

ARTICLES OF INCORPORATION
OF
SACHEM'S HEAD HOMEOWNER'S ASSOCIATION, INC.

The undersigned, being a natural person acting as the incorporator of a non-stock corporation not for profit under the provisions of Chapter 2 of Title 13.1 of the 1950 Code of Virginia, as amended, adopts the following Articles of Incorporation for such Corporation, and does hereby certify:

ARTICLE I

The name of the Corporation is SACHEM'S HEAD HOMEOWNER'S ASSOCIATION, INC. (hereinafter "the Corporation").

ARTICLE II

The Corporation is organized and shall be operated exclusively for non-profitable purposes to own and regulate the use of certain real estate to be hereafter conveyed to it and described as Common Area in that certain Declaration of Covenants, Conditions and Restrictions SACHEM'S HEAD Homeowners' Association recorded or to be recorded in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia (hereinafter "the Declaration"), and to carry on activities incidental thereto.

The Corporation is not organized for profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Corporation shall inure to the benefit of any member of the Corporation, director, officer or other private person. The Corporation may enter into contracts with any person, including any member, officer or director, and may pay compensation and reasonable amounts for services rendered.

The Corporation shall have the powers, rights and privileges to conduct any and all business that a corporation organized under the Virginia Non-Stock Corporation Act by law may now or hereafter have or exercise and this is not required to be specifically set forth in these articles.

ARTICLE III

The Class A members of the Corporation shall be those who are Unit Owners, as defined in the Declaration.

The Class B member of the Corporation shall be Mid-Atlantic Financial Group, Inc. ("Mid-Atlantic").

Voting of the Class A members and Class B members shall be as follows:

Class A. Class A members shall be all Owners with the exception 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 among themselves

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 Declarant and shall be entitled to three (3) votes for each Lot which the Declarant is the Owner of record. The Class B membership shall cease and be converted to Class A membership on the happening of either or the following events, whichever occurs earlier:

(a) when total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on January 1, 1988.

ARTICLE IV

The initial Board of Directors shall serve until the first annual meeting of the Corporation. At such meeting, and annually thereafter, a new Board of Directors shall be elected by a majority vote of all the members. No member shall have the right to cumulate his vote.

ARTICLE V

The Board of Directors may make such regulations not in contravention of law as they deem advisable for any meeting of the members, including, but not limited to, proof of membership in the Corporation, evidence of the right to vote and the appointment and duties of inspectors of votes.

ARTICLE VI

The initial registered office and mailing address of the Corporation shall be located 815 Mutual Building, City of Richmond, Virginia.

The initial registered agent of the Corporation shall be Delmar L. Brown, who is a resident 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 VII

The number of Directors constituting the initial Board of Directors shall be one, and the name and address of the person who is to serve as the initial director is as follows:

<u>Name</u>	<u>Address</u>
John F. Carroll, III	9901 West Huguenot Road Richmond, Virginia 23235

The number of directors may be changed by amendment of the Bylaws of the Corporation.

ARTICLE VIII

1. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratative or investigative (including an action or suit by or in the right of the Corporation to procure a judgment in its favor) by

reason of the fact that he is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against judgments, fines, amounts paid in settlement, and expenses (including attorneys' fees) actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. 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 of itself create a presumption that the person did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

2. Notwithstanding the provisions of Section 1 of this Article, no indemnification shall be made in any action or suit by or in the right of the Corporation to procure a judgment in its favor in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Corporation unless, and only to

the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification.

3. To the extent that any such person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

4. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of any such person is proper in the circumstances because he has met the applicable standard of conduct set forth in such Sections 1 and 2. Such determination shall be made either (a) by the Board of Directors by a majority vote of a quorum thereof consisting of directors who were not parties to such action, suit or proceedings; or (b) if such quorum is not obtainable, or, even if obtainable, a majority of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by the members. If the determination is to be made by the

board, it may rely, as to all questions of law, on the advice of independent counsel.

5. Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section 4 of this Article, upon receipt of an undertaking by or on behalf of such person to repay such amount unless it ultimately shall be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

6. The board is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in Section 1 who was or is a party of or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, by reason of the fact that such person is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section 1. The provisions of

Sections 2 through 5 of this Article shall be applicable to any indemnification provided hereafter pursuant to this Section 6.

7. The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also purchase insurance, in such amounts as the Board may determine, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him under the provisions of this Article.

8. Every reference herein to director, officer, employee or agent shall include former directors, officers, employees and agents and their respective heirs, executors and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby confirmed on the board shall not be exclusive of any other right to which any such person may be entitled, including any right under any policies of insurance that may be purchased and maintained by the Corporation or others, with respect to claims, issues or

matters in relation to which the Corporation would not have the power to indemnify such person under the provisions of this Article.

ARTICLE IX

To the extent provided by law, the Corporation may participate in mergers and consolidation with other non-profit associations organized for the same purpose; provided, however, that any such merger or consolidation shall require approval by the vote of more than two-thirds of the Class A membership and the assent of the Class B membership, if any, at a regular meeting or duly called special meeting.

ARTICLE X

The Corporation may be dissolved only with the assent given in writing and signed by more than two-thirds of the Class A member's vote and a duly authorized representative of the Class B member, if any; provided that written notice of the action is sent to every member not less than ten (10) days nor more than fifty (50) days in advance of any action taken.

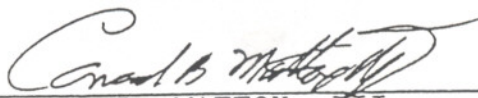
Upon dissolution of the Corporation, other than incident to a merger or consolidation, the assets of the Corporation shall be dedicated to an appropriate private, non-profit organization to be used for the benefit of the members. In the event that acceptance of such dedication is refused, the

assets shall be granted, conveyed and assigned to the Class A members in equal, undivided shares.

ARTICLE XI

The Corporation shall exist perpetually.

Dated: July 27, 1984



CONARD B. MATTOX, III
Incorporator