

ARTICLES OF INCORPORATION

OF

ANNA COVES PROPERTY OWNERS ASSOCIATION, INC.

We, the undersigned citizens of the United States hereby associate to form a non-stock, non-profit corporation under the provisions of Chapter II, Title 13.1 of the Code of Virginia, and to that end set forth the following:

1. The name of the corporation is Anna Coves Property Owners Association, Inc.
2. The purpose of the corporation is to be exclusively for pleasure or recreation and other non-profitable purposes, to be organized and operated under the regulations and provisions of Section 501(c)(7) of the Internal Revenue Code of 1950, to further promote the community welfare of the property owners within the development known as Anna Coves, and such other property owners as may become qualified for membership as hereinafter set forth, and to that end, the corporation shall be responsible for the maintenance, repair, upkeep, and capital improvements of all recreational real property coming under its possession or control, together with any items of personal property associated therewith; and to provide for the payment of taxes and assessments, if any, that might be levied by any governmental authority upon any area in the subdivision that may be conveyed or leased to the association; and to enforce charges, easements, restrictions; 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; and to appoint such committees as may be necessary to, or convenient in, the association's discharging the duties entrusted to it; and 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 sue to collect any of such charges as are not paid, to impose a lien upon any real estate in the subdivision that is owned by a delinquent member of the association for any such charge as is not paid when due; and to foreclose upon any such lien. Each year the Board of Directors of the association shall consider the current maintenance needs and future needs of the association and, in light of those

needs, shall fix the amount of the annual charge herein provided for, which charge shall not exceed \$75.00 per year for each numbered lot within Anna Coves until such time as the developer (Spots-Lou, Inc.) has sold and conveyed title to 75% of the lots within Anna Coves; and provided that in no event shall the Property Owners Association be permitted to assess said developer for any lots owned by developer; and to acquire by gift, purchase, lease, or other means, to own, hold, enjoy, lease, operate, maintain and improve real and personal property; and to expend monies collected by the association from assessments or charges, and all 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 this association is formed; and 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 Corporate Act, as amended, may do and have and in general to do all things necessary and proper to accomplish the foregoing purposes.

3. The period of time during which the association shall continue as a corporation shall be perpetual.
4. The post office address of the initial registered office is P. O. Box 936, Louisa, Virginia 23093, where the initial registered office is located. The initial registered agent is R. Jefferson Garnett, Esquire, a member of the Virginia State Bar and a resident of Louisa County, Virginia, whose post office address is the same as the initial registered office. The initial registered office is located in Louisa County, Virginia.
5. The Board of Directors shall consist of not less than three members, and the maximum number of the Board of Directors shall be provided for by the Bylaws from time to time. The number of Directors constituting the initial Board of Directors is to be five who shall hold office until the first annual election of Directors. Vacancies in the Board of Directors shall be filled forthwith by the remaining Directors until the next annual meeting of the Membership who shall elect a new Board of Directors. The names and addresses of the Directors of the corporation who shall serve until the first annual meeting of the corporation, or until a special meeting of the membership is called for the purpose of electing a new Board of Directors, are as follows:

<u>Name</u>	<u>Address and Telephone</u>
John L. Geisinger	12910 Mt. Royal Lane Fairfax, Virginia 22033
Ann Clary Graham	4418 Wickford Road Baltimore, Maryland 21210

<u>Name</u>	<u>Address and Telephone</u>
George J. Canovas	1804 Cool Spring Drive Alexandria, Virginia 22308
William M. Rogers	P. O. Box 88 Ashland, Virginia 23005
James W. Deitrick	900 Milford Mill Road Baltimore, Maryland 21208

6. The members of the Association shall be persons or corporations who at any time are owners (legal or equitable) of numbered residential lots in Anna Coves. A person who has no interest in real estate in Anna Coves 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.

