

ARTICLES OF INCORPORATION
OF

THE HILLS AT SNOWDEN HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1
NAME

The name of this corporation is **The Hills at Snowden Homeowners Association, Inc.**, which is hereby incorporated as a non-stock corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia (1950) as amended (the "Act"). The duration of the corporation is perpetual.

ARTICLE 2
INTERPRETIVE PROVISIONS

Section 2.1. Definitions. Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Act. Capitalized terms used herein or in the Bylaws shall have the meanings specified for such terms below.

- (a) "Architectural Control Committee" means the committee that may be established by the Board of Directors pursuant to Article II of the Declaration to assure that the Property will be maintained in a manner consistent with the purposes and intents of the Declaration.
- (b) "Articles of Incorporation" means these Articles of Incorporation for The Hills at Snowden Homeowners Association, Inc.
- (c) "Association" means The Hills At Snowden Homeowners Association, Inc., and, with respect the rights and obligations of the Association set forth in the Declaration, its successors and assigns.
- (d) "Association Documents" means collectively these Articles of Incorporation, the Declaration and the Bylaws as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document shall be an integral part of that document.
- (e) "Board of Directors" or "Board" means the executive and administrative entity established by Article IV or these Articles of incorporation as the governing body of the Association.
- (f) "Builder" means a person who in the regular course of business purchases lots and becomes the Owner of such lots solely for the purpose of constructing improvements upon such Lots for resale or rental.
- (g) "Bylaws" means the Bylaws of the Association as the same may be amended from time to time.
- (h) "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.
- (i) "Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds determined by the Board of Directors to be necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents.
- (j) "Declarant" means Chatham Square Associates, a Virginia general

partnership. Following recordation of an instrument assigning to another person some or all of the rights reserved to the Declarant under the Association Documents, the term "Declarant" shall mean or include that assignee.

(k) "Declarant Control Period" means the period ending on the earlier of (i) when the total number of votes outstanding in Class A membership equals the total votes outstanding in Class B membership, or (ii) on December 31, 1999, or (iii) upon voluntary termination of such Class B membership status by the Declarant.

(l) "Declaration" means the Declaration for The Hills at Snowden Homeowners Association, Inc. made by the Declarant and recorded among the land records of the City of Fredericksburg, Virginia, in Deed Book 270, Page 607. The term "Declaration" shall include all amendments thereto amending the provisions of the Declaration pursuant to Article V of the Declaration.

(m) "Land" means, at any given time, the real estate then subject to the Declaration (including Lots and Common Area), but does not include improvements or appurtenances thereto.

(n) "Land Records" means the land records of the City of Fredericksburg, Virginia, the jurisdiction in which the Property is located.

(o) "Lot" means a portion of the Property designated as a separate subdivided lot or record (but not including the real estate designated as Common Area and owned by the Association) on a plat of subdivision, resubdivision, consolidation or boundary line adjustment of a portion of the Property recorded among the Land Records, or any plot of real estate held in separate ownership, and includes any improvements now or hereafter appurtenant to that real estate.

(p) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by members present in person or by proxy at a duly held meeting of the members at which a quorum is present. Any vote of a specified percentage of members means that percentage with respect to the total number of votes entitled to be cast by members present 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 a committee) means that percentage with respect to votes entitled to be cast by directors (or committee members) present at a duly held meeting of the Board of Directors (or committee) at which a quorum is present. Any vote of or approval by a specified percentage of the Mortgagees means a vote of or approval by the Mortgagees of Lots calculated according to the number of votes allocated to the Lot on which each has a Mortgage.

(q) "Mortgagee" means an institutional lender (one of more commercial savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities), holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot.

(r) "Officer" means any person holding office pursuant to the Bylaws.

(s) "Owner" means one or more persons who own a lot in fee simple, including contract sellers, but does not mean a person having an interest in a Lot solely by virtue of an unrecorded contract or as a security for an obligation.

(t) "Person" means one or more natural persons, corporation, partnerships, associations, trusts or other entities capable of holding title to real estate, or any combination thereof.

(u) "Property" means, at any given time, the real estate then subject to the Declaration (including Lots and Common Area) and includes all improvements and appurtenances thereto now or hereafter existing.

(v) "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.

(w) "Upkeep" means care, inspections, maintenance, operation, repair, repainting, remodeling, restoration, improvement, 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 genders, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

(e) 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. To the extent that any provision of the Association Document is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.

(d) Interpretation. 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.

(e) Complementarity of Association Documents and Incorporation by Reference. The Association Documents shall be construed together and shall be deemed to incorporate one another. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. Any provision of any Association Document referenced in any other Association Document with the intent to incorporate the provisions of the Association Document into the other Association Document, shall be deemed incorporated therein, as if set forth in full.

