

ARTICLES OF INCORPORATION

OF

TANYARD PROPERTY OWNERS ASSOCIATION, INC.

WHEREAS, Lawrence D. Kavanagh, Jr. and Judith M. Kavanagh, his wife (hereinafter sometimes referred to as "the Developer"), are now developing part of the Town and County of Louisa, Virginia, as a development that will be known as "Tanyard Subdivision" and is hereinafter sometimes referred to as "the Development"; and

WHEREAS, it is desirable that a maintenance system be established, governed, and operated by the owners of the lots or re-subdivided lots in the Development in such a manner as to promote the creation and preservation of the peaceful enjoyment of the property, the protection of property values in the Development, and the maintenance of the private roadways and appurtenant drainage easements; and

WHEREAS, the term "Development" as hereinafter used shall mean such portions of the property known as Glen Marye Farm as the Developer may from time to time specifically designate as property the owners of which are obligated to become members in this association; and

WHEREAS, a Master Declaration of Protective Covenants has been or will be recorded with respect to the Development;

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, each of whom is a citizen of the United States, do hereby undertake to form a not-for-profit corporation without capital stock under the provisions of Chapter II, Title 13.1 of the Code of Virginia, The Virginia General Non-Stock Corporation Act, as amended.

ARTICLE I

The name of the Corporation is Tanyard Property Owners Association, Inc., and it is hereinafter referred to as "the Association".

ARTICLE II

The general objects and purposes and powers of the Association are:

1. To further and promote the community welfare of the property owners in the Development and to exercise the powers and functions granted to it in, or pursuant to, the Protective Covenants applicable to the Development, or any portions thereof, and any other restrictive covenants that have heretofore or may hereafter be recorded in respect of the Development or any part thereof.
2. To care for, maintain, repair, improve and/or beautify all roadways and appurtenant drainage easements which may be established within the Development that are not maintained by governmental authority.
3. To enforce charges, easements, restrictions, regulations, conditions, covenants, and servitudes existing upon and created for the benefit of the property over which the Association may have jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of the Association; and to pay all expenses in connection therewith.
4. To appoint such committees as may be necessary to, or convenient in, the Association's discharging the duties entrusted to it.
5. To levy an annual charge upon the members of the Association; to publish the names of members who shall fail to pay charges made by the Association; to initiate and prosecute any proceeding, action, or suit to collect any of such charges as are not paid; to impose a lien against any real estate in the Development that is owned by a delinquent member of the Association for any such charge as is not paid when due; and to foreclose or otherwise enforce any such lien. Each year the Board of Directors of the Association shall consider the current maintenance needs and the future maintenance needs of the Association

including the expense of snow removal and, in light of those needs, shall fix the amount of the annual charge (dues) necessary to fully discharge said needs. The owners of each lot shall be obligated to pay five percent (5%) of the annual charge (dues) until such time as more than twenty (20) lots have been conveyed by the Developer to third party purchasers, at which time the amount of the annual charge assessable to each lot shall be one hundred percent (100%) of the assessment divided by the number of lots so sold and conveyed as of the date of the annual assessment. Any said charge, if not paid when due, shall bear interest thereon at twelve percent (12%) per annum until paid, and said interest and all reasonable costs of collection, including attorney's fees, shall be considered for purposes of collection and for the purposes of imposing a lien against any real estate in the Development that is owned by a delinquent member of the Association as a part of the charge. Nothing contained in this paragraph five (5) does, or is intended to, or shall be construed to, create in the Association a power to levy or make any charge of any kind against the Developer for any lots or resubdivided lots owned by the Developer, against the Association itself, or against any corporation that may hereafter be created to acquire title to, and operate, the amenities or other property on behalf of the Association. Any person or entity (other than the Developer), upon becoming a Class A member, shall not be liable for a pro rata share of the annual dues for the remaining portion of the dues year as determined by the Board of Directors. Anything to the contrary notwithstanding, the Board of Directors may, at any time, make a special assessment upon the Class A members in such amount as the Board deems necessary to meet the present and future needs of the Association but only upon the approval of two-thirds (2/3) or more of the total Class A membership,

and like the annual charge, a special assessment of this nature may not be made against the Developer for any lots owned by the developer.

6. To acquire by gift, purchase, or other means, to own, hold, enjoy, operate, maintain, convey, sell, lease, transfer, mortgage or otherwise encumber, or dedicate for public use, real or personal property in connection with the business of this Association.

