

Articles of Incorporation

Commonwealth of Virginia



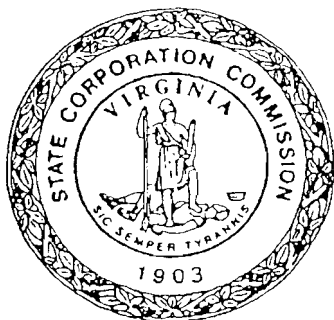
STATE CORPORATION COMMISSION

Richmond, April 19, 2002

This is to Certify that the certificate of incorporation of

Monticello Woods Homeowners 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: April 19, 2002



State Corporation Commission

Attest:

Joel H. Beck

Clerk of the Commission

ARTICLES OF INCORPORATION
OF
MONTICELLO WOODS HOMEOWNERS ASSOCIATION

In compliance with the requirements of Chapter 10 of Title 13.1 of the Code of Virginia, the undersigned, being the incorporator of this non-stock corporation, sets forth the following:

ARTICLE I

1.1. The name of the corporation is Monticello Woods Homeowners Association, Inc., hereinafter called the "Association."

1.2. The initial registered office of the Association is located at Williams Mullen, One Columbus Center, Suite 900, located in the City of Virginia Beach, Virginia.

1.3. Joseph H. Latchum, Jr., Esquire, who is a resident of Virginia and a member of the Virginia State Bar, and whose business address is the same as the Association's registered office, is hereby appointed the initial registered agent of the Association.

ARTICLE II
PURPOSE AND POWERS OF THE ASSOCIATION

2.1. The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are:

(a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Monticello Woods Declaration of Covenants and Restrictions, hereinafter called the "Declaration," and all Supplementary Declarations thereto, as the same may be amended from time to time as therein provided, said

Declaration being incorporated herein as if set forth at length. Unless the context requires otherwise, the term Declaration shall include all Supplementary Declarations.

(b) To provide for maintenance, preservation and architectural control of the Lots and Common Area described in the Declaration, and any and all other properties which may be annexed thereto in accordance with the provisions of the Declaration.

(c) To promote the health, safety and welfare of the residents within the above described property.

2.2. Without limiting the generality thereof, subject to such limitations as are set forth in the Declaration, said powers and duties of the Association shall be:

(a) To acquire (by gift, purchase or otherwise), own, hold, improve, maintain, manage, lease, pledge, convey, transfer or dedicate real or personal property for the benefit of its members in connection with the affairs of the Association, except that the acquisition, mortgaging or disposal of Common Area and/or improvements shall be subject to the provisions of the Declaration.

(b) To establish rules and regulations for the use of its property.

(c) To fix, levy and collect assessments pursuant to the Declaration.

(d) To pay all expenses incident to the conduct of business of the Association.

(e) To grant and convey easements over the Common Area.

(f) To employ, enter into contracts with, delegate authority to and supervise such persons or entities as may be appropriate to manage, conduct and perform the business obligations and duties of the Association.

(g) To participate in mergers and consolidations with other corporations.

(h) To perform such acts, as may be reasonably necessary or appropriate, including bringing suit, causing a lien to be foreclosed or suspending membership rights, to enforce or effectuate any of the provisions of the Declaration, these Articles, and the Bylaws.

(i) To regulate the external design, appearance and locations of the property described in the Declaration and improvements thereto in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography.

(j) To form subsidiary corporations.

(k) To exercise any and all powers, rights and privileges which a corporation organized under the Virginia Nonstock Corporation Act by law may now or hereafter have or exercise.

2.3. No substantial part of the activities of the Association shall be devoted to attempting to influence legislation by propaganda or otherwise within the meaning of the proscriptive provisions of the Internal Revenue Code. The Association shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE III MEMBERSHIP AND VOTING

3.1. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, including contract sellers, shall be Members 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.

Class A. Class A Members shall be all Owners of any Lot, except the Class B Member. Class A Members shall be entitled to one (1) vote for each Lot owned.

