

APPROVED _____

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
POWHATAN COMMUNITY SERVICES ASSOCIATION

ARTICLE I

Name

The name of the corporation is Powhatan Community Services Association, hereinafter called the "Association."

ARTICLE II

Purposes

The 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 the management, maintenance and care of certain real estate within the development known as "Powhatan Secondary" located in James City County, Virginia, as more particularly described in the Amended and Restated Declaration of Protective Covenants and Restrictions for Powhatan Community Services Association recorded in the Clerk's Office of the Circuit Court of the City of Williamsburg and County of James City, Virginia, as the same may hereafter be amended, restated, or supplemented (collectively, "the Declaration"), and to provide a means whereby the Owners, acting together, may provide for the management, maintenance and care of the Common Area, and Limited Common Area and for this purpose to: (a) enforce the Declaration and exercise all of the powers and privileges and perform all of the duties and obligations of the Association; (b) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the Declaration and Amended and Restated Bylaws ("Bylaws"); (c) pay all expenses of the Association; (d) subject to the Declaration and the Bylaws, acquire, encumber, 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; and (e) have and exercise any and all powers, rights and privileges which a corporation organized under the Nonstock Corporation Act of the Commonwealth of Virginia may by law now or hereafter have or exercise. No part of the net earnings of the Association shall inure (other than by providing management, maintenance and care of the Common Area and the Limited Common Area and other than by a rebate of excess membership dues, fees and assessments) to the benefit of any private individual.

ARTICLE III

Definitions

Except as expressly defined herein, all capitalized terms used herein shall have the respective meanings set forth in the Declaration or in the Bylaws of this Association.

ARTICLE IV

Membership

Section 4.1. Membership. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to, and shall not be separated from, ownership of any Lot. Upon the recordation of a deed to a Lot, the membership of the selling Owner shall cease and the purchasing Owner shall become a member of the Association.

Section 4.2. Classes of Membership and Voting Rights. The designation of classes of membership and the voting rights of Members shall be as provided in the Declaration and the Bylaws.

ARTICLE V

Board of Directors

Section 5.1. Number. The Board of Directors shall be comprised of seven (7) directors, each of whom shall be a Member.

Section 5.2. Election of Directors.

(a) Procedures. At least forty-five (45) days prior to any membership meeting of the Association at which Directors will be elected by the Members, the Board of Directors may appoint an Election Committee consisting of one (1) Director whose term is not then expiring to serve as Observer of the Election and a Member who is not a Director, to serve as Chair of the Election Committee. The Election Committee shall administer the election procedures as approved by the Board of Directors and oversee the election. All eligible Members of the Association shall be entitled to vote on all Directors being elected and the candidates receiving the most votes shall be elected. The election of Directors shall be by secret, written ballot and by a plurality of votes cast. There shall be no cumulative voting. Votes may be cast by Members in person or by proxy as provided by the Bylaws.

(b) Nominations. Persons qualified to serve on the Board of Directors may be nominated only in accordance with the Association's procedures adopted by the Board of Directors from time to time; provided however that at any membership meeting at which an election is held, additional nominations may be made from the floor for each vacancy on the Board of Directors for which no person has been nominated in accordance with the Association's procedures. The nominee who is nominated from the floor must either be present at the meeting

and accept the nomination at the meeting or have otherwise indicated in writing to the Association his or her willingness to serve and such written statement shall have been submitted to the Association prior to, or contemporaneously with, such nomination from the floor.

(c) Qualifications. The following persons are eligible for election to the Board of Directors: a resident Owner; a resident Owner's spouse as recognized under Virginia law who resides with the Owner; or if the Owner is a partnership, trust or corporation, the person who is the trustee, general partner (or officer or partner of the general partner), or officer of an Owner provided such person resides within Powhatan Secondary.

(d) Terms. The terms of Directors shall be staggered with the objective that each of the seven (7) Directors will serve a three (3) year term and that all seven (7) Director positions do not come up for election in any one year. The Board of Directors shall have the authority to determine the term length for any election to effect the intent of this Section. For the purpose of staggering terms there shall be three (3) groups comprised as follows: three (3) Directors; two (2) Directors; and two (2) Directors and each group shall be assigned a term of three (3) years. Should a vacancy arise or be created in any Director position prior to the end of a Director's term, and such vacancy is filled pursuant to subparagraphs (e) or (f) below, then the newly appointed (or elected, as the case may be) Director shall serve the remaining term of the Director whom they replaced. In the event of a tie, the terms of tied Directors shall be determined by drawing lots.

(e) Removal. At any regular or special meeting of the Members of the Association duly called where the meeting notice states that one of the purposes of the meeting is removal of a Director, any one or more of the Directors may be removed, with or without cause, by a majority vote of the Members present in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Such successor shall serve the remaining term of the removed Director. A Director whose removal has been proposed shall be given at least seven (7) days' notice of the time, place and purpose of the membership meeting at which his or her removal will be considered and shall be given an opportunity to be heard at the meeting prior to the membership's vote on such removal.

