

Articles of Incorporation
The Townes at Bluestone Property Owners' Association

Order: KH378P8P9
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Order Date: 02-18-2019
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ARTICLES OF INCORPORATION
OF THE
TOWNES AT BLUESTONE PROPERTY OWNERS ASSOCIATION, INC.

The undersigned Incorporator hereby establishes a nonstock corporation subject to the requirements of the laws of the Commonwealth of Virginia, pursuant to the provisions of Chapter 10 of Title 13.1 of the Code of Virginia, 1950, as amended, and to that end, hereby adopts Articles of Incorporation as follows:

ARTICLE I
Name

The name of the Corporation shall be the "Townes at Bluestone Property Owners Association" (the "Association").

ARTICLE II
Definitions

Any capitalized terms used in these Articles that are not defined in these Articles have the meanings given to them in the Declaration of Covenants, Conditions and Restrictions for the Townes at Bluestone, Section One (alternatively, the "Townes, Section One" or the "Development Property"), as amended and supplemented from time to time, and as now or hereafter recorded in the Office of the Clerk of the Circuit Court of Rockingham County, Virginia (the "Declaration").

ARTICLE III
Members

3.01 Membership. There shall be one Association Membership appurtenant to each platted lot (each a "Lot") within the Development Property. The Association Membership appurtenant to a Lot

Order: KH578P8P9
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shall be held by the record Owner(s) of that Lot, may not be separated from the Lot to which it is appurtenant, and shall transfer with the conveyance of fee simple title to a Lot. Any Association Membership appurtenant to a Lot having more than one Owner shall be shared by such Owners, but each such Owner shall be a member of the Association.

3.02 Voting. The Association shall have two voting classes. Class "A" members shall be all Owners other than Declarant and shall be entitled to one vote for each Lot owned. The Class "B" member shall be Declarant, its successors or assigns, and shall be entitled to three votes for each Lot owned. If a Lot to which a Class "A" Membership is appurtenant is owned by more than one Owner, then such Owners shall be entitled to one collective vote; fractional voting is not allowed.

3.03 Suspension of Voting Rights. The Association has the right to suspend the voting rights of any Owner during a period of default by such Owner with respect to his or her obligations under the Declaration or the governing documents of the Association.

A new Owner acquiring title to a Lot is obligated to provide notice to the Association as required by Section 5.1 of the Declaration and shall not be entitled to vote on Association matters unless such notice has been provided.

ARTICLE IV Registered Office and Agent

The initial registered office of the Association shall be located in the City of Harrisonburg, Virginia. The address of the initial registered office is Lenhart Obenshain PC, 90 N. Main Street, Suite 201, Harrisonburg, Virginia 22802. The name of the initial registered agent, whose business office is identical with such registered office, shall be Suzanne F. Thomas, who is a member of the Virginia State Bar and a resident of the Commonwealth of Virginia. The Board of Directors of the Association may change the registered agent at any time.

ARTICLE V
Board of Directors

5.01 **Composition of Board of Directors.** The business and affairs of the Association shall be controlled, conducted and managed by its Board of Directors, to be comprised of at least three but no more than seven members. The initial Board of Directors shall have three members, and those three initial members of the Board of Directors shall be James T. Vickers, Vaughn T. Foura and Christopher M. Mohn, each of whom shall serve until the first annual meeting of the Association following the expiration or termination of the Declarant Control Period (as defined in Section 5.02 below), at which time their successors shall be duly elected.

5.02 **Declarant Control Period.** The Board of Directors of the Association initially shall be composed of three members, all of whom are named above as appointed by the Declarant. Within a reasonable period of time after the Class A Members acquire ownership of fifty percent (50%) of the Lots in the development, the Board of Directors shall increase in size to five directors, with the two new directors being Owners selected by Declarant and serving until the next annual meeting of the Members, at which time their successors will be elected. At the first regularly scheduled annual meeting of the Members following the conveyance by Declarant of at least seventy-five percent (75%) of the Lots in the development, Declarant shall remove one Declarant appointee from the Board of Directors and a replacement director shall be elected by the Class A Members in order that a majority of the members of the Board of Directors are Class A Members. From that point forward, so long as Declarant owns any Lot in the Development Property (the "Development Period"), Declarant shall have the right to appoint 2/5 of the members of the Board of Directors (or if the Board is increased in size to six directors, then 3/6, or if the Board is increased in size to seven directors, then 3/7). Promptly after the end of the Development Period, the directors appointed by Declarant shall resign, and the remaining directors shall continue to serve as the Board of Directors until the next annual meeting of the Members. This

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paragraph is intended to provide for the orderly transition of the Association to the Class A Members other than Declarant.

