with that of the registered office.

ARTICLE 7

AMENDMENT

These Articles may be amended in accordance with the procedures outlined in the Act; provided, however, that these Articles may not be amended without at least a Sixty-seven Percent Vote of the Owners. No amendment to these Articles may diminish or impair the rights of the Declarant without the prior written consent of the Declarant.

ARTICLE 8

DISSOLUTION

The Association may be dissolved in accordance with the procedures outlined in the Act; provided, however, that the Association may not be dissolved without at least a Sixty-seven Percent Vote of the Owners. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, then the assets of the Association shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization devoted to purposes similar to those for which the Association was created, or otherwise distributed pursuant to the directions of the Owners.

CABIN BRANCH FOREST ASSOCIATION, INC.

INITIAL OPERATING BUDGET AND RESERVE ESTIMATE

The initial operating budget set forth on the following page estimates the first year of operating expenses of the Association. All estimates contained in this budget were made from information available from the Declarant as of January 1, 1985, and as such, all estimates are in 1985 dollars. The Declarant can make no assurances as the amounts of actual income and expenses the Association may experience.

It should also be noted that the Association will only own and be responsible for a small tot lot, the two gazebo's, the wooden fence, the entrance signs, and approximately four (4) acres of unimproved land. There are no other amenities or improvements to be owned or under the maintenance responsibility of the Cabin Branch Forest Association, Inc.

CABIN BRANCH FOREST ASSOCIATION, INC.

PROPOSED INITIAL OPERATING BUDGET

BUDGET LINE ITEM EXPLANATION

INCOME

Assessments - This is the dollar amount that is the basis for each lot owners assessment. Since there are 77 lots in the Association, the initial annual assessment per lot will be \$120.00.

EXPENSE

Tot Lot Maintenance - This dollar amount is estimated to maintain the play equipment and grounds of the tot lot.

Insurance - This item is to cover any necessary liability coverages for the tot lot and four (4) acre unimproved parcel owned by the Association.

Legal Fee - This item is for coverage of any legal costs associated with the collection of unpaid assessments, etc.

Miscellaneous -This dollar amount is to cover any unforeseen expense.

REPLACEMENT RESERVE

Replacement reserves established to provide for the eventual repair and/or replacement of some of the major common elements of the Association. Since the only major common element owned by the Association is the tot lot play equipment, those items are being reserved for.

CABIN BRANCH FOREST ASSOCIATION, INC.

PROPOSED INITIAL OPERATING BUDGET

INCOME

Assessments \$9,240.00

EXPENSE

Contribution to Loudoun County Volunteer Services \$4,620.00 (cancelled)

Tot Lot Maintenance 1,000.00

Insurance 2,895.00

Legal 500.00

Miscellaneous 100.00

TOTAL OPERATING \$9,115.00

Replacement Reserve 125.00

TOTAL \$9,240.00

REPLACEMENT RESERVE

	<u>Cost</u>	<u>Useful Life</u>	<u>Annual Contribution</u>
Tot Lot Equipment	\$500.00	4 years	\$125.00