

ORIGINAL COPY FILED  
SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

ARTICLES OF INCORPORATION

MAY 24 1988

OF

*Bremer Elder*  
SECRETARY OF STATE

PARAMONT ESTATES HOMEOWNERS ASSOCIATION, INC  
A CORPORATION NOT FOR PROFIT

The undersigned acting as incorporator of a corporation organized under and pursuant to Kentucky Revised Statutes Chapter 273, adopt the following Articles of Incorporation for such corporation.

ARTICLE 1

The name of the corporation shall be:

PARAMONT ESTATES HOMEOWNERS ASSOCIATION, INC., whose address is 12500 U. S. 42 West, Prospect, Kentucky, 40059.

ARTICLE 2

Purpose

2.1 The purpose for which the Corporation is organized is to provide an entity pursuant to KRS 273.161 through 273.400, for the operation of: Paramont Estates Homeowners Association and shall specifically have the following purposes but not limited thereto:

(a) To establish a corporate residential community property owners' association which will, subject to any Declaration of Protective Covenants filed with respect to Paramont Estates and as such declarations may from time to time be amended (the "Declarations"), have the specific purposes and powers described below.

(b) To acquire (by gift, purchase or otherwise) all or any portion of any roads, gatehouse areas, clubhouse or other common areas or facilities which may be developed as a residential community to be known as "Paramont Estates".

(c) To maintain, repair, replace, and approve, operate and manage such common and private areas and structures as may be placed under the jurisdiction of this corporation, including without limitations: all property described in subparagraph (b) above, any Water Management System or sewage treatment system approved by any governmental agency; drainage easements; and street lights.

*Paramont Estates Homeowners Association*



(d) To provide for architectural control regulation of all family residences and appurtenances (exclusive of dedicated public streets), within Paramount Estates which, by the Declarations or otherwise, are made subject to such regulation.

(e) To promote the health, safety and welfare of the residents of the residential community to be known as Paramount Estates.

(f) To fulfill all of the purposes listed above and to exercise all of the powers listed below with respect to all additional properties which may be brought under the jurisdiction of this corporation.

(g) To enforce the provisions of the Declaration and By-Laws or Rules and Regulations consistent with such declarations now existing or hereafter adopted by whatever legal means are available under Kentucky Law.

2.2 The Corporation shall make no distributions of income to its members, directors or officers.

### ARTICLE 3

#### Powers

The powers of the Corporation shall include and be governed by the following provisions:

3.1 The Corporation shall have all of the common-law and statutory powers of a corporation not for profit not in conflict with the term of these Articles.

3.2 The Corporation shall have all of the powers and duties set forth in KRS 273.161 - KRS 273.400 and as amended, all of the powers and duties reasonably necessary to operate the homeowners association pursuant to the Declaration of Covenants, Conditions and Restrictions and as it may be amended from time to time, including, but not limited to (unless such obligations purposes, duties or rights are assumed by any governmental agency or instrumentality having jurisdiction thereof), the following:

a. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments and assessment liens by the Association pursuant to the terms of the Declarations; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of this corporation, including all licenses, taxes or governmental charges levied or imposed against the property of this corporation.

b. To use the proceeds of assessments in the exercise of its other powers and duties.

c. The regular and special construction, maintenance, repair, inspection and protection of the streets, sidewalks, common areas, crosswalks, storm drainage system, basins, sewage disposal and treatment, together with any structures or appurtenances necessary thereto, water system lines and structures or appurtenances as shown on the plats of Paramount Estates Subdivision or otherwise, and the acceptance of all common areas for the purposes of operation, maintenance, supervision and repair.

d. To make and amend reasonable regulations respecting the use of the property in the subdivision; provided, however, that all such regulations and their amendments shall be approved by not less than 67% of the votes of the entire membership of the Corporation before such shall become effective, and only insofar as such powers of enforcement are conferred and not in conflict with the Declaration of Covenants, Conditions and Restrictions of Paramount Estates.

e. To enforce by legal means the provisions of the Declaration of Covenants, Conditions and Restrictions for Paramount Estates, these Articles and the Bylaws of the Corporation.

f. The Association may enter into a contract with any person, firm, or entity for the operation, maintenance or repair of the Association property, however, any such contracts shall not be in conflict with the powers and duties of the Association or the rights of Lot owners as provided in the Declaration of Covenants, Conditions and Restrictions and these enabling documents.

g. To contract for the management or operation of portions of the common elements susceptible to separate management, operation, maintenance, supervision and repair.

h. To employ personnel to perform the services required for proper operation of the Association.

i. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain and convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of this corporation in the manner provided by these Articles.

j. To purchase such insurance as the Board of Directors may deem necessary for this Corporation.

