

ARTICLES OF INCORPORATION (Amended)

OF

HALSTON MANOR PROPERTY OWNERS' ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation (hereinafter referred to as the "Association") under the Indiana Nonprofit Corporation Act of 1991, (hereinafter referred to as the "Act"), execute the following Articles of Incorporation:

ARTICLE I

Name

The name of this Corporation is Halston Manor Property Owners' Association, Inc.

ARTICLE II

Type of Corporation

This Corporation is a mutual benefit association as the term is defined in the Act.

ARTICLE III

Purposes

The purposes for which this Corporation is formed are:

1. To have and exercise each and every power, right and privilege which a corporation organized under the Indiana Nonprofit Corporation Act of 1991, as amended, may now or hereafter have or exercise.

2. This Association does not contemplate pecuniary gain or profit to the members thereof. This Association shall provide for the aesthetic appearance of a certain subdivision located in Warrick County, Indiana, specifically Halston Manor Subdivision recorded on October 30, 2001 in the Office of the Recorder of Warrick County, Indiana (hereinafter collectively referred to as the "Subdivision").

3. To educate homeowners and residents in the Subdivision concerning the CONDITIONS, RESTRICTIONS, RESERVATIONS AND PROTECTIVE COVENANTS FOR HALSTON MANOR, recorded October 30, 2001, as Instrument No. 2001R-013267 in the office of the Recorder of Warrick County, Indiana, (collectively the "Restrictions") and to encourage compliance with the provisions thereof.

4. To maintain the entry walls, entrance street, lights, entrance and right-of-way along Lincoln Avenue and Frame Road, the drainage/retention basin and landscaping and any other common areas or facilities in the Subdivision and to enforce the Restrictions.

5. To arrange for construction and maintenance of improvements for the common benefit

of homeowners in the Subdivision and to enhance the appearance of the Subdivision and surrounding area.

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

7. To engage in all reasonable efforts to protect, preserve and enhance the residential character and value of the property owned by the homeowners in the Subdivision and to engage in such other activities as may be to the mutual benefit of homeowners.

8. To enter into contracts for the performance for any of the purposes of the Association.

9. To fix, levy, and collect and enforce by any lawful means the payment of dues, charges, assessments, and liens of homeowners and to otherwise solicit and collect funds for the benefit of the Association and to pay all expenses incurred in the performance of the purposes of the Association and incident to the conduct of the business of the Association.

10. To act as a tax-exempt organization as defined in 26 U.S.C. '501(c)(4) so that no part of the net earnings of the Association shall inure to the benefit of any individual members and to otherwise comply with that section.

11. To do all things necessary, convenient, or expedient to accomplish the purposes that are expressed or implied in these Articles or which may be incidental thereto and to perform all other acts not prohibited by law and consistent with the tax-exempt purposes of the Association.

**ARTICLE IV**  
**Period of Existence**

The period during which the Association shall continue is perpetual.

**ARTICLE V**  
**Resident Agent and Principal Office**

**Section 1. Resident Agent.** The name and address of the Resident Agent of the Association is:

**Mr. Robert W. Hill**  
**9184 Halston Circle**  
**Newburgh, IN 47630**

**Section 2. Principal Office.** The address of the principal office of the Association is:

**9184 Halston Circle**  
**Newburgh, IN 47630**

**ARTICLE VI**  
**Membership**

**Section 1. Determination of Membership.** The Association shall be organized without capital stock. Membership will be evidenced by record ownership in the deed records in the Office of the Recorder of Warrick County, Indiana, indicating ownership of a lot in the Subdivision. Membership in the Association shall be restricted to owners of lots in the Subdivision, all as set forth in the Restrictions and as hereinafter prescribed. The membership of any member shall terminate upon execution and delivery of a Deed conveying ownership of the lot to a new owner. The membership of any member shall also terminate if his or her annual assessment(s) as herein provided are not timely paid. In the case of a member's non-payment of annual assessment(s), his or her membership qualification shall cease, and such membership shall lapse.

**Section 2. Ownership By Other Than Individual.** The owner of each lot shall be considered to be a single person even though title may be vested in more than one person, partnership, corporation or other entity, and the votes that may be cast on any issue shall be cast only one time.

When more than one person holds an interest in any lot, all such persons shall be members. However, the vote for such lot shall be exercised as they (the owners) among themselves determine. In no event shall more than one vote be cast with respect to any Lot.

**Section 3. Ownership of More Than One Lot.** In the event one (1) or more lots or parts of one or more lots in the Subdivision as originally platted are combined for use as a single building site, the owner of such building site shall be entitled to one (1) vote in all matters pertaining to the Association, regardless of the fact that such building site consists of one (1) or more or parts of one or more lots as originally platted, it being the intent that the owner of each residential building site, as above defined, be entitled to one (1) vote in all matters pertaining to the Association.

