

Secretary of State
Corporations Division
Suite 315, West Tower
2 Martin Luther King Jr. Dr.
Atlanta, Georgia 30334-1530

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POWELL, GOLDSTEIN, FRAZER & MURPHY
TRACY L. KING
191 PEACHTREE ST., 16TH FLOOR
ATLANTA, GA 30303

CERTIFICATE OF INCORPORATION

I, Lewis A. Massey, the Secretary of State and the Corporation Commissioner of the State of Georgia, do hereby certify under the seal of my office that

**PACES CLUB HOMEOWNERS ASSOCIATION, INC.
A DOMESTIC NONPROFIT CORPORATION**

has been duly incorporated under the laws of the State of Georgia on the effective date stated above by the filing of articles of incorporation in the office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.



Lewis A. Massey

**ARTICLES OF INCORPORATION
PACES CLUB HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

The name of the corporation shall be:

"PACES CLUB HOMEOWNERS ASSOCIATION, INC."

and is hereinafter referred to as the "Association."

ARTICLE II

The Association is organized pursuant to the provisions of: (a) the Georgia Property Owners' Association Act (the "Property Owners' Act"), (b) the Georgia Nonprofit Corporation Code, and (c) the provisions of that certain Declaration of Covenants and Restrictions for Paces Club, dated November 15, 1997, to be recorded with the Clerk of the Superior Court of Cobb County, Georgia, and which is hereinafter referred to as the "Declaration."

ARTICLE III

The purposes for which the Association is organized are to provide the enforcement of the covenants and restrictions set forth in the Declaration and to levy assessments against the members of the Association in accordance with the terms and provisions of the Declaration in order to raise the funds required by the Association to defray the expenses which the Association shall incur in carrying out such purposes.

The Association is not organized for, and shall not be operated for, pecuniary gain or profit. No part of the net earnings of the Association shall inure to the benefit of any private individual.

ARTICLE IV

The duration of the Association shall be perpetual.

ARTICLE V

Each natural person, corporation, trust, partnership or other legal entity who shall own of record a fee or undivided fee interest in any "Lot" (as that term is defined in the Declaration) shall automatically be a member of the Association; provided, however, that any natural person, corporation, trust, partnership or other legal entity who owns such interest merely as security for the performance of an obligation shall not be a member of the Association. Such membership shall be appurtenant to, and shall not be separated from, the record ownership of the Lot, and the transfer of record of an ownership interest in any Lot shall automatically transfer membership in the Association.

The Association shall have two classes of membership: Class A and Class B.

The Class A members shall be all those persons holding an interest required for membership in the Association, as hereinabove provided, except for the Class B member. Until such time as the Class A members shall be entitled to full voting privileges, as hereinbelow described, the Class A membership shall be a non-voting membership except as to such matters and in such events as are hereinafter specified.

The Class A members shall be entitled to voting privileges on the earlier of the following dates to occur: (i) the date on which seventy five (75%) of the Lots shall be "Improved Lots" (as that term is defined in the Declaration); or (ii) the date which the "Declarant" (as that term is defined in the Declaration) may so designate by notice in a writing delivered to the Association; or (iii) November 1, 2004. Before the earliest of these dates to occur, the Class A members shall be entitled to vote only on (a) any proposal of merger, consolidation or dissolution of the Association; (b) any proposal pursuant to Article VIII of the Declaration to amend the

Declaration, and (c) any other matter for which it is specifically provided in the Declaration, or for which it is provided by law, that approval of each and every class of membership of the Association is required. When entitled to vote, Class A members shall be entitled to cast one vote for each Lot in which they hold an interest required for membership, as hereinabove provided, subject to the provisions of the Property Owners' Act. The Declarant shall be the sole Class B member. Class B membership shall be a full voting membership and, during its existence, the Class B member shall be entitled to vote on all matters and in all events. At such time as the Class A members shall be entitled to full voting privileges, as hereinabove provided, the Class B membership shall automatically terminate and cease to exist, and the Class B member shall be and become a Class A member insofar as it may then hold any interest required for membership, as hereinabove provided.

From and after the date on which the Class B membership automatically terminates and ceases to exist, such membership shall not be renewed or reinstated.

ARTICLE VI

The directors of the Association shall be elected in the manner set forth in the Bylaws of the Association.

ARTICLE VII

The mailing address of the initial principal office of the Association and the address of the initial registered office of the Association shall be 6065 Atlantic Boulevard, Suite J, Norcross, Georgia 30071.

The initial registered agent of the Association at such address shall be Richard J. Dugas, Jr.

ARTICLE VIII

The initial Board of Directors of the Association shall number three (3) and the name and address of each person who is to serve as a member thereof is as follows:

Norman B. White
3100 Breckinridge Boulevard
Duluth, Georgia 30096

Douglas W. Puvogel
3100 Breckinridge Boulevard
Duluth, Georgia 30136

Richard J. Dugas, Jr.
Canterbury Communities, Inc.
6065 Atlantic Boulevard, Suite J
Norcross, Georgia 30071

ARTICLE IX

The name and address of the incorporator is Charles E. Murphy, Jr., Powell, Goldstein, Frazer & Murphy LLP, Sixteenth Floor, 191 Peachtree Street, N.E., Atlanta, Georgia 30303.

ARTICLE X

Until such time as the Class B membership shall terminate and cease to exist, and for so long as any mortgage on any home located on any Lot is approved by the U.S. Department of Veterans Affairs ("VA") for a loan guarantee, and for so long as any Mortgage located on any Lot is approved by the U.S. Department of Housing and Urban Development ("HUD") for mortgage insurance, none of the following actions may take place unless the same are first approved in writing by both VA and HUD: (i) the merger or consolidation of the Association; (ii) the

dissolution of the Association; and (iii) any material amendment to the Declaration, or these Articles of Incorporation or the Bylaws of the Association.

ARTICLE XI

The Association may be dissolved only upon a resolution duly adopted by the Board of Directors, the affirmative vote of members of the Association who own not less than two-thirds (2/3rds) of the Lots (other than the Declarant), and the consent of the Declarant so long as the Declarant owns any Lot. Upon the dissolution of the Association, so long as the VA is guaranteeing, and/or HUD is insuring, any Mortgage on any Lot, HUD and/or VA, as applicable, shall be notified if the Association shall be dissolved. In the event that the Association shall be dissolved pursuant to this Article XI, any assets which the Association may have acquired shall be dedicated to a public body or conveyed to a nonprofit organization with purposes similar to those of the Association.

ARTICLE XII

These Articles of Incorporation may be amended only upon a resolution duly adopted by the Board of Directors, the affirmative vote of members who own at least two-thirds (2/3rds) of the Lots, and the consent of the Declarant, so long as the Declarant owns any Lot; provided, however, that no members of the Association shall be entitled to vote on any proposal to amend to these Articles of Incorporation for the sole purposes 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 Board of Directors of the Association.

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation on
this ~~15th~~ day of November, 1997.

PACES CLUB HOMEOWNERS ASSOCIATION, INC.

By: Charles E. Murphy, Jr.
Charles E. Murphy, Jr.
Incorporator

Charles E. Murphy, Jr., Esquire
POWELL, GOLDSTEIN, FRAZER & MURPHY
Sixteenth Floor
191 Peachtree Street, N.E.
Atlanta, Georgia 30303

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