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Michael G. Adams Kentucky Secretary of State Received and Filed: 6/2/2023 1:15 PM Fee Receipt: \$8.00	

ARTICLES OF INCORPORATION
OF

PARADISE GROVE HOMEOWNERS ASSOCIATION, INC.

A corporation is formed under the Kentucky Nonprofit Corporation Act, Chapter 273 of the Kentucky Revised Statutes (“KRS”), the organizational details of which are as follows:

1. NAME.

The Corporation’s name shall be **Paradise Grove Homeowners Association, Inc.**

2. DURATION.

The Corporation’s duration shall be perpetual.

3. DEFINITIONS.

As used in these Articles of Incorporation the following terms shall have the following meaning:

a. “Developer” shall mean PGN Real Estate, LLC, a Kentucky limited liability company, and shall include any person, corporation, company or association to which it may expressly assign its rights, or any of them, from time to time, under these Articles of Incorporation.

b. “Paradise Grove Subdivision” shall mean the property located on Kentucky State Highway 88 a/k/a Peonia Road, a plat of which is recorded in Plat Cabinet 2, Slide 710A, in the Grayson County Clerk’s Office, and future sections, if designated, to be controlled by this Corporation.

c. “Deed of Restrictions” shall mean the Deed of Restrictions recorded in the Grayson County Clerk’s office, as amended from time to time, affecting any portion of the Paradise Grove Subdivision.

d. “Residential Unit” shall mean each single family or townhome residential lot or similar property, the owner(s) of which is/are member(s) of the Corporation pursuant to any Deed of Restrictions, developed or intended to be developed within the Paradise Grove Subdivision.

4. PURPOSES.

The Corporation is organized under the Kentucky Nonprofit Corporation Act as a nonstock, nonprofit corporation and the purposes and objects for which and for any of which the Corporation is formed are as follows:

a. to be and constitute the Association to which reference is made in the Deed of Restrictions to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws, and as provided by law.

b. to provide an entity for the furtherance of interests of the Unit Owners of the properties constituting the Paradise Grove Subdivision.

c. To promote the social welfare and serve the common good and general welfare of the members of the Corporation and to acquire, construct, operate, maintain and repair any common area or structure, street, facility, entry wall, gate, lighting, storm water management facilities, fencing, way or ground, whether owned by the Corporation or not, within the Paradise Grove Subdivision.

d. The Association shall make no distributions of income to its members, directors or officers.

e. Notwithstanding the generality of the foregoing, the Corporation shall not (1) devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, or (2) directly or indirectly participate in, intervene in (including the publishing or distributing of statements), any political campaign on behalf or in opposition to any candidate for public office.

5. POWERS.

The powers of the Association shall include those enumerated in KRS 273.171, and shall be governed by the following provisions:

a. The Association shall have all of the common law and statutory powers of a nonprofit corporation which are not in conflict with the terms of these Articles, the Deed of Restrictions, and the By-Laws of this Association.

b. The Association shall have 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, the By-Laws or the Deed of Restrictions, including, without limitation, the following:

i. to fix and to collect assessments or other charges to be levied against the Residential Units;

ii. to manage, control, operate, maintain, repair, and improve property subject to the Deed of Restrictions or any other property for which the Association by rule, regulation, Deed of Restrictions or contract has a right or duty to provide such services;

iii. to enforce covenants, conditions or restrictions affecting any property to the extent the Association may be authorized to do so under the Deed of Restrictions or By-Laws;

iv. to engage in activities which will actively foster, promote, and advance the common interests of all Owners;

v. to purchase or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, own, 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;

vi. to borrow money for any purpose, as may be limited in the By-Laws;

vii. 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;

viii. 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;

ix. to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Deed of Restrictions; and

x. 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 interference from the terms of any other paragraph or provision of this Article 5.