7. To expend the money collected by the Association from assessments or charges, and other sums received by the Association, for the payment and discharge of all proper costs, expenses, and obligations incurred by the Association in carrying out all or any of the purposes for which the Association is formed.

8. To borrow money and to give, as security therefore, a mortgage or other security interest in any or all real or personal property owned by the Association, or a pledge of monies to be received under paragraph five (5) above, and to assign and pledge its right to make assessments and charges and its right to claim a lien therefore.

9. To do any and all lawful things and acts, and to have any and all lawful powers, which a corporation organized under and by virtue of The Virginia Non-Stock Corporation Act, as amended, may do and have, and in general to do all things necessary and proper to accomplish the foregoing purposes, including the specific power to appoint any person or corporation as its fiscal agent to collect all assessments and charges levied by the Association and to enforce the Association's liens for unpaid assessments and charges or any other lien owned by the Association.

10. To discharge at a minimum, the snow removal obligations set forth in the Louisa County Subdivision Ordinance.

ARTICLE III

The period during which the Association shall continue as a corporation shall be perpetual.

ARTICLE IV

The name of the initial registered agent of the Association is R. Jefferson Garnett, a resident of Virginia and a member of the Virginia State Bar. The post office address of the initial registered agent of the Association and the registered office of the Association shall be:

Garnett and Garnett  
Elm Street and Courthouse Square  
P. O. Box 936  
Louisa, Virginia 23093  
Louisa County

ARTICLE V

1. The members of the Association shall be persons, corporations, or other legal entities, who at any time are owners (legal or equitable) as hereinafter defined of numbered lots and, where permitted, any resubdivided lots in the Development and whose applications for membership have been approved; and the Developer shall also be a member of the Association, as herein provided. A person who has no interest in real estate in the Development other than an interest that is held merely as security for the performance of an obligation to pay money (e.g., the interest of a mortgagee or a land contract vendor) shall not be entitled to membership in the Association. An owner, as used herein, means any person or legal entity, including the Developer, who holds fee simple title to any lot and to any resubdivided lot, and any person or legal entity who has contracted to purchase fee simple title to a lot pursuant to a written agreement, in which case the seller under said agreement shall cease to be the owner while said agreement is in effect, after written notice to the Association.

2. Membership in the Association shall lapse and terminate when any member shall cease to be the owner of a numbered lot

or resubdivided lot in the Development upon written notice to the Association.

3. Meetings of members may be held at such place within this State, as may be provided in the By-Laws or, where not inconsistent with the By-Laws, in the notice of the meeting.

An annual meeting of the members shall be held at such times as may be provided in the By-Laws. Meetings of the members may be called by the president or by the Board of Directors.

Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days or more than fifty (50) days before the date of the meeting (except as a different time is specified below), either personally or by mail, by or at the direction of the president or the Board of Directors to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association (or upon the tax records of the Treasurer of Louisa County), with postage thereon prepaid. In lieu of delivering notice as above, the Association may publish such notice at least once a week for two successive calendar weeks in a newspaper published in the city or county in which the registered office is located, or having a general circulation therein, the first publication to be not more than fifty (50) days, and the second publication not less than seven (7) days before the date of the meeting.

4. The Members of the Association shall be divided into Class A Members and Class B Members. No person, firm, or corporation, except the Developer (and any person or legal entity who shall hereafter succeed to the Developer's interest, substantially and as a whole) shall hold a Class B membership in the Association. The Developer, as a Class B Member, shall be entitled to cast a total of twenty (20) votes until such time as

the Developer elects, in the Developer's sole discretion, to resign his Class B membership or until the Developer has sold and conveyed as many as twenty (20) lots within the Development, as the same may from time to time be expanded or enlarged, whichever event shall first occur. All lot owners shall receive a total of one (1) vote for each lot and, where permitted, each resubdivided lot, regardless of the number of persons or entities who may have an ownership interest in such lot or resubdivided lot or in the manner in which title is held by them.

Class A Members shall consist of the owners, as defined in Article V, paragraph 1 above, of any lot and any resubdivided lot.

5. No member may be expelled from membership in the Association for any reason whatsoever; provided, however, that the Board of Directors of the Association shall have the right to suspend the voting rights of Class A Members (a) for any period during which any Association charge owed by the Member remains unpaid; (b) during the period of any continuing violation of the protective covenants of the Development, after the existence of the violation shall have been declared by the Board of Directors of the Association; and (c) for a period to be determined by the Board of Directors not to exceed one year for repeated violations of the By-Laws or the rules and regulations of the Association.

