

**ARTICLES OF INCORPORATION
OF
HIGHLANDS AT MECHUMS RIVER OWNERS ASSOCIATION, INC.**

The undersigned incorporation hereby adopts the following Articles of Incorporation for the Highlands at Mechums River Owners Association, Inc. (the "Corporation") pursuant to the Virginia Nonstock Corporation Act (Title 13.1, Chapter 10 of the Code of Virginia of 1950, as amended):

FIRST: The name of the Corporation is: HIGHLANDS AT MECHUMS RIVER OWNERS ASSOCIATION, INC.

SECOND: The period of duration of the Corporation is perpetual.

THIRD: The Corporation is organized primarily for the purposes of carrying out the duties and responsibilities arising under the Declaration of Covenants, Conditions, Restrictions and Easements dated August 9, 1991 for the Highlands at Mechums River subdivision in Albemarle County, Virginia, as amended and supplemented from time to time, (the "Covenants") which includes but is not limited to the owning, maintaining and administering the common areas of the aforesaid subdivision; administering and enforcing the Covenants; collecting and disbursing the assessments and charges created by the Covenants; and promoting the health, safety, common good and general welfare of the residents of Highlands at Mechums River.

FOURTH: The Corporation shall have two classes of members. Provisions designating the classes of members, stating the qualifications and rights of the members of each class and conferring, limiting or denying the right to vote are set forth in the bylaws of the Corporation.

FIFTH: Provisions for the regulation of the internal affairs of the Corporation shall be provided for in the bylaws of the Corporation.

SIXTH: The address of the initial registered office of the Corporation is 530 East Main Street, Charlottesville, Virginia, 22901, which is located within the jurisdictional limits of the City of Charlottesville.

The initial registered agent of the Corporation is David H. Pettit, a resident of Virginia and a member of the Virginia State Bar whose business office is the same as the registered office of the Corporation.

SEVENTH: The number of Directors constituting the initial Board of Directors is three (3). The names and addresses of the persons who are to serve as the initial Directors until their successors are elected in accordance with the bylaws of the Corporation are:

Hunter E. Craig
338 Rio Road
Charlottesville, VA 22901

Samuel D. Craig, III
338 Rio Road
Charlottesville, VA 22901

Robert M. Hauser
2788 Hydraulic Road
Charlottesville, VA 22901

EIGHTH: The Corporation shall indemnify and hold harmless any and all of its Directors or officers, former Directors of officers, employees, attorneys and agents, or their heirs, executors and administrators against expenses and liabilities (including but not limited to attorney's fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by them in connection with the defense or settlement of any actual or threatened action, suit or proceeding in which they, or any of them, are made or threatened to be make parties or a party, by reason of being or having been Directors or a Director, officer, attorney or agent of the Corporation, except in relation to matters as to which any such Director or officer or person shall be judged in such action, suit or proceeding to be liable for willful misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, or itself create a presumption that the person engaged in willful misconduct or in conduct in any way opposed to the best interests of the Corporation. The provisions of this Article Eighth are severable, and, therefore, if any of its revisions shall contravene or be invalidated under laws of Virginia, such contravention or invalidity shall not invalidate the entire section, but it shall be construed as if not containing the particular provisions or provisions held to be invalid in Virginia, and the remaining provisions shall be construed and enforced accordingly. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, officer, employee, attorney, agent or other person may be entitled under the provisions of Title 13.1, Chapter 10, Article 9 of the Code of Virginia of 1950, as amended, such similar statutes of Virginia as may be enacted in the future.

Furthermore, the Board of Directors may from time to time purchase insurance to assist the Corporation in carrying out its obligations under the provisions of this Article Eighth.