

**ARTICLES OF INCORPORATION
OF
MILL CREEK PHASE TWO P.U.D. HOME OWNERS ASSOCIATION, INC.**

We hereby associate to form a non-profit, non-stock 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. The name of the corporation shall be the Mill Creek Phase Two P.U.D. Home Owners Association, Inc.
2. The purposes for which the corporation is organized are as follows:
 - a. To be a non-stock, non-profit corporation, none of the income of which shall inure to the benefit of any private person or to any political organization.
 - b. To render and provide services for the benefit of owners of lots (except lots approved for multi-family housing, whether known as "Village Homes" or otherwise) in the subdivision known as "Mill Creek South" (platted as Phase Two, §§ 5-8, Mill Creek), such services to include generally the care and upkeep of Open Spaces and Common Areas in said subdivision.
 - c. To make appropriate charges in the form of dues, levies or assessments, against the members of the association as compensation for services rendered or provided and to finance the activities of the association, generally, and to enforce collection of such dues, levies or assessments as and to the extent provided pursuant to any contract, covenants or agreement of which the association is a beneficiary or in any other lawful way.
 - d. To interpret, apply, administer and enforce through its Board of Directors or duly authorized committee thereof or other duly authorized representative, the covenants and restrictions affecting the residential lots in Mill Creek South Subdivision as and to the extent provided by the Declaration of Covenants, Conditions, Restrictions and Easements Mill Creek, Phase Two, establishing said provisions or as may be subsequently provided for by other or further similar statements or by appropriate instrument in writing of any sort.
 - e. To make conveyance of, hold, own, maintain, operate and exercise full powers as the Owner in fee of any property or properties in Mill Creek South subdivision or adjacent to it to which the association may acquire title or any interest in any fashion.
 - f. To do any and all lawful acts and things which may be necessary, useful, suitable or proper for the furtherance or accomplishment of the purposes and powers of the association and to exercise all powers possessed by Virginia corporations of similar character and to conduct any and all lawful affairs, not required to be specifically stated in the Articles of Incorporation, for which corporations may be incorporated under this act.
3. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its incorporator, officers, directors, 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 Article 2 hereof.
4. No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing 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 other activities or engage in any transaction not permitted to be carried on or engaged in (a) by a corporation exempt from Federal income tax under Section 501 (c) (4) or (c) (7) of the Internal Revenue Code of 1954 as it now exists or as it may hereafter be amended or (b) by a corporation, contributions to which are deductible under Sections 170 (c) (2) and 2055 (a) (2) of said Code as they now exist or as they may hereafter be amended.

5. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the corporation, distribute and pay over all the assets of the corporation to such institution or institutions as the Directors shall designate, provided such institution shall be organized and operated exclusively for charitable, religious, educational, or literary purposes as shall at the time qualify it as an exempt institution under Section 501 (c) (4) or (c) (7) of the Internal Revenue Code of 1954 as it now exists or as it may hereafter be amended.
6. Members and Voting.
The definition of Member, the classes of membership and the voting rights of members are set forth in the by-laws of the corporation and in the Declaration of Covenants, Conditions, Restrictions and Easements Mill Creek, Phase Two.
7. Registered Office and Registered Agent.
 - a. The address of the Association's initial registered office is 418 East Water Street, Charlottesville, Virginia 22902. The name of the City in which the initial registered office is located is the City of Charlottesville, Virginia.
 - b. The name of the Association's initial registered agent at such address is: George H. Gilliam, who is a resident of Virginia and a member of the Virginia State Bar.
8. Directors.
The directors shall be elected by the voting membership at the annual membership meeting.
Dated May 15, 1992.

/s/ George H. Gilliam
George H. Gilliam, Incorporator