**ARTICLE VII**  
**Directors**

**Section 1. Number of Directors.** The initial Board of Directors shall consist of one (1) member who shall serve in the capacity of directors until the first annual meeting of the members (unless sooner removed), or until his or her successors are duly chosen and qualify. After the first annual meeting of the members, the Board of Directors shall consist of seven (7) members. The number of directors may be changed by amendment of the Bylaws of the Association.

Section 2. Name and Address of the Initial Board of Directors. The number of directors constituting the initial Board of Directors is one (1), and his or her name and address is:

**Mr. Garey Patmore  
4622 Prescott Drive  
Newburgh, IN 47630**

At the first annual meeting, or no later than forty-five (45) days thereafter by secret ballot vote, the members shall elect seven (7) Directors for a term of one year each. At or following each annual meeting thereafter, the members shall elect Directors for one-year term(s), in similar fashion, unless otherwise provided for in the Bylaws. Directors may serve consecutive terms.

**ARTICLE VIII**  
**Incorporator**

The name and address of the incorporator is as follows:

**Mr. Robert W. Hill  
9184 Halston Circle  
Newburgh, IN 47630**

**ARTICLE IX**  
**Statement of Property**

A statement of property and an estimated value thereof to be taken over by the Corporation at or upon its incorporation is as follows:

None.

**ARTICLE X**  
**Provisions for Regulation and Conduct**  
**of the Affairs of the Association**

Other provisions, consistent with the laws of this State, for the regulation and conduct of the affairs of the Association and creating, defining, limiting or regulating the powers of the Association, its Directors or members of any Class or Classes of members are as follows:

1. The management of the affairs of the Association shall be vested in a seven (7)-person Board of Directors.
2. At the first annual meeting of the Association, or no more than forty-five (45) days following the first annual meeting, the members shall elect seven (7) directors. All officers of the Association shall thereafter be elected by the seven (7)-person Board of Directors from among the ranks of the elected seven (7)-person Board of Directors.

3. Amendment of these Articles shall require a five-sevenths (5/7) vote of the entire Board of Directors.

4. The Board of Directors shall adopt, and may from time to time amend, a Code of By-Laws and shall conduct the business of the Corporation under the terms of the By-Laws.

5. To the extent not inconsistent with the law of the State of Indiana, every person (and the heirs and personal representatives of such person) who is or was a director or officer of the Association shall be indemnified by the Association against all liability and reasonable expense that may be incurred by him in connection with or resulting from any claim, action, suit or proceeding (a) if such director or officer is wholly successful with respect thereto or (b) if not wholly successful, then if such director or officer is determined to have acted in good faith, in what he reasonably believed to be in the best interests of the Association and, in addition, with respect to any criminal action or proceeding, is determined to have had no reasonable cause to believe that this conduct was unlawful. The termination of any claim, action, suit or proceeding, by judgment, settlement (whether with or without court approval), conviction, plea of guilty or plea of nolo contendere (or its equivalent) shall not create a presumption that a director or officer did not meet the standards of conduct set forth in this Section. As used in this Section, the terms "claim, action, suit or proceeding" shall include any claim, action, suit or proceeding and all appeals thereof (whether brought by or in the right of this Association, any other corporation or otherwise), civil, criminal, administrative or investigative, or threat thereof, in which a director or officer of the Association (or his heirs and personal representatives) may become involved, as a party or otherwise:

(a) by reason of his being or having been a director or officer of the Association or of any corporation which such person served as such at the request of the Corporation, or

(b) by reason of such person acting or having acted in any capacity in a partnership, association, trust or other organization or entity where he served as such at the request of the Association, or

(c) by reason of any action taken or not taken by such person in any such capacity, whether or not he continues in such capacity at the time such liability or expense shall have been incurred.

As used in this Section, the terms "liability" and "expense" shall include, but shall not be limited to, attorneys' fees and expenses, court costs, and disbursements and amounts of judgments, fines or penalties against, and amounts paid in settlement by or on behalf of, a director or officer. As used in this Section, the term "wholly successful" shall mean (a) termination of any action, suit or proceeding against the person in question without any finding of liability or guilt against him, (b) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any action, suit or proceeding, or (c) the expiration of a reasonable period of time after the making of any claim or threat of an action, suit or proceeding without the institution of the same, without

any payment or promise made to induce a settlement. Every person claiming indemnification hereunder (other than one who has been wholly successful with respect to any claim, action, suit or proceeding) shall be entitled to indemnification (a) if special independent legal counsel, which may be regular counsel of the Association or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counsel or person or person being hereinafter called the "referee"), shall deliver to the Association written findings that such director or officer has met the standards of conduct set forth herein, and (b) if the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions which the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he relies for indemnification. The Association shall, at the request of the referee, make available facts, opinions or other evidence in any way relevant to the referee's findings which are within the possession or control of the Association. The rights of indemnification provided in this Section shall be in addition to any rights to which any such director or officer may otherwise be entitled. Irrespective of the provisions of this Section, the Board of Directors may, at any time and from time to time, approve indemnification of directors, officers, employees or other persons to the full extent permitted by the law of the State of Indiana, whether on account of past or future transactions. Expenses incurred with respect to any claim, action, suit or proceeding may be advanced by the Association by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of any undertaking by or on behalf of the recipient to repay such amount unless he is entitled to indemnification. The Board of Directors is authorized and empowered to purchase insurance covering the Association's liabilities and obligations under this Section and insurance protecting the Association's directors, officers, members and employees.