6. INTERNAL AFFAIRS.

Provisions for the regulation of the internal affairs of the Corporation, including provisions for the distribution of assets on dissolution or final liquidation, are:

a. The membership of the Corporation shall consist of the members designated from time to time in the Deed of Restrictions, and such members shall be classified as follows:

i. Class A membership shall consist of all members other than Developer.

ii. Class B membership shall consist of Developer.

b. The owner member(s) of each Residential Unit shall have one aggregate vote for each such Residential Unit, but the right of Class A members to vote may be exercised only in accordance with subparagraph 6(c).

c. Class A members shall not be entitled to exercise any vote until the later of

i. 100% of the Residential Units in the Paradise Grove Subdivision has been developed into lots, certificates of occupancy issued thereon and has been conveyed to persons other than Developer or builders holding title for purposes of development and sale, or

ii. Such other time, as in the sole determination of Developer, Developer determines that the Class A members should be entitled to vote.

d. Membership in the Corporation shall terminate when a person is no longer the owner of record of a Residential Unit. Change of membership in the Association shall be established by recording in the public records of Grayson County, Kentucky, a deed or other instrument establishing record title to a Residential Unit subject to the Deed of Restrictions. The owner designated by such instrument thus becomes a member of the Association and the membership of the prior owner shall be terminated. Written notice shall be delivered to the Association of such change in title. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance of his/her/its Residential Unit.

e. Nothing in these Articles of Incorporation shall limit the right of Developer to alter in any way its plans for the development of any future sections of the Paradise Grove Subdivision at any time and from time to time.

f. No part of the Corporation's net earnings shall inure to the benefit of any individual or member of the Corporation, except the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in paragraph 4 and exercise the powers in Paragraph 5 hereof.

g. Upon the dissolution or final liquidation of the Corporation any remaining assets of the Corporation shall be distributed to one or more organizations, designated by the Board of Directors at that time, to be used in such manner as in the judgment of the Board of Directors will best accomplish the general purposes of the Corporation. Each of such organizations shall operate to be exempt from federal tax under § 501(c)(3), § 501(c)(4) or § 501(c)(7) of the Internal Revenue Code of 1986 as amended, or under corresponding legislation if the Internal Revenue Code of 1986 is not then in effect.

7. PRINCIPAL OFFICE.

The mailing address of the Corporation's principal office is 2539 Trevilian Way, Louisville, Kentucky 40205.

8. REGISTERED OFFICE AND AGENT.

The address of the Corporation’s initial Registered Office shall be 2539 Trevilian Way, Louisville, Kentucky 40205, and the name of its initial Registered Agent at such address shall be Jeremy James Cole.

9. BOARD OF DIRECTORS.

The number of directors constituting the Corporation’s initial Board of Directors shall be three (3), and the names and addresses of the persons who are to serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Jeremy James Cole	2539 Trevilian Way Louisville, Kentucky 40205
Brent Etscorn	309 Evergreen Road Louisville, Kentucky 40243
Bryan Etscorn	2103 Arnold Palmer Blvd Louisville, Kentucky 40245

A director may be removed from office pursuant to the procedure for removal provided for in the By-Laws of the Corporation.

10. BY-LAWS.

The By-Laws may be adopted or amended as provided for by the By-Laws of the Corporation.

11. INDEMNIFICATION; LIABILITY OF DIRECTORS.

a. Each person who is or was a director, committee member or officer of the Corporation, whether elected or appointed, including the heirs, executors, administrators, or estate of any such person (“Person”), shall be indemnified by the Corporation to the full amount against any liability, and the reasonable cost or expense (including attorney fees, monetary or other judgments, fines, excise taxes, or penalties and amounts paid or to be paid in settlement) incurred by such Person in such Person’s capacity as a director, committee member, or officer or arising out of such Person’s status as a director, committee member, or officer; provided, however, no such Person shall be indemnified against any such liability, cost, or expense incurred in connection with any action, suit, or proceeding in which such Person shall have been adjudged liable on the basis that personal benefit was improperly received by such Person, or if such indemnification would be prohibited by law. Such right of indemnification shall be a contract right and shall include the right to be paid by the Corporation the reasonable expenses