(f) Vacancies. Vacancies in the Board of Directors occurring for any reason, other than the removal of a Director by vote of the Members as set forth in subparagraph (e) above and pursuant to Section 13.1-860 of the Virginia Nonstock Corporation Act, including but not limited to the resignation, death, or incapacitation of any Director, shall be filled by the appointment of a Director pursuant to a vote of the majority of the remaining Directors, with or without a quorum, at any meeting of the Board of Directors or, in the absence of any remaining Directors, vacancies may be filled by the Association's registered agent. Each person so selected shall serve the remaining term of the Director whom they replaced.

(g) Eligibility. To be eligible to be elected, appointed to, and/or to serve on, the Board of Directors, Members and their Lots must be in financial good standing as indicated on the books and records of the Association as of the date of election (or appointment, as applicable) and must remain in financial good standing during the Member's term on the Board of Directors. In addition, to be eligible to be elected, appointed to and/or to serve on the Board of Directors, a Member's Lot must not be in violation of the Governing Documents as of the date

of election (or appointment, as applicable) during the Member's term on the Board of Directors. For the purposes of this Section 5.2, a Member's Lot shall be deemed to be in violation if the Association has notified the Owner of such Lot of a violation of the Governing Documents and such Owner has not cured the violation within the time specified by the Association (or if no time is specified by the Association, within a reasonable time after the date of such notice from the Association). Finally, Members running for election (or seeking appointment, as applicable) to the Board of Directors (and Directors who serve on the Board of Directors) must not be involved in a dispute with the Association at the time they seek election (or appointment, as applicable) or at any time during their term. For the purposes of this paragraph, a "dispute" shall mean (i) a disagreement of a material or adversarial nature (as determined by the Board of Directors); (ii) a legal claim or cause of action; or (iii) a threat of a claim or cause of action against the Association, its Officers, Directors or agents; provided, however, that a dispute does not include a good faith disagreement (but not a claim) regarding an Association policy or interpretation of the Governing Documents provided the Member asserts such disagreement in a professional, business-like and non-adversarial manner and abides by the Board of Directors' ultimate disposition of such disagreement.

(h) Residency. Only Members who reside within Powhatan Secondary are eligible to serve on the Board of Directors. If, due to hardship, a Director becomes a non-resident of Powhatan Secondary during such Director's term and does not re-establish his/her residency within Powhatan Secondary on or before the next annual meeting of the Association, that Director shall be replaced pursuant to this Section V.

(i) Attendance. Any Director who misses more than three (3) meetings during any consecutive twelve (12) month period may be asked to resign a by majority vote of the Board of Directors at a meeting in which a quorum is present, and the Board of Directors, at its discretion, may seek such Director's removal pursuant to subparagraph (e) above; provided, however, that the Board of Directors shall have the discretion to make exceptions to this requirement in the event of a hardship of a non-recurring nature.

ARTICLE VI

Limit on Liability and Indemnification

Section 6.1. Limit on Liability. In every instance in which the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of directors or officers of a corporation to the corporation or its members or of the directors or officers of a "community association" (as defined in the Virginia Nonstock Corporation Act), any liability of the directors and officers of this Association shall be so limited or eliminated.

Section 6.2. Mandatory Indemnification. The Association shall indemnify any individual who is, was or is threatened to be made a party to a civil, criminal, administrative, investigative or other proceeding (including a proceeding by or in the right of the Association or by or behalf of its Members) because such individual is or was a Director or Officer of the Association, a member of the Architectural Review Committee, against all liabilities (including,

without limitation, liabilities resulting from activities performed and decisions made on behalf of the Association) and reasonable expenses incurred by him or her on account of the proceeding, except such liabilities and expenses as are incurred because of his or her willful misconduct or knowing violation of the criminal law. Unless a determination has been made that indemnification is not permissible, the Association shall make advances and reimbursement for expenses incurred by any of the persons named above upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that such individual is not entitled to indemnification. The Association is authorized to contract in advance to indemnify any of the persons named above to the extent it is required to indemnify them pursuant to this Section 6.2.

Section 6.3. Authority to Indemnify. The Board of Directors shall have the power and authority, in its reasonable discretion, to indemnify or contract in advance to indemnify any other person not covered by Section 6.2 who was or is a party to any proceeding by reason of the fact that he or she is or was an employee or agent of the Association, or is or was serving at the request of the Association.

Section 6.4. Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Indemnification pursuant to this Article shall not be exclusive of any other rights of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Association and indemnification under policies of insurance purchased and maintained by the Association or others. No person shall be entitled to indemnification by the Association to the extent he or she is indemnified by another, including an insurer.

ARTICLE VII

Amendment

These Articles of Incorporation may be amended pursuant to § 13.1-886 of the Virginia Nonstock Corporation Act and upon the affirmative vote of two-thirds (2/3) or more of the votes entitled to be cast by the Class A Members who are eligible to vote on the amendment at a membership meeting at which a quorum is present (including Developer as to Class A votes held by Developer) and with the written consent of the Developer (for so long as Class B membership exists).