In the event Spots-Lou, Inc., or a successor developer, acquires or develops additional land located near Anna Coves, and exercises its rights and reservations set forth in Paragraphs 14 and 15 of that deed of dedication affecting Anna Coves recorded in the Clerk's Office of the Circuit Court of Louisa County in Deed Book 216 at page 443 by granting unto others the right to use the "boat ramp" area (Lot 10) or any other land owned, controlled, or coming within the possession of the Association, then the owners of any such additional land or portions thereof, shall be members of the Association as if said owners owned a lot within Anna Coves. Membership in the Association shall lapse and terminate when any member shall cease to be the owner of a numbered residential lot within Anna Coves (or when any member ceases to be the owner of any land which qualified that owner for membership in the Association).

Meetings of members may be held at such place either within or without this State, as may be provided in the bylaws, or where not inconsistent with the bylaws, in the notice of the meeting.

An annual meeting of the members shall be held at such time as may be provided in the bylaws. Meetings of the members may be called by the president or 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 or more than fifty days before the date of the meeting (except as a different time is specified below), either personally or by mail 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 corporation, with postage thereon prepaid. Alternatively, 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 tax books maintained by the Commissioner of Revenue of Louisa County, Virginia. In lieu of delivering notice as above, the corporation 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 days, and the second not less than seven days, before the date of the meeting.

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, and the right to use any property owned, possessed, or controlled by the Association (i) for any period during which any Association charges, fees or assessments owed by the member remains unpaid; and (ii) during the period of any continuing violation of any restrictive covenants of Anna Coves, after the existence of the violation shall have been declared by the Board of Directors of the Association and after the Board of Directors has so notified the affected member of the violation.

7. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its members, Directors, Officers or other private persons, except that the Corporation 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 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. Notwithstanding any other provision of these Articles, the Corporation 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 further United States Internal Revenue Law.
8. Members of the Association shall have the right to one vote for each lot owned in Anna Coves (or for each lot located outside of Anna Coves, the ownership of which may in the

future qualify said owners for membership). If there be more than one owner of a lot, as aforesaid, then the owners shall have the right to a total of one vote per lot to the end that a lot owned by a single entity shall have the same voting influence and power within the Association as a lot owned by two or more entities.

9. 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 which Board shall be comprised of at least three (3) members.

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

10. Each person now or hereafter a Director or Officer of the Corporation (and his heirs, executors and administrators) shall be indemnified by the Corporation 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 Corporation, 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 Corporation shall be advised (in those instances where the persons involved are not currently serving as a Director or Officer, by the Board of Directors of the Corporation, and all other instances by independent counsel 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 interests of the Corporation. 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 Bylaw, Agreement, Vote of Members, or otherwise.

11. The names and addresses of the incorporators are as follows:

<u>Name</u>	<u>Address</u>
William M. Rogers	P. O. Box 88 Ashland, Virginia 23005
R. Jefferson Garnett	P. O. Box 936 Louisa, Virginia 23093

12. The following described property is to be conveyed to the Association at or upon its incorporation:

ALL of that certain tract or parcel of land situated in Mineral District, Louisa County, Virginia, identified as Lot 10 together with the shoreland immediately adjacent thereto, as said Lot 10 and the immediately adjacent shoreland is more particularly described in a certain modification of deed of dedication dated November 1, 1978, of record in the Clerk's Office of the Circuit Court of Louisa County, Virginia, in Deed Book 220 at page 207, and as the said lot and adjoining shoreland are more particularly described on a certain plat of survey dated November 24, 1977, as revised October 30, 1978, by Milton Terry Estes, C.L.S., Inc., and entitled "Sub-division of 'Anna Coves'" and which plat is of record in the aforesaid Clerk's Office in Plat Book 7, subject to certain restrictions and covenants not necessary to set forth herein.

13. 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 in conflict with the deeds of dedication now or hereafter made applicable to Anna Coves. With the foregoing exception, these Articles may be freely amended in accordance with the provisions of The Virginia Non-Stock Corporation Act, as now or hereafter amended.

Given under our hands this day of April, 1981.

William C. Rogers

R. Jefferson Garnett