

ARTICLES OF INCORPORATION

OF

STONECROFT HOMEOWNERS ASSOCIATION, INC.

**Article 1. Name.** The name of the corporation is Stonecroft Homeowners Association, Inc. ("Association").

**Article 2. Principal Office.** The initial principal office of the Association is 120 Colony Center Drive, Woodstock, Georgia 30188.

**Article 3. Duration.** The Association shall have perpetual duration.

**Article 4. Applicable Statute.** The Association is organized pursuant to the provisions of the Georgia Nonprofit Corporation Code.

**Article 5. Purposes and Powers.** The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members.

(a) In way of explanation and not of limitation, the purposes for which the Association is formed are:

(i) to be and constitute the association to which reference is made in the Declaration of Protective Covenants for Stonecroft (hereinafter, the "Declaration"), recorded or to be recorded in the Cherokee County, Georgia records, to perform all obligations and duties of such association, and to exercise all rights and powers of such association, as specified therein, in the Bylaws of Stonecroft Homeowners Association, Inc. ("Bylaws"), and as provided by law; and

(ii) to provide an entity for the furtherance of the interests of the owners of property subject to the Declaration (such property is hereinafter referred to as the "Development").

(b) In furtherance of its purposes, the Association shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws, may be exercised by its board of directors:

(i) all of the powers conferred upon nonprofit corporations by common law and the statutes of the State of Georgia in effect from time to time;

(ii) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles of Incorporation, the Bylaws, or the Declaration, including, without limitation, the following:

(1) to fix and to collect assessments or other charges to be levied;

(2) to manage, control, operate, maintain, repair, and improve property subjected to the Declaration or any other property for which the Association by rule, regulation, declaration, or contract has a right or duty to provide such services;

(3) to enforce covenants, conditions, or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or Bylaws;

(4) to engage in activities which will actively foster, promote, and advance the common interests of all owners within the Development;

(5) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Association;

(6) to borrow money for any purpose;

(7) to enter into, make, perform, or enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Association, with or in association with any other association, corporation, or other entity or agency, public or private;

(8) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;

(9) to adopt, alter, and amend or repeal such bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and

(10) to provide any and all supplemental municipal services as may be necessary or proper.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 5 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 5.

**Article 6. Membership.** The Association shall be a membership corporation without certificates or shares of stock. Each Owner of a Lot (as such capitalized terms are defined in the Declaration)

subject to the Declaration is a member and shall be entitled to vote as set forth herein and in the Declaration and the Bylaws.

**Article 7. Board of Directors.** The business and affairs of the Association shall be governed by its board of directors, the number, qualification and method of election of which shall be as set forth in the Declaration and Bylaws.

**Article 8. Liability of Directors.** To the fullest extent that the Georgia Nonprofit Corporation Code, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

**Article 9. VA/HUD Approval.** As long as Declarant (as such term is defined in the Declaration) has the right to appoint and remove the directors and officers of the Association as provided in the Bylaws, the following actions shall require the prior approval of the U.S. Department of Veterans Affairs ("VA"), so long as the Development is approved by the VA for the guaranteeing of mortgages in the Development, and the U.S. Department of Housing and Urban Development ("HUD"), so long as the Development is approved by HUD for the insuring of mortgages in the Development: annexation of additional property to the Development, except for annexation by Declarant in accordance with Article X, Section 1 of the Declaration pursuant to a plan of annexation previously approved by the VA and/or HUD, as applicable; mergers and consolidations; dedication of Common Property (as such term is defined in the Declaration) to any public entity; mortgaging of Common Property; dissolution of the Association; and material amendment of these Articles of Incorporation.

**Article 10. Dissolution.** The Association may be dissolved only upon a resolution duly adopted by its board of directors, the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Lots (other than Declarant), and the consent of Declarant, so long as Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by Declarant. Upon dissolution of the Association, so long as the VA is guaranteeing and/or HUD is insuring any mortgage in the Development, and unless otherwise agreed in writing by HUD and/or VA, as applicable, any remaining real property of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that acceptance of such dedication is refused, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to

be devoted to such similar purposes. No such restriction shall exist if VA is not guaranteeing or HUD is not insuring any mortgage in the Development; provided, however, HUD and/or VA shall be notified of such dissolution.

**Article 11. Merger and Consolidation.** The Association may merge or consolidate only upon a resolution duly adopted by its board of directors, the affirmative vote of members who are Owners of not less than two-thirds (2/3) of the Lots (other than Declarant), and the consent of Declarant, so long as Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by Declarant.

**Article 12. Amendments.** These Articles of Incorporation may be amended only upon a resolution duly adopted by the Association's board of directors, the affirmative vote of at least two-thirds (2/3) of the total eligible votes of the members, and the consent of Declarant, so long as Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by Declarant; provided, however, no members shall be entitled to vote on any amendment to these Articles of Incorporation for the sole purpose of complying with the requirements of any governmental (including, without limitation, HUD or VA) or quasi governmental entity or institutional lender authorized to fund, insure or guarantee mortgages on individual Lots, as such requirements may exist from time to time, which amendments may be adopted by the Association's board of directors.

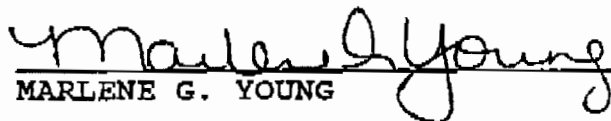
**Article 13. Incorporator.** The name and address of the incorporator is as follows:

Marlene G. Young  
Marlene G. Young, P.C.  
300 West Wieuca Road  
Building One, Suite 116  
Atlanta, Georgia 30342

**Article 14. Registered Agent and Office.** The initial registered office of the Association is located in Fulton County at 300 West Wieuca Road, Building One, Suite 116, Atlanta, Georgia 30342, and the initial registered agent at such address is Marlene G. Young.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation.

300 West Wieuca Road  
Building One, Suite 116  
Atlanta, Georgia 30342  
(404) 252-8222

  
MARLENE G. YOUNG

ACTION OF INCORPORATOR OF  
STONECROFT HOMEOWNERS ASSOCIATION, INC.

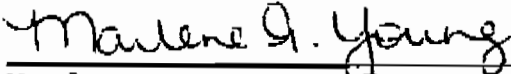
The undersigned, being the sole incorporator of Stonecroft Homeowners Association, Inc. ("Association"), pursuant to its Articles of Incorporation filed with the Secretary of State of the State of Georgia on September 19, 1996, does hereby take the following action as the action of the incorporator of the Association pursuant to O.C.G.A. Section 14-3-205 and in accordance therewith directs that this document be filed with the minutes of the proceedings of the Board of Directors of the Association.

RESOLVED, that the following named persons are hereby appointed as the members of the initial Board of Directors of the Association to serve in such capacity until their successors have been duly elected and qualified or until their earlier resignation, death or removal from office:

Greg Bennett  
John J. Dearing  
Jeffrey A. Gaynor

RESOLVED FURTHER, that the Board of Directors, herein appointed, is authorized and directed to complete the organization of the Association.

The undersigned, by affixing her signature hereto, does hereby consent to, authorize and approve of the foregoing in her capacity as the sole incorporator of the Association as of the 19th day of September, 1996.

  
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Marlene G. Young, Incorporator

Two Midtown Plaza, 15th Floor  
1349 West Peachtree Street  
Atlanta, Georgia 30309  
(404) 873-9030