3.3 The Corporation shall not have the power to purchase a Lot of the Subdivision except at sales in foreclosure of liens for assessments for General Common Expenses, at which sales the

Corporation shall bid no more than the amount secured by its lien. This provision shall not be changed without unanimous approval of the members. This provision shall not prohibit the purchase of additional common areas as may be deemed desirable upon a vote of 67% of the votes of the membership.

3.4 All funds and the titles of all properties acquired by the Corporation and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration of Covenants, Conditions and Restrictions for Paramount Estates, these Articles of Incorporation and the Bylaws.

3.5 The powers of the Corporation shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Covenants, Conditions and Restrictions of Paramount Estates.

ARTICLE 4

Members

4.1 The members of the Corporation shall consist of all of the record owners of a Lot in the Subdivision, including those owned by the Developer or its assigns.

Every person or entity who is a record owner of a fee simple or of a fractional undivided fee simple interest in any Residential Unit which is subject, by covenants of record, to the jurisdiction and powers of this corporation, and particularly to the assessment and assessment lien powers of this corporation, shall be a member of this corporation and only such persons or entities shall qualify for membership or continuation of membership. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. As used in these Articles of Incorporation, the term "Residential Unit" or "Lot" means and refers only to residential lots which are or may become subject to the jurisdiction and powers of this corporation. Membership shall be appurtenant to and may not be separated from ownership of any lot. All membership rights and duties shall be subject to and controlled by the Declarations, which are in the form of a covenant running with the land.

4.2 Change of membership in the Corporation shall be established by recording in the Public Records of Oldham County, Kentucky, a deed or other instrument establishing a record title to a Lot in the Subdivision and the delivery to the Corporation of a certified copy of such instrument. The owner designated by such instrument thus becomes a member of the Corporation and the membership of the prior owner is terminated.

4.3 The share of a member in the funds and assets of the corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Lot.

4.4 The owner of each Lot shall be entitled to at least one vote as a member of the Corporation. The exact number of votes to be cast by owners of a Lot and the manner of exercising voting rights shall be determined by the Bylaws of the Corporation which shall not conflict with the voting rights set forth herein.

ARTICLE 5

Voting Rights

The Corporation shall have two classes of membership:

CLASS A: Class A members shall be all Residential Unit Owners, (with the exception of the Developer), as defined in the Declarations, shall be entitled to one vote for each Residential Unit, all such persons shall be members, but the single vote such Residential Unit has shall be exercised as they among themselves determine, and in no event shall more than one vote be cast with respect to any Residential Unit owned by Class A Members.

CLASS B: The Class B member shall be the Developer and it shall be entitled to ten votes for each lot owned.

The membership rights (including voting rights) of any Member may be suspended by action of the Board of Directors if such Member shall have failed to pay, when due, any assessment or charge lawfully imposed upon him or any property owned by him, or if the Member, his family, his tenants, or guests of any thereof, shall have violated any rule or regulation promulgated by the Board of Directors regarding the use of any property or conduct with respect thereto.

ARTICLE 6

Directors

6.1 The affairs of the Corporation will be managed by the number of directors determined by the Bylaws, but not less than three directors, and in the absence of such determination, shall consist of three directors. Directors need not be members of the Corporation.

6.2 Directors of the Corporation shall be elected at the annual meeting of the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

6.3 When Lot owners other than the Developer own fifty (50%) per cent or more of the Lots that ultimately will be governed by the association, but only after December 31, 1990,

Lot owners other than Developer will be entitled to elect at least one-third of the Directors. The Developer will be entitled to elect at least a majority of the members of the board, provided the Developer owns 10% of the Lots that will be governed by the association. The Developer will be entitled to elect not less than one member of the board of the association as long as the Developer holds for sale in the ordinary course of business, at least one Lot.