5.03 Power and Authority. Except as otherwise provided by law or these Articles, the Board of Directors may act on behalf of the Association in all instances. The Board of Directors may not act on behalf of the Association to: (a) amend the Declaration unless otherwise allowed by the Declaration; (b) terminate the legal status of the Association or the Development Property; (c) elect members of the Board of Directors, other than to fill a vacancy for the unexpired portion of the term of a member of the Board of Directors as provided in these Articles or the Bylaws; or (d) determine the qualifications, powers, duties, or terms of office of members of the Board of Directors.

5.04 Resignations. Any director may resign at any time by giving written notice to the Board of Directors or the President. Such resignation shall take effect on receipt of written notice by the Association, unless an effective time is set forth in such notice, in which event such resignation shall take effect at the time specified. Unless otherwise specified in a resignation notice, the acceptance of such resignation shall not be necessary to make it effective.

5.05 Removal. At any regular or special meeting of the Association's Members where the meeting notice states that the purpose or one of the purposes of the meeting is to vote on the removal of one or more directors, such director or directors may be removed, with or without cause, and a successor may then and there be elected to serve for the unexpired term of the removed director, in each case by a majority of the votes entitled to be cast and represented in person or by proxy at such meeting. Notwithstanding the foregoing, a director appointed by Declarant may be removed and replaced only by Declarant, and not by vote of the Members.

5.06 Vacancies. Any vacancy occurring on the Board of Directors by reason of resignation, incapacity or death may be filled by the affirmative vote of a majority of the directors then in office

though less than a quorum. A director elected to fill a vacancy or newly created directorship shall hold office until the next annual meeting of the Owners or until his successor is duly elected and qualified.

ARTICLE VI

Purpose and Powers

6.01 Purpose and Powers. The Association shall not have as its purpose the pursuit of pecuniary gain or distribution of profit to its Members. Instead, the purpose of the Association is to manage and govern the Development Property as a "homeowners association," by serving as the entity:

- (a) for the proper organization and administration of the exercise of all the powers, privileges, duties and obligations of the Association as set forth in the Declaration and the governing documents of the Association with respect to all or any portion of the Development Property ; and
- (b) for the proper organization and administration of the exercise of all of the powers, privileges, duties and obligations of the Association as set forth in the Virginia Nonstock Corporation Act, Virginia Code Section 13.1-801 et seq., as it may be amended from time to time, and the Virginia Property Owners' Association Act, Virginia Code Section 55-508 et seq. (as the same may be amended from time to time, the "Act")

6.02 Restrictions on Purposes and Powers. The purposes and powers of the Association described above are subject to the following limitations:

- (a) The Association shall be organized and operated exclusively for nonprofit purposes.
- (b) No part of the net earnings of the Association shall inure to the benefit of any Owner, except as expressly permitted below with respect to the dissolution of the corporation.
- (c) The Association shall not pay any dividends. No distribution of the corporation's assets to Owners shall be made until all of the corporation's debts are paid, and then only upon the final dissolution of the corporation as approved in accordance with applicable law. Upon payment of all of the corporation's debts and final dissolution, any remaining assets of the corporation shall be distributed among the Owners on a per-Lot basis, with each Lot receiving an equal share.

Order: KH378P8P9

Order Date: 02-18-2019

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ARTICLE VII
Limitation of Liability and Indemnification

7.01 **Limitation of Liability.** To the fullest extent permitted by law, a director or officer of the Association shall not be liable to the Association for any monetary damages. Any repeal or modification of this paragraph shall be prospective only and shall not adversely affect any right or protection of a director existing at the time of such repeal or modification.

7.02 **Indemnification.** To the fullest extent permitted by law, the Association shall indemnify a director or officer of the Corporation who is or was a party to any proceeding by reason of the fact that he or she is or was such a director or officer, or is or was serving at the request of the Association as a director, officer, manager, employee or agent, against all liabilities and expenses incurred in the proceeding except such liabilities and expenses as are incurred because of his or her willful misconduct or knowing violation of the criminal law.

7.03 **Advances and Reimbursement of Expenses.** Unless a determination has been made that the indemnification is not permissible pursuant to the law and this Article, the Association may make advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that the director or officer is not entitled to indemnification.

7.04 **Insurance.** The Association may purchase and maintain insurance to protect and indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article or arising from its actions otherwise and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, manager, employee, or agent of the Association, against any liability asserted against or incurred by any such person in any such capacity or arising from his or her status as such, whether or not the Association would have power to indemnify him or her against such liability under the provisions of this Article.