ARTICLE 3

PURPOSE

The Association does not contemplate pecuniary gain or profit to its members. The purposes for which the Association is organized are to:

(a) Provide for the upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots;

(b) Establish and administer the architectural, landscaping and maintenance standards governing the Property;

(c) Impose, collect and disburse dues and Assessments in accordance with the provisions of the Declaration;

(d) Exercise all powers and perform all duties and obligations of the

Association as set forth in the Association Documents with respect to all or any portion of the Property; and

(e) Exercise the powers now or hereafter conferred by law on Virginia non-stock corporations necessary or desirable to accomplish the above purposes

ARTICLE 4 MEMBERSHIP AND VOTING

Section 4.1 Membership. Members of the Association shall at all times be, and be limited to, the Declarant (for as long as the Declarant or its designees are engaged in development or sales, or activities related thereto, anywhere on the Property), and 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. Each person is entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic.

Section 4.2. Classes of Members; Voting Rights.

(a) Classes; Voting Rights. The Association shall have two classes of members, as follows:

The Class A members shall be the Owners of a Lot other than the Declarant and shall have one vote for each Lot owned. Builders which purchase a lot or lots in the subdivision for the purpose of constructing one or more single-family homes shall be Class A members of the Association, provided, however, that Declarant shall have the right in its sole and absolute discretion to designate any such builders as a Class B member.

The **Class B members** shall be the Declarant, its successors or assigns as developers of the subdivision, or designees and any Builder designated as hereinabove provided, and shall have three (3) votes for each Lot owned at any time, subject to the Declaration.

After the Declarant Control Period expires, the Class B membership shall cease to exist and the Declarant shall be treated as any other Owner with respect to voting rights appurtenant to Lots owned by the Declarant.

(b) Assignment of Voting Rights. Any member may assign such member's voting rights (as such voting rights relate to a particular Lot owned by such member), to a lessee of such Lot; provided, however, that the initial term of the lease for such Lot is for a period of not less than five (5) years; and further provided that such assignment is evidenced by a written certificate signed by the member and witnessed by a person, other than the assignee, who shall sign their name and address. Such certificate shall be filed with the Secretary.

(c) Additional Provisions Governing Voting. Additional provisions governing voting rights and procedures shall be as set forth in the Bylaws.

Section 4.3 Required Vote. A Majority Vote of the members shall be necessary for the adoption of any matter voted upon, except that

(a) So long as it still owns any part of the Property, the Declarant may unilaterally amend the Declaration for purposes of correction or clarification, provided the amendment has no material adverse upon any right of any Owner.

(b) Thereafter and otherwise, the Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing seventy-five percent (75%) of the total Class A votes in the

Association, including seventy-five percent (75%) of the Class A votes held by members other than the Declarant, and the unanimous consent of the Class B members, so long as such membership exists.

(c) No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

Directors shall be elected in accordance with Section 5.2 below. Voting shall not be conducted by class.

ARTICLE 5 BOARD OF DIRECTORS

Section 5.1. Initial Directors. Armand N. Fredette, Stephen R. Herl and Mel V. Meadows are the three initial directors of the Association, who shall serve until their successors are elected in accordance with Section 5.2 hereof. Declarant shall be entitled to remove and replace the initial directors at will.

Section 5.2 Election of Directors and Term of Office.

(a) Declarant-Controlled Board of Directors. The initial Board of Directors consists of three persons; thereafter, the number of directors may be increased to not more than seven directors pursuant to this subsection and the Bylaws. Except as provided in this section, all directors shall be elected by the Class B member who shall elect, remove and replace all such directors at will, and designate the terms thereof, until the meeting described in Subsection 5.2(b).

The term of office of at least one but less than three of the directors elected by the Class B member at the first election of directors shall expire at the third annual meeting following their election; the term of office of at least one but less than three of the directors shall expire at the second annual meeting following their election and the term of office of at least one but less than three of the directors shall expire at the first annual meeting following their election. The actual number of directors whose term of office expires at each of the three annual meetings described in the preceding sentence shall be one-third (or a fraction as near to one-third as possible) of the total number of directors. Thereafter, each director shall serve for a three-year term. If the aggregate number of directors is increased pursuant to this section, 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.

(b) Owner-Controlled Board of Directors. At the first annual meeting of the Association following the end of the Declarant Control Period or at any special meeting called by the Declarant to transfer control of the Board of Directors, the number of directors may be increased to seven and the number of directors elected by the Class B Member shall resign, if necessary, so that a majority of directors shall have been elected by all members having voting rights. At such meeting and at every annual meeting thereafter, members of the Board of Directors whose term has expired or who have resigned shall be replaced by a vote of all Members having voting rights (including the Declarant).