6. The Association through its Board of Directors shall designate the By-Laws of the Association (which shall thereafter be subject to amendment, addition or repeal by the members) and shall levy regular and/or special assessments against the members to accomplish the purposes of said Association, which shall be payable to the Treasurer on notice of said assessment. An assessment shall be assessed against each member in an equal sum of money, and not otherwise.

The annual assessments provided for herein shall commence as to each member on the first day of the month following the conveyance of said member. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every member subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Each lot in the Subdivision or part thereof owned by a member shall be subject to a lien to secure the payment of the assessment established against such member. The Association shall have the sole authority to collect and enforce the collection of all general and special assessments and may in addition to such assessments, charge and assess costs, (including reasonable attorney fees) and penalties in interest for the late payment or nonpayment thereof. The Association shall have the authority to expend all monies collected from such assessments, costs, penalties and interest for the payment of expenses and costs in carrying out the duties, rights and powers of the Association herein provided for.

Thirty (30) days after any general or special charge and assessment shall be due and payable, and unpaid or not otherwise satisfied, the same shall be and become delinquent, and shall so continue until the amount of said charge and assessment, together with all costs, penalties and interest as herein provided, have been fully paid or otherwise satisfied.

At any time after any general or special charge and assessment against any member has become a lien and delinquent, the Association may record a Notice of Delinquency as to such member which Notice shall state therein the amount of such delinquency and that it is a lien, and the interest, costs (including attorneys' fees) and penalties which have accrued thereon, a description of the site against which the same has been assessed, and the name of the record or reputed record owner thereof, and such notice shall be signed by an officer of the Association. Upon the payment or other satisfaction of said assessments, interest, penalties and costs in connection with which notice has been recorded, the Association shall record a further notice stating the satisfaction and the release of the lien thereof.

Each lien established pursuant to these provisions by the recording of a Notice of Delinquency as hereinabove provided, may be foreclosed as and in the same manner as is provided for the foreclosure of a mortgage upon real property by the laws of Indiana at the date of the commencement of such foreclosure action. In any action to foreclose any such lien, the Association shall be entitled to costs, including reasonable attorneys' fees, and such penalties for delinquent charges and assessments as shall have been established by the Association.

Each and every assessment and lien, together with any costs, penalties or interest, established, reserved or imposed hereunder shall be subordinate to any valid bona fide mortgage or trust deed (and the lien and/or title thereof) which has been or may hereafter be given in good faith and for value on any interest of any owner of such lot. Any subsequent owner of any such lot purchased at foreclosure shall be bound by the restrictions, conditions, covenants, reservations, assessments and liens set out herein, not including, however, any assessment or lien arising prior to the foreclosure sale.

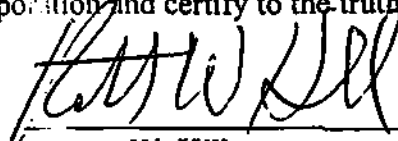
7. Income and Distribution. No part of the earnings of the corporation shall inure to the benefit of or be distributed to its members, directors, or officers, except any such person may be reimbursed for expenses incurred on behalf of the Association.

8. Prohibited Activities. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

9. Distribution on Dissolution. In the event of the dissolution of this Association, the Board of Directors shall, after paying or making provision for the payment for all of the liabilities of the Association, dispose of all the assets of the Association exclusively for the purposes of the Association, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes, as shall at the time qualify (a) as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 or acts amendatory, and (b) as a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2), 2522(a)(2), or 2522(b)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a Court of proper jurisdiction of the County in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

The undersigned hereby certifies that one (1) or more persons have signed the membership list at a meeting of the members called for the purpose of approving the Articles of Incorporation and for electing the first Board of Directors to be named in these Articles.

IN WITNESS WHEREOF, the undersigned do hereby execute these Articles of Incorporation and certify to the truth of the facts herein contained on the 14<sup>th</sup> day of June, 2005.

  
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Robert W. Hill

This instrument prepared by: Krista B. Lockyear, RUDOLPH, FINE, PORTER & JOHNSON, LLP, 22 N.W. Fifth Street, Second Floor, P.O. Box 1507, Evansville, Indiana 47706, Telephone: (812) 422-9444