

ARTICLES OF INCORPORATION
OF
PRESTWICK ESTATES COMMUNITY ASSOCIATION, INC.

The undersigned incorporator, whose mailing address is listed below, hereby forms a non-stock, non-profit corporation under the laws of the Commonwealth of Kentucky (KRS 273.161 et. seq.) with all of the rights, privileges, and immunities of a corporation organized as a residential real estate management association within the meaning of Section 528 of the Internal Revenue Code, as amended or under any corresponding provision of any successor codification of the federal tax laws.

ARTICLE I

NAME

The name of the corporation is PRESTWICK ESTATES COMMUNITY ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

REGISTERED OFFICE, PRINCIPAL OFFICE AND REGISTERED AGENT

The initial registered office and principal office of the Association is located at 2102 Oakford Court, LaGrange, Kentucky 40031, and the registered agent is David Wigginton.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

A. The Association shall be operated as a residential real estate management association within the meaning of Section 528 of the Internal Revenue Code, as amended, or under any corresponding provision of any successor codification of the federal tax laws. The Association shall receive funds and shall distribute its funds as hereinafter set forth. In carrying out its corporate purposes, the Association shall have all the powers allowed nonprofit corporations by Chapter 273 of the Kentucky Revised Statutes or its successor.

B. The Association shall have no capital stock and no power to issue certificates of stock nor to declare dividends; and no part of the net earnings of the Association shall inure (other than by acquiring, constructing or providing management, maintenance, and care of corporation property, and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private individual, member, director or officer of the corporation.

C. The purposes for which this Association is formed, but are not limited to, are to provide for the maintenance and repair of the streets, any medians, open spaces, storm drains, fences, entrance lights, street lights, signs and entrances, or common areas, preservation and

architectural control of the residence lots and any common area within that certain tract of property located in Oldham County, Kentucky, and commonly known as Prestwick Estates Subdivision, and any additions thereto as may thereafter be brought within the jurisdiction of this Association for the purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration of Conditions, Covenants and Restrictions of Prestwick Estates, hereinafter called the "Restrictions", applicable to the property and recorded in the Office of the Oldham County Clerk, and as the same may be amended from time to time as therein provided, said "Restrictions" being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Restrictions; to pay all expenses in connection therewith and all 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) acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) dedicate, sell or transfer all or any part of any common areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; and

(e) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and common area.

D. All funds and 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 Restrictions for Prestwick Estates, these Articles of Incorporation and the bylaws.

E. To perform all functions generally exercised by a homeowners association, including the negotiations of contracts for purchase of supplies and materials and for repairs and maintenance; and

F. To exercise all rights and powers granted corporations not for profit by the statutes of this Commonwealth not in conflict with the terms of these Articles.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by restrictive covenants of record to assessment by the Association, shall be a

member of the Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership in the Association shall terminate when a person or entity is no longer the owner of record.

ARTICLE V

VOTING RIGHTS

The Association shall have one class of voting membership. All owners of lots designated for residential purposes shall have one vote for each lot they own. When more than one person holds an interest in any lot, the vote for such lot shall be exercised as they among themselves determine. Only those members whose Association dues are paid in full will be eligible to vote.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3). The initial Board of Directors shall consist of three (3) directors. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

David Wigginton	2102 Oxford Court, LaGrange, Kentucky 40031
Matthew Buckley	2101 Oakford Court, LaGrange, Kentucky 40031
John McGohan	2012 Highland Court, LaGrange, Kentucky 40031

ARTICLE VII

OFFICERS AND COMMITTEES

The officers of the Association shall be composed of a president, vice president, secretary, and treasurer; provided however, that except for the president, any and all of the other offices may be combined in one person. The Directors may create proper administration of the corporation's business. Director David Wigginton shall act in the capacity of President until a successor President is duly elected by the Association's Board of Directors. Thereafter the officers shall be elected for such term and in such manner as is provided in the bylaws. An initial meeting of the Association for the purpose of electing successor directors and conducting other Association business shall be held within 120 days of the filing of these Articles of Incorporation with the Kentucky Secretary of State.

ARTICLE VIII

BYLAWS

The authority to make initial bylaws of the corporation shall be vested in the Association's Board of Directors, thereafter the power to alter, amend or repeal the bylaws and adopt new bylaws shall be vested in the Association.

ARTICLE IX

CORPORATE LIABILITY AND LIMITATION ON LIABILITY OF DIRECTORS

The private property of the Members of the Association shall be exempt from liability for any and all debts or liabilities of the Association.

