

ARTICLES OF INCORPORATION**OF****ASHLEY OAKS HOMEOWNERS' ASSOCIATION, INC.**

The undersigned being over the age of twenty-one (21) years, do hereby voluntarily associate themselves for the purpose of forming a non-stock, non-profit Kentucky corporation in accordance with the provisions of Kentucky Revised Statutes Chapter 273.

ARTICLE 1

The name of the corporation is Ashley Oaks Homeowners' Association, Inc., hereinafter sometimes called the "Association".

ARTICLE II

The duration of this corporation shall be perpetual.

ARTICLE III

The corporation is formed for the purposes of providing for the maintenance, improvement, preservation, and architectural control of the Common Facilities, and for the architectural control of the Lots including improvements constructed thereon, and for the preservation of the value and amenities in the Ashley Oaks Subdivision as shown on plat of record at Plat Slide 2208 of the Kenton County Clerk's records at Covington, Kentucky.

And to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and to this end, the Association shall have power:

a) to exercise all of the duties and obligations of the Association as set forth in that certain "Declaration of Covenants, Conditions, Restrictions, Easements and Liens of Ashley Oaks Subdivision" that are recorded in Official Records Volume C-6609, page 221, of the Kenton County Clerk's records at Covington, Kentucky, and as the same may be amended from time to time as therein provided, hereinafter called the "Declaration", said Declaration being incorporated herein as if set forth at length;

b) to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

c) to acquire (by gift, purchase or otherwise) own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or to otherwise dispose of real or personal property in connection with the affairs of the Association;

d) to borrow money, and, with the assent of the percentage of the total number of votes of each class of members as set forth in the Declaration, mortgage, pledge, deed in trust, or

hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

e) to dedicate, sell or transfer all or any part of the Common Facilities to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by the percentage of the total number of votes held by each class of members as provided in the Declaration, agreeing to such dedication sell or transfer;

f) to participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property provided that any such merger, consolidation or annexation shall have the assent of the percentage of the total number of votes held by each class of members as provided in the Declaration; except as otherwise set forth in the Declaration; and,

g) to have and to exercise any and all powers, rights and privileges which a corporation organized under the non-profit corporation statues of the Commonwealth of Kentucky by law may now or hereafter have or exercise.

ARTICLE IV

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants or record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from the ownership of any lot which is subject to assessment by the Association.

ARTICLE V

The Association shall have two (2) classes of voting membership:

a) Class A – Except as provided below, Class A members shall be all Lot Owners except Declarant (unless Class membership has ceased), and Class A members shall be entitled to one vote for each such 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 the Owners determine, but in no event shall more than one vote be case with respect to any Lot.

b) Class B – The Class B member shall be Declarant, and such member shall be entitled to such number of votes as will constitute seventy-five percent (75%) of the total voting power of the Association, so long as the Class B membership continues to exist. The Class B membership shall cease and shall be converted to Class A membership with one vote for each Lot owned, on the happening of either of the following events, whichever occurs earlier:

- (i) When one hundred percent (100%) of the eleven (11) Lots included herein have been sold by Declarant and conveyed to individual lot owners;
- (ii) Thirty (30) years after the date this Declaration is filed for record.

Provided, further, that nothing herein shall be construed to prohibit the Class B member from converting all its Class B membership to Class A membership with the results set forth above at any time earlier by written statement executed by Declarant and delivered to the Association.

ARTICLE VI

The registered office of the Association shall be at 7310 Turfway Road, Suite 210, Florence, Kentucky 41042, and Brian C. Dunham at such address, shall be its registered agent. The principal office of the Association shall be 3005 Dixie Highway, Edgewood, Kentucky 41017.

ARTICLE VII

The affairs of the Association shall be managed by a Board of Directors, sometimes called Board of Trustees, of not less than three (3) persons, who need not be members of the Association. The number of directors constituting the initial Board of Directors is three (3). The names and addresses of the persons who are to act in the capacity of the initial Board of Directors are:

Jason A. Yeager	3005 Dixie Highway Edgewood, Kentucky 41017
Wm. A. Kreutzjans, Jr.	3005 Dixie Highway Edgewood, Kentucky 41017
John A. Yeager	3005 Dixie Highway Edgewood, Kentucky 41017

At the first annual meeting after there ceases to be any Class B membership outstanding, the members shall elect one-third (1/3) of the Directors for a term of one (1) year, one-third (1/3) of the Directors for a term of two (2) years, and one-third (1/3) of the Directors for a term of three (3) years, and if the number of Directors established by the By-Laws is not equally divisible by three (3), then the first Director in excess of the number equally divisible by three (3) shall be elected for a term of one (1) year and, if applicable, the additional Director shall be elected for a term of two (2) years. At such annual meeting thereafter, the members shall elect Directors for a term of three (3) years.