Class B. The Class B Member shall be Powhatan Crossing, Inc, a Virginia corporation, which shall have three (3) votes for each Lot owned by the Class B Member.

The Class B membership shall cease upon the earlier of the following events:

(i) when the total number of Class A votes equals the total number of Class B votes, or (ii) on December 31, 2008. Thereafter, the Declarant shall have Class A membership rights for each Lot it may own.

The vote for any membership which is held by more than one (1) person may be exercised by any one of them, unless any objection or protest by any other holder of such membership is made prior to the completion of a vote, in which case the vote for such membership shall not be counted.

Any person or entity qualifying as a Member of more than one (1) voting class, may exercise those votes to which he is entitled for each such class of membership.

3.2. The voting rights of Members shall be as follows:

(a) Class A Members and Class B Members shall vote as provided in the Declaration to approve a raise in the maximum annual assessments which is greater than allowed by the Declaration; to approve special capital improvement assessments; to approve mergers, consolidations or dissolution of the Association; to approve the conveyance, dedication or mortgaging of any Common Area; to approve amendments to the Declaration and to any Supplementary Declaration.

(b) Class A and Class B Members shall vote as a single class to approve amendments to these Articles and the Bylaws and to elect Directors.

3.3. Except as provided otherwise by law, where a vote of the Members is required, the Board of Directors shall determine by resolution whether the questions shall be decided by ballot vote at a meeting or by mail or at polling places designated by the Board, and shall give notice thereof as provided in the Bylaws.

ARTICLE IV BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors. The Directors shall be elected or appointed by one (1) or more classes of Members, and the precise number and method of selection shall be as provided in the Bylaws of the Association.

ARTICLE V DURATION

The corporation shall exist perpetually unless dissolved as provided in Article VI.

ARTICLE VI DISSOLUTION

The Association may be dissolved at a duly held meeting at which a quorum is present upon the vote of more than two-thirds (2/3) of the votes, in person or by proxy, of the Class A Members and by the Class B Member. Prior to dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be offered for dedication to the municipality in which such assets are located. In the event that such dedication is refused upon dissolution, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

ARTICLE VII
LIMITATION ON LIABILITY

Pursuant to Section 13.1-870.1 of the Code of Virginia of 1950, as amended, the following sets forth a limitation on liability of the officers and Directors of the Association:

(a) In any proceeding brought in the right of the Association or brought by or on behalf of Members of the Association, the damages assessed against an officer or Director arising out of a single transaction, occurrence, or course of conduct shall not exceed the lesser of:

- (i) One Hundred Dollars (\$100.00); or
- (ii) The greater of (A) One Hundred Thousand Dollars (\$100,000.00), or (B) the amount of the cash compensation received by the officer or Director from the Association during the twelve (12) months immediately preceding the act or omission for which liability was imposed.

(b) In any proceeding against an officer or Director who receives compensation from the Association exempt from income taxation under 501(c) of the Internal Revenue Code for his services as such, the damages assessed arising out of a single transaction, occurrence or course of conduct shall not exceed the amount of compensation received by the officer or Director from the Association during the twelve (12) months immediately preceding the act or omission for which liability was imposed. An officer or Director who serves the Association without compensation for his services shall not be liable for damages in any such proceeding.

(c) The liability of an officer or Director shall not be limited as provided in this Article if the officer or Director engaged in willful misconduct or a knowing violation of the criminal law.

ARTICLE VIII
SEVERABILITY

Invalidation of any of these articles or sections of articles by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

ARTICLE IX
ANNEXATION

Additional properties may be annexed to the area subject to the Association as provided in the Declaration.

ARTICLE X
AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the votes of the voting Class A Members and the assent of the Class B Member, if such membership is in existence at the time such amendment is voted on.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the Commonwealth of Virginia, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 17th day of April, 2002.


THOMAS R. FRANTZ, INCORPORATOR