incurred in defending any threatened or pending action, suit, or proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors of the Corporation) in advance of its final disposition; provided, however, that such advance payment of expenses shall be made only after delivery of the Corporation of an undertaking by or on behalf of such Person to repay all amounts so advanced if it shall be determined that such Person is not entitled to such indemnification. The directors, committee members and officers of the Corporation shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. Furthermore, the officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Corporation, and the Corporation shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any repeal or modification of this paragraph shall not affect any rights or obligations then existing. If any indemnification payment required by this paragraph is not paid by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the director, committee member or officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount and, if successful in whole or in part, such Person shall be entitled to be paid also the reasonable cost and expense (including attorneys' fees) of prosecuting such claim. The Corporation may maintain insurance, as a common expense, to protect itself and any director, committee member or officer against any such liability, cost, or expense, whether or not the Corporation would have the power to indemnify such Person against such liability, cost, or expense under the applicable law or under this paragraph, if such insurance is reasonably available. The indemnification provided by this paragraph shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any bylaw, agreement, statute, vote of members or board of directors, or otherwise. If this paragraph or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then such invalidated portion shall be deemed amended such that it provides the greatest protection to directors, officers and committee members as the law permits and the Corporation shall nevertheless indemnify each such Person to the full extent permitted by any applicable portion of this paragraph that shall not have been invalidated (including the provision invalidated to the extent it is deemed amended as provided above) or by any other applicable law.

b. The liability of each and all of the directors and officers of this Corporation shall be and is hereby limited to the greatest extent permitted by law and no director or officer of the Corporation shall be liable to the Corporation for monetary damages for breach of such director's or officer's duties as a director or officer, except for the following (which exceptions shall be construed as narrowly as legally permissible):

i. For any transaction in which the director's or officer's personal financial interest is in conflict with the financial interests of the Corporation;

ii. For acts or omissions not in good faith or which involve intentional misconduct or are known to the director or officer to be a violation of the law; or

iii. For any transaction from which the director or officer derives an improper personal benefit.

In addition to the limitation on a director's and officer's liability stated hereinabove, no action taken as a director or officer and no failure to take action as a director or officer shall be the basis for monetary damages or injunctive relief unless:

iv. The director or officer has breached or failed to perform the duties of the director's or officer's office in compliance with the general standards for directors as set forth in KRS 273.215 or officers as set forth in KRS 273.229 or any successor statute; and

v. In the case of an action for monetary damages, the breach or failure to perform constitutes willful misconduct or wanton or reckless disregard for human rights, safety or property.

If KRS 273 (or any successor statutes) is amended in a manner further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be deemed to be eliminated or limited by this paragraph to the fullest extent then permitted by KRS 273, as so amended. Any repeal or modification of this paragraph shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification.


To the extent any Person is serving as an officer as a result of being a director, such Person's liability as an officer shall be limited to the same extent as such Person's liability as a director is limited.

12. INCORPORATOR.

The name and address of incorporator is Robert S. Ryan, 250 West Main Street, Suite 1600, Lexington, Kentucky 40507.

IN WITNESS WHEREOF, the incorporator has signed these Articles of Incorporation on June 2, 2023.

INCORPORATOR:


Robert S. Ryan

THIS INSTRUMENT PREPARED BY:


Robert S. Ryan
WYATT, TARRANT & COMBS, LLP
250 West Main Street, Suite 1600
Lexington, KY 40507-1746
(859) 233-2012

Consent of Initial Agent for Service of Process to Serve

Jeremy James Cole having an address of 2539 Trevilian Way, Louisville, Kentucky 40205, hereby agrees and consents to serve as registered office and agent for service of process of Paradise Grove Homeowners Association, Inc.

DocuSigned by:

Jeremy Cole

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NAME: JEREMY JAMES COLE

DATE: June 2, 2023

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