ARTICLE VIII

In the event of the dissolution of this corporation no member, trustee, officer or other private person, shall be entitled to any distribution or division of the corporation's remaining assets or the proceeds thereof. Instead the Board of Directors shall, after paying or making provision of the payment of all of the liabilities of the corporation, have all the assets dedicated to an appropriate public agency or body to be devoted to purposes as nearly practically the same as those purposes for which the Association was formed. Such, if any of the assets, that are refused acceptance by the public agency or body, shall be disposed of by the Board of Directors to such organization or organizations similar in purpose to the liquidating corporation as shall at the time qualify as an exempt organization or organizations under Section 501(c) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), as the Board

of Directors shall determine. This Association shall not be dissolved without written consent, duly signed, of at least seventy-five percent (75%) of the total voting power of the Association.

ARTICLE IX

These Articles of Incorporation may be amended in the manner now or hereafter provided by Kentucky statute for the Amendment hereof, but only with the assent of at least seventy-five percent (75%) of the total voting power of the Association.

ARTICLE X

The Association shall, to the fullest extent permitted by, and in accordance with the provisions of, Chapter 273 of the Kentucky Revised Statutes, indemnify and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director or officer of the Association (each, an "Indemnified Party"), against expense (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnified Party in connection with such action, suit or proceeding, its defense or settlement, if the Indemnified Party acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, and except that no indemnification shall be made in respect to any claim, issue, or matter to which the Indemnified Party shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association 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 the view of all circumstance of the case, the Indemnified Party is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. Determination of any action, suit or proceeding by a judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Indemnified Party did not act in good faith and in a manner which the Indemnified Party reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Any repeal of this Article shall not adversely affect any right of a current or former director, officer, employee, attorney or agent hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

Any indemnification under this Article X (unless ordered by a court) shall be made by the Association only as authorized in a specific case upon determination that the indemnification of the Indemnified Party is proper in the circumstance, because such person has met the applicable standards of conduct set forth above. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.

The Association may maintain insurance, at its own expense, to protect itself and any such Indemnified Person against any such liability, cost or expense, whether or not the Association would have the power to indemnify any Indemnified Person against such liability, cost or expense under KRS Chapter 273 or under this Article X, but it shall not be obligated to do so. The indemnification provided by this Article X 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 Article X or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each Indemnified Party to the full extent permitted by any applicable portion of this Article X that shall not have been invalidated or by any other applicable law.

ARTICLE XI

A Director of the Association shall not be liable to the Association for monetary damages for any act or omission constituting a breach of his duties as a director unless such act or omission: (i) relates to a transaction in which the director has a personal financial interest which is in conflict with the financial interests of the Association or its members; (ii) is not in good faith or involves intentional misconduct or is known to the director to be a violation of law; or (iii) is a transaction from which the director derived an improper personal benefit.

If KRS Chapter 273 is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by KRS Chapter 273, as so amended, and without the necessity for further corporate action in respect hereof.

Any repeal or modification of this Article VIII shall not adversely affect any right or protection of a director of the Association hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE XII

The name and address of the incorporator is: Brian C. Dunham, 7310 Turfway Road, Suite 210, Florence, Kentucky 41042.

ARTICLE XIII

As used in these Articles of Incorporation, the terms Common Facilities, Declarant, Lot, Owner shall be the same meaning as such is defined to be in the "Declaration of Covenants, Conditions, Restrictions, Easements and Liens" hereinabove referred to.


IN WITNESS WHEREOF, I have hereunto signed my name this 26th day of March 2019.



Brian C. Dunham, Incorporator

Consent of Initial Agent for Service of Process to Serve

I, Brian C. Dunham, having a principal place of business of 7310 Turfway Road, Suite 210, Florence, Kentucky 41042, hereby agree and consent to serve as registered office and agent for service of process of Ashley Oaks Homeowners Association, Inc.



Brian C. Dunham, Registered Agent