6. The term "Developer" as used in the Articles of Incorporation of Tanyard Property Owners Association shall mean Lawrence D. Kavanagh, Jr. and Judith M. Kavanagh and any person or legal entity who shall hereafter succeed to the Developer's interest in this Development substantially as a whole.

#### ARTICLE VI

The affairs and business of the Association shall be managed by a Board of Directors, the exact number to be stated in the By-Laws of the Association, but shall be not less than three

(3) nor more than seven (7) in number. Each member of the Board of Directors shall be appointed by the Class A and Class B members.

The Board of Directors of the Association shall have power to adopt By-Laws of the Association not inconsistent with these Articles or with the laws of the State of Virginia. Pursuant to the By-Laws, the Board of Directors shall elect a President, one or two Vice Presidents, a Secretary and a Treasurer. The Offices of Secretary and Treasurer may be filled by one person. The Officers shall have such qualifications, powers and duties, and shall be elected in such a manner, at such time and place, and shall serve for such terms as may be provided in the By-Laws of the Association.

Each person now or hereafter a Director or Officer of the Association (and his heirs, executors and administrators) shall be indemnified by the Association against all claims, liabilities, judgments, settlements, costs and expenses, including all attorney's fees, imposed upon or reasonably incurred by him in connection with or resulting from any action, suit, proceeding or claim to which he is or may be made a party by reason of his being or having been a Director or Officer of the Association (whether or not a Director or Officer at the time such costs or expenses are incurred by or imposed upon him), except in relation to matters as to which he shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his duties as such Director or Officer. In the event of any other judgment against such Director or Officer or in the event of a settlement, the indemnification shall be made only if the Association shall be advised, in case none of the persons involved shall be or has been a Director, by the Board of Directors of the Association, and otherwise by independent council to be appointed by

the Board of Directors, that in its or his opinion such Director or Officer was not guilty of gross negligence or willful misconduct in the performance of his duty, and in the event of a settlement, that such settlement was or is in the best interest of the Association. If the determination is to be made by the Board of Directors, it may rely as to all questions of law on the advice of independent counsel. Such right of indemnification shall not be deemed exclusive of any right to which he may be entitled under any By-Law, Agreement, Vote of Members, or otherwise.

ARTICLE VII

The number of Directors constituting the initial Board of Directors is three, and the names and addresses of the persons who are to serve as the initial Directors are:

Lawrence D. Kavanagh, Jr.	RFD 1, Box 451 Louisa, Virginia 23093 (Louisa County)
Judith M. Kavanagh	RFD 1, Box 451 Louisa, Virginia 23093 (Louisa County)
John A. Hodge	Mineral, Virginia 23117 (Louisa County)

ARTICLE VIII

The names and addresses of the incorporators are as follows:

Lawrence D. Kavanagh, Jr.	RFD 1, Box 451 Louisa, Virginia 23093
R. Jefferson Garnett	Elm Street and Court- House Square Louisa, Virginia 23093

ARTICLE IX

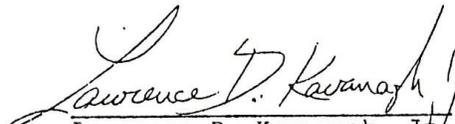
No part of the net earnings of the Association shall inure to the benefit of or be distributable to its members, Directors, Officers or other private person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the second Article

hereof. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association 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. Notwithstanding any other provision of these Articles, the Association shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501(c)(7) of the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue Law.

ARTICLE X

None of the provisions of these Articles of Incorporation may be altered or amended in whole or in part in such a way as to bring them into conflict with the restrictive covenants and deed of restrictions now or hereafter made applicable to the Development. With the foregoing exception, these Articles may be freely amended in accordance with the provisions of The Virginia General Non-Stock Corporation Act, as now or hereafter amended.

GIVEN under our hands this 31<sup>st</sup> day of DECEMBER, 1983.

  
Lawrence D. Kavanagh, Jr.

  
R. Jefferson Garnett

Witness: In the Clerk's Office of the Circuit Court of Louisa County June 5, 1984. This Articles of Incorporation was this day received in said office, and, upon the certificate of acknowledgment thereto annexed, admitted to record at 12:30 o'clock P M.

Teste: Joan H. Leonard Deputy Clerk.