No director of the Association shall be personally liable to the Association for monetary damages for breach of his/her duties as a director except for liability:

- A. For any transaction in which the director's personal financial interest is in conflict with the financial interests of the Association.
- B. For acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; or
- C. For any transaction from which the director derives an improper personal benefit.

If the Kentucky Revised Statutes are amended after approval of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Kentucky Revised Statutes, as so amended. Any repeal or modification of this article shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

ARTICLE X

INDEMNIFICATION

Each person who is or was a director or officer of the Association, whether elected or appointed, including the heirs, executors, administrators, or estate of any such person, shall be indemnified by the Association to the full amount against any liability, and the reasonable cost or expense (including attorney fees, monetary or other judgements, 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 or officer or arising out of such person's status as a director 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 Association the reasonable expenses incurred in defending any threatened or pending action, suit, or proceeding in advance of its final disposition; provided, however, that such advance payment of expenses shall be made only after delivery to the Association 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. Any repeal or modification of this article shall not affect any rights or obligations then existing. If any indemnification payment required by this article is not paid by the Association within 90 days after a written claim has been received by the Association, the director or officer may at any time thereafter bring suit against the Association to recover the unpaid amount and, if successful in whole or in part, such person shall be entitled to be paid also the expense of prosecuting such claim. The Association shall maintain insurance, at its own expense, to protect itself and any such person against any such liability, cost, or expense, whether or not the Association would have the power to indemnify such person against such liability, cost or expense under the Kentucky Nonprofit Corporation Act or under this article, but it shall not be obligated to do so. The indemnification provided by the article 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 or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each such person to the full extent permitted by any applicable portion of this article that shall not have been invalidated or by any other applicable law.

ARTICLE XI

DISSOLUTION

The Association may be dissolved, in accordance with Chapter 273 of the Kentucky Revised Statutes or its successor. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association, after payment or making adequate provision for the payment of all liabilities and obligations of the Association, shall be distributed to the members of the corporation to the extent each member has paid excess membership dues, fees or assessments to the corporation, pursuant to the plan of distribution, as the Board of Directors shall determine, or 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 accomplish the general purposes similar to those for which this corporation was created. Any such assets not disposed of by the Board of Directors shall be disposed of by the Oldham County Circuit Court or other court of competent jurisdiction to any such exempt organization to be devoted to such similar purpose.

ARTICLE XII

DURATION

The corporation shall begin its life upon the filing of these Articles as prescribed by law and shall continue perpetually unless dissolved as provided by law.

ARTICLE XIII

SEVERABILITY

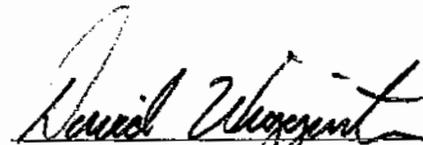
Invalidation of any one of these articles or sections by judgement of court order shall in no way affect any other provisions, which shall remain in full force and effect.

ARTICLE XV

ORDER OF PRECEDENCE

In the case of conflict, the Restrictions take precedence over the Articles of Incorporation and the Bylaws. The Articles of Incorporation take precedence over the Bylaws.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the Commonwealth of Kentucky, the undersigned incorporator of this Association executed these Articles of Incorporation, this 8th day of August, 2006.

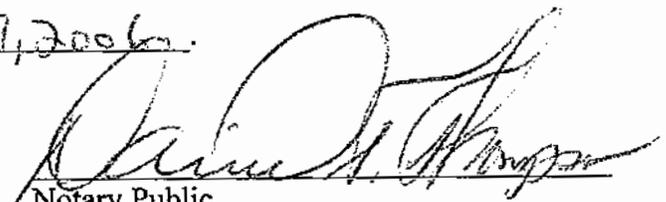


David Wigginton, Incorporator

STATE OF KENTUCKY
COUNTY OF OLDHAM

The foregoing Articles of Incorporation were acknowledged and sworn to before me this 8th day of August, 2006 by David Wigginton, Incorporator.

My commission expires: October 19, 2006.



Notary Public
State of Kentucky at Large

Prepared by:



DAVID T. THOMPSON

Attorney at Law

206 North 2nd Street

LaGrange, KY 40031

Telephone: (502) 222-5996

DOCUMENT NO: 355285
RECORDED ON: AUGUST 17, 2006 12:06:31PM
TOTAL FEES: \$23.00
COUNTY CLERK: ANN B BROWN
COUNTY: OLDHAM COUNTY
DEPUTY CLERK: NANCY BONNER
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