6.4 The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

- |                     |  |
|---------------------|--|
| James A. Brown, Jr. | 12500 U.S. 42 West<br>Prospect, Kentucky 40059 |
| Bliss M. Brown      | 12500 U.S. 42 West<br>Prospect, Kentucky 40059 |
| Barry D. Moore      | 7313 Sunset Lane<br>Crestwood, Kentucky 40014  |

ARTICLE 7

Officers

The affairs of the Corporation shall be administered by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Corporation and shall serve at the pleasure of the Board of Directors. The name and addresses of the officers who shall serve until their successors are designated by the Board of Directors, are as follows:

- James A. Brown, Jr. President
- Bliss M. Brown, Vice President
- Betty Leet, Secretary-Treasurer

ARTICLE 8

Indemnification

Every director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the

indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE 9

Bylaws

The first Bylaws of the Corporation shall be adopted by the Board of Directors and may be altered, amended or rescinded by the manner provided by the Bylaws.

ARTICLE 10

Amendments

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

10.1 Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

10.2 A resolution for the adoption of a proposed amendment may be proposed either by the Board of Directors or by members of the Corporation. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the secretary at or prior to the meeting. Except, as elsewhere provided;

a. Such approvals must be by not less than 67% of the entire membership of the Board of Directors and by not less than 75% of the votes of the entire membership of the Corporation; or

b. Be not less than 80% of the votes of the entire membership of the Corporation.

10.3 Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members, nor any change in Section 3.3 of Article 3, without approval in writing by all members.

10.4 A copy of each amendment shall be certified by the Secretary of State and be recorded in the Public Records of Oldham County, Kentucky.

ARTICLE 11

Term

The term of the corporation shall be perpetual, other than as provided in Article 12.

ARTICLE 12

Dissolution

This corporation may be dissolved with the assent given in writing and signed by members representing not less than two-thirds of the votes entitled to be cast as set out in Article 5. Upon dissolution of this corporation, other than incident to a merger or consolidation, its assets, both real and personal, shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this corporation was formed. In the event there is a refusal to accept such dedication, then such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization which is devoted to purposes similar to those of this corporation.

ARTICLE 13

Director Conflicts of Interest

No contract or other transaction between this corporation and one or more of its directors, or between this corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, are financially interested, shall be either void or voidable because of such relationship or interest or because such director or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purposes, if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors, or a duly empowered committee thereof, which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for such purpose without counting the vote or votes of such interested director or directors; or

(b) The fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the Board, committee or members.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board



of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE 14

Subscribers

The name and address of the incorporator of these Articles of Incorporation is as follows:

<u>NAME</u>	<u>ADDRESS</u>
James A. Brown, Jr.	12500 U.S. 42 West Prospect, Kentucky 40059

ARTICLE 15

Registered Office and Registered Agent

The registered office within the State of Kentucky is as follows:

12500 U.S. 42 West Prospect, Kentucky 40059

The registered agent for service of process within the State of Kentucky is as follows:

James A. Brown, Jr. 12500 U.S. 42 West  
Prospect, Kentucky 40059

IN WITNESS WHEREOF the incorporator has affixed its signature this 20 day May, 1988.

  
JAMES A. BROWN, JR.

STATE OF KENTUCKY )  
                          ) SS  
COUNTY OF OLDHAM )

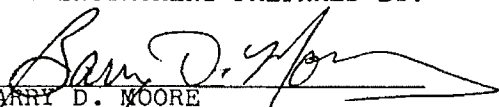
I, the undersigned a Notary Public for the Commonwealth of Kentucky, at large, do hereby certify that on this day the foregoing Articles of Incorporation of Paramount Estates Homeowners Association, Inc. were produced before me and were signed, acknowledged and delivered by James A. Brown, Jr., the Incorporator hereof, to be his free act and deed.

IN TESTIMONY WHEREOF, I have hereto set my name and affixed my seal of office, this 20<sup>th</sup> day of May, 1988.

My commission expires Aug. 11, 1991

Betty W. Liet  
NOTARY PUBLIC, STATE OF KENTUCKY AT LARGE

THIS INSTRUMENT PREPARED BY:

  
BARRY D. MOORE  
Brammell, Croley, Moore & Yates  
111 East Main Street  
LaGrange, Kentucky 40031  
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MARTHA R. DAVIS  
OLDHAM COUNTY CLERK  
