

**ARTICLES OF INCORPORATION OF
BEACON HILL HOMEOWNERS' ASSOCIATION, INC.**

I hereby form a nonstock corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia of 1950 and to that end set forth the following:

1. Name. The name of the corporation is BEACON HILL HOMEOWNERS' ASSOCIATION, INC.
2. Membership. Each Owner of a Lot in Beacon Hill Subdivision shall be a member of the Corporation and entitled to voting rights in the association. Membership is appurtenant to, and inseparable from, ownership of the Lot.
3. Voting Rights. All Lot Owners shall be entitled to one (1) vote for each Lot in which they hold a fee simple interest.
4. Board of Directors. The Initial Board of Directors of the Corporation shall consist of three members and shall be appointed by the Declarant, Beacon Hill of Harrisonburg, LLC, a Virginia Limited Liability Company, until such time as the aforesaid Declarant settles the sale of Lots (including improvements on the Additional Land), representing 75% or more of the aggregate Lots, hereinafter referred to as "Declarant Control Period." Thereafter, the Board of Directors shall consist of five (5) persons, two of whom shall be elected by the Lot Owners. For two (2) years after the Declarant Control Period, the Declarant may appoint three (3) voting members to the Board.
5. Registered Office and Registered Agent. The address of the Corporation's initial registered office is 92 North Liberty Street, P. O. Box 71, Harrisonburg, Virginia 22803. The name of the city in which the initial registered office is located is the City of Harrisonburg. The name of the initial registered agent is M. Steven Weaver who is a resident of the Commonwealth of Virginia, a member of the Virginia State Bar and whose business office is identical with the registered office of the Corporation.
6. Amendment. Amendment of these Articles of Incorporation requires the approval of 2/3 vote of all Lot Owners and prior administrative approval of HUD/VA.
7. Dissolution. If the Beacon Hill Homeowners Association, by a 2/3

majority vote, determines it cannot continue to perform the functions for which it was organized, the assets of the association shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes.

8. Purpose. The purpose for which the Corporation is formed is to provide for the administration of the subdivision which is located at the southern corner of North Main Street and Vine Street in the City of Harrisonburg, Virginia, and to provide for the management, maintenance and care of association property (as that term is defined in Section 528(c)(4) of the Internal Revenue Code of 1954, as amended) and in connection therewith, to:

(a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Corporation as set forth in the above-referenced Dedication and Bylaws. The foregoing Dedication and Bylaws are together referred to as the "Subdivision Instruments", and are incorporated herein by reference. For the purposes hereof, the initial owner of the Land described in and subject to the Subdivision Instruments, who is the party executing the Subdivision Instruments, shall be referred to as the "Declarant."

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the subdivision Instruments; and pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation.

(c) 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.

(d) None of the above purposes is intended to or shall be interpreted or construed in any way to conflict with or expand upon the specific purpose first herein above mentioned in such a way as to cause the Corporation to lose or not qualify for the exemption from income taxes provided by Section 528 of the Internal Revenue Code of 1954, as amended.

9. Miscellaneous. Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendments of the Articles requires prior administrative approval of HUD/VA during the Declarant Control Period, notwithstanding said approval, should approval not be obtained it shall not effect the validity or enforceability of these Articles of Incorporation.

DATED: *Jan. 14, 2002*



M. Steven Weaver, Incorporator