

ARTICLES OF INCORPORATION

OF

CEDAR RIDGE PROPERTY OWNERS ASSOCIATION, INC.

In compliance with the requirements of the Virginia Nonstock Corporation Act (Va . Code, §13.1-201 et seq.), the undersigned has this day formed a corporation not for profit and does hereby certify:

ARTICLE I

The name of the corporation is Cedar Ridge Property Owners Association, Inc. (hereinafter called the "Association"). It is formed pursuant to the subdivision ordinances of Franklin County particularly Article 16.1 of the Franklin County Code.

ARTICLE II

The principal office of the Association is located at Route 3, Box 161, Moneta, Virginia, 24121.

ARTICLE III

The initial Registered Office of the Association shall be located at the law offices of Parvin, Wilson, Barnett & Hopper, P.C., Dominion Bank Building, Suite 700, 213 South Jefferson Street, City of Roanoke, Commonwealth of Virginia, 24011 and the initial Registered Agent shall be Douglas D. Wilson, who is a resident of the Commonwealth of Virginia and a member of the Virginia State Bar and whose business address is the same as the address of the initial Registered Office.

ARTICLE IV

PURPOSE AND POWERS OF ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots or units and common areas

within that certain tract of real property known as Cedar Ridge owned and developed by CF&O Development Corp. and initially recorded as an acreage tract in the Office of the Clerk of the Circuit Court of Franklin County, Virginia, in Deed Book 399, page 1513, and subsequently subdivided as shown on the Plat of Record in the aforesaid Clerk's Office in Deed Book 418, pages 470-473. A more particular description of said real property may be obtained from the Clerk of the Circuit Court of Franklin County, Virginia.

It shall be the further purpose of this Association to promote the health, safety and welfare of the residents within such property and any additions thereto as may hereafter be brought within the jurisdiction of this Association.

For the above-stated purposes, this Association shall have the power to:

(a) exercise all of the powers and privileges and perform all of the duties and obligations of the Association as applicable to the real property and now recorded or to be recorded in the land books of Franklin County, Virginia, and as the same may be amended from time to time as therein provided. And further to perform any and all contracts necessary for the proper development and maintenance of the real estate described above;

(b) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against any property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use

or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and within the authorization of than more two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the common areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless authorized by the vote of more than two-thirds (2/3) of each class of members;

therein provided. And further to perform any and all contracts necessary for the development proper and maintenance of the real estate described above:

(b) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration: to pay all in expenses connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against any property of the Association:

(c) acquire (by gift, purchase or otherwise), own, hold, convey, improve, build on, operate, maintain, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association:

(d) borrow money, and within the authorization of than more two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred:

(e) dedicate, sell or transfer all or any part of the common areas to any public agency, authority, or utility for such and subject purposes to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless authorized by the vote of more than two-thirds (2/3) of each class of members:

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and common areas, provided that any such merger, consolidation or annexation shall have the assent of more than two-thirds (2/3) of each class of members;

(g) construct, own, transfer and maintain any and all sewer/septic and water/well systems in connection with said development; and

(h) have and 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.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in a lot or unit which is subject to assessment by the Association, including contract sellers, shall be a member 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. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all lot owners (with the exception, for so long as there shall be a Class B membership, of the Declarant) and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member shall be the Developer/Declarant, CF&O Development Corp., which shall be entitled to three (3) votes for each lot owned or planned in the overall development plan. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when seventy-five percent (75%) of the lots are sold within the Cedar Ridge Subdivision; or
- (b) Declarant, at its election, terminates such Class B membership.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors.

The initial Board shall have three (3) directors. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME

ADDRESS

Roy N. Oliver

Route 3, Box 161
Moneta, Virginia 24121

David C. Falwell

Route 3, Box 161
Moneta, Virginia 24121

V. T. Crawford

Route 3, Box 161
Moneta, Virginia 24121

At the first annual meeting of the members, the members shall elect one-third (1/3) of the directors for a term of one year, one-third (1/3) of the directors for a term of two years, and one-third (1/3) of the directors for a term of three years; thereafter, the directors shall be elected for three-year terms. The Association may in its bylaws and by amendment thereto increase the number of directors.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent of more than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

A proposed amendment of these Articles shall be adopted upon receiving more than two-thirds (2/3) of the votes entitled to be cast by members present or represented by proxy at the meeting at which such proposed amendment is considered.

IN WITNESS WHEREOF, for the purposes of forming this Corporation, under

the laws of the Commonwealth of Virginia, the undersigned, the incorporator of this Association, has executed these Articles of Incorporation on this the 22nd day of March, 1988.

Douglas D Wilson (signature reproduced)
Douglas D. Wilson

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David Weiler
10/12/2004