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7.05 Former Directors and Officers. References herein to directors, officers, managers, employees or agents shall include former directors, officers, managers, employees and agents and their respective heirs, executors and administrators.

ARTICLE VIII Dissolution

The Association may not be dissolved unless a resolution to dissolve is approved by at least eighty percent (80%) of the Owners acting at a duly called meeting where the issue of dissolution has been specifically placed on the agenda for a planned vote and notice thereof has been provided as required by law. Upon the dissolution of the Association, the Board of Directors shall, after making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association by the conveyance of common areas to any nonprofit corporation or association to be devoted to the purposes and uses that most nearly reflect the purposes and uses to which they were required to be devoted by the Association, or in the absence of such a successor, in such manner as the Board of Directors shall determine, which may include distribution of the common areas, if any, to the Lot Owners, in kind, with each Lot taking an equal share subject to common use easements providing for the sharing of expenses and related matters in keeping with the intent of the Declaration.

ARTICLE IX Amendment

These Articles of Incorporation may be amended only by vote of the Members in accordance with the provisions of Section 13.1-886 of the Code of Virginia, 1950, as it may be amended from time to time.

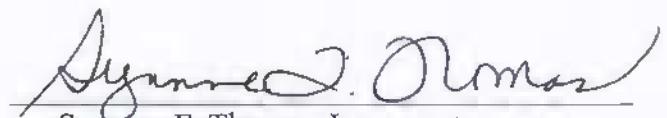
ARTICLE X Duration

The period of duration of the corporation is unlimited.

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IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of September,

2006.


Suzanne F. Thomas, Incorporator

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Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, September 14, 2006

This is to certify that the certificate of incorporation of

Townes at Bluestone Property Owners Association

*was this day issued and admitted to record in this office and that
the said corporation is authorized to transact its business subject
to all Virginia laws applicable to the corporation and its business.*

Effective date: September 14, 2006



*State Corporation Commission
Attest:*

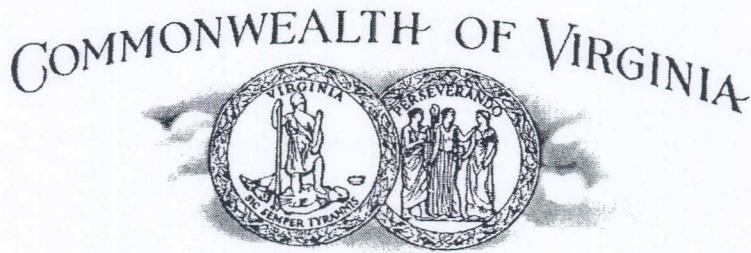
Joel H. Heck
Clerk of the Commission

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MARK C. CHRISTIE
CHAIRMAN

THEODORE V. MORRISON, JR.
COMMISSIONER

JUDITH WILLIAMS JAGDMANN
COMMISSIONER



JOEL H. PECK
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION
Office of the Clerk

September 14, 2006

SUZANNE F THOMAS
LENHART OBENSHAIN PC
PO BOX 1287
HARRISONBURG, VA 22803

RE: Townes at Bluestone Property Owners Association
ID: 0664917 - 2
DCN: 06-09-13-0048

Dear Customer:

This is your receipt for \$75.00, to cover the fees for filing articles of incorporation with this office.

The effective date of the certificate of incorporation is September 14, 2006.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

The signature of Joel H. Peck in cursive script.
Joel H. Peck
Clerk of the Commission

CORPRCPT
NEWCD
CIS0313

Order: KH378P8P9

Tyler Building, 1300 East Main Street, Richmond, VA 23219-3630

Clerk's Office (804) 371-9733 or (866) 722-2551 (toll-free in Virginia) www.scc.virginia.gov/division/clk
Telecommunications Device for the Deaf-TDD/Voice: (804) 371-9206

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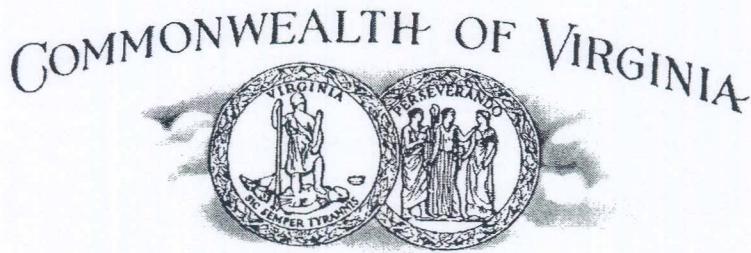
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