Section 5.3. Election Procedures Qualifications.

(a) Elections Committee. Prior to each meeting of the Association at which directors are elected other than the Class B member, the Board of Directors shall appoint an Elections Committee consisting of a member of the Board whose terms is not then expiring and at least two other persons who are not

members of the Board. 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 members at annual meetings and, where appropriate, special meetings.

(b) Nominations. Persons qualified to be directors may submit an application to the Secretary at least twenty-five (25) days before the meeting at which the election is to be held. Such application shall be signed by at least three other members and either signed by the nominee or accompanied by a document signed by the nominee indicating a willingness to serve as a director; provided, however, that 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 candidate has submitted an application. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve.

(c) Qualifications. No person shall be eligible for election as a member of the Board of Directors unless such person is an Owner, an Owner's spouse, an officer, trustee, general partner or agent of an Owner, the Declarant (or a designee of the Declarant) or a Mortgagee in possession (or a designee of a Mortgagee in possession). No owner or representative of such owner shall be elected as a director or continue to serve as a director if such owner is more than sixty (60) days delinquent in meeting financial obligations to the Association.

(d) Exception During 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 5.4. 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 Act, these Articles of Incorporation or the Bylaws. The Bylaws may be amended solely in accordance with the provisions of the Bylaws. The Board of Directors may not mortgage, pledge or dedicate to the repayment of indebtedness or otherwise transfer, convey or encumber any or all of the Association property without the approval of the members as required by the Declaration.

Section 5.5. Removal or Resignation of Directors. Except with respect to initial directors, directors elected by the Declarant and replacements thereof, 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 members entitled to cast a majority of the total number of votes and a successor may then and there be elected by the members to fill the vacancy thus created.

Any director whose removal has been proposed by the members shall be given at least ten (10) 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 given to members of such meeting shall state that one of the purposes of the meeting is to remove such director. The Declarant may remove and replace any initial director or any director elected by the Declarant or a replacement thereof at will, pursuant to Section 5.2 hereof. A director may resign at any time giving notice to the Board of Directors, the President or the Secretary,. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. Except for an initial director, any director elected by the Declarant or replacement thereof, 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, if the minutes reflect the Board's decision to remove such director. No director need be a resident of the Property, but beginning at such time as the directors are elected by all members entitled to vote rather than elected solely by the Class B member and at all times thereafter, if any director was a resident when elected such director shall be deemed to have resigned at such time as such director ceases to be a resident.

Section 5.6. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by the members, or the Declarant, if appropriate, shall be filled by a Majority Vote of the remaining directors at the meeting of the Board held for such purpose promptly after the occurrence of such vacancy or, if the directors remaining in office constitute fewer than a quorum, an affirmative vote of the majority of the directors then remaining in office even though the directors present at such meeting 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 members shall be filled by a vote of the members, pursuant to Section 5.5 hereof, and shall serve the remainder of the term of the director being replaced. The Declarant shall designate the successor to an initial director or any director elected by the Declarant. The term of the replacement directors shall expire so that the staggered terms shall remain unaffected.

ARTICLE 6
INITIAL REGISTERED OFFICE

The initial registered office of the Corporation is located in the County of Stafford, Virginia, at 420 Chatham Square Office Park, Fredericksburg, Virginia 22405, at which office the initial registered agent of the Corporation is Armand N. Fredette, who meets the requirements of Section 13.1-833 of the Act by reason of the fact that he is a resident of Virginia and a Director of the Corporation, and whose business office is identical with that of the registered office of the Corporation.

ARTICLE 7
AMENDMENT

These Articles may not be amended unless the amendment is adopted by at least a seventy-five percent (75%) vote of the members. No amendment to these Articles may diminish or impair the rights of the Declarant without the prior written consent of the Declarant. The Association may not make any amendment in violation of the Act.

ARTICLE 8
DISSOLUTION

The Association may not be dissolved unless the resolution to dissolve is adopted by at least a seventy-five percent (75%) vote of the members. Upon termination of the Declaration and the dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed and assigned to another nonprofit corporation, association, trust

or other organization or governmental agency devoted to purposes similar to those for which the Association was created. This Article may not be amended without the prior written approval of fifty-one percent (51%) of the Mortgagees.

IN WITNESS WHEREOF, the incorporator of the Association has signed these Articles of Incorporation on February 12, 1997.

INCORPORATOR
Leland L. Baker, Jr.

//signed// Leland L. Baker, Jr.

I certify:

THAT I am the duly elected and acting President of The Hills at Snowden Homeowners Association, Inc., and

THAT the foregoing Articles of Incorporation constitute the current Articles of said Association as amended by vote of the Association on December 1, 2002.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 6th day of December 2002.

//signed// David Buchanan, President