

ARTICLES OF INCORPORATION
ASHETON LAKES AT NORTHLAKES
PROPERTY OWNERS ASSOCIATION, INC.

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Alabama Nonprofit Corporation Act (Code of Alabama [1975], Sections 10-3A-1, et. seq.) hereby adopts the following Articles of Incorporation and certify as follows:

1. **Name.** The name of the corporation is "Asheton Lakes at NorthLakes Property Owners Association, Inc." (hereinafter referred to as the "Association").

2. **Duration.** The period of duration of the Association shall be perpetual.

3. **Purposes.** The purposes for which the Association is organized are: To provide for the efficient preservation of the appearance, value, and amenities of the property which is subject to the Asheton Lakes at NorthLakes Declaration of Covenants, Conditions, and Restrictions (the "Declaration") recorded or to be recorded in the Probate Office of Lee County, Alabama.

4. **Powers.** The powers of the Association are:

- a. To own, operate, maintain, manage, repair, and replace Common Areas of the Property.
- b. To the extent provided in the Declaration, to control the specifications, architecture, design, appearance, siting, and landscaping of all Improvements to be constructed, placed, or permitted to remain on any Lot in the Property and all alterations, changes, and additions thereto.
- c. To perform and carry out the acts, duties, responsibilities, and conditions delegated to the Association in the Declaration and in these Articles of Incorporation, in accord with the Bylaws of this Association, and all amendments thereto.
- d. To own, lease, license, operate, purchase, acquire, hold, improve, develop, manage, sell, convey, transfer, exchange, release, and dispose of, either alone or in conjunction with others, real and personal property, tangible and intangible, of every kind, character, and description.

e. To enforce all of the terms and provisions of the Declaration and to make, establish, and enforce reasonable rules and regulations governing the administration, operation, and management of the Property.

f. To make, levy, collect, and enforce Assessments, as defined in the Declaration, and to use and expend such Assessments in the manner set forth in the Declaration.

g. To employ personnel and contract for services, material, and labor, including contracting for the management of the Common Areas and all other portions of the Property.

h. To purchase and maintain insurance for such coverage, with such insurance carriers, in such amounts, at such rates, and with such deductibles as may be necessary for the protection of the Association, its officers, directors, and members.

i. To enforce any of the provisions of the Declaration by legal and equitable actions as may from time to time be necessary.

j. To enter into, make, and perform contracts of every kind for any lawful purpose without limit as to the amount, with any person, firm, association, partnership, limited partnership, corporation, municipality, county, state, territory, government, governmental subdivision, or body politic.

k. To operate without profit for the sole and exclusive benefit of its members.

l. To carry on any other business in connection with the foregoing, to transact any or all lawful business for

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which corporations may be incorporated under the Alabama Nonprofit Corporation Act, as amended, and to have and exercise all powers necessary or convenient to effect the purposes of the Association in accordance with and subject to the terms and provisions of the Declaration.

5. Initial Registered Office and Agent. The location and street address of the initial registered office of the Association, and the name of its initial registered agent at such address, are as follows:

J. A. Conner, Jr., P. O. Box 3070/739 Opelika Road,
Auburn, AL 36831-3070/36830

6. Nonstock and Nonprofit Status. The Association shall have no capital stock, is not organized for profit, and does not contemplate pecuniary gain or profit to the members thereof. No part of the earnings of the Association shall inure to the benefit of any member, individual officer, or director. The Association does not contemplate the distribution of gains, profits, or dividends to the members thereof and is organized solely for nonprofit purposes.

7. Members. The members of the Association shall consist of all Owners of Lots in Asheton Lakes at NorthLakes. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot. Declarant shall be entitled to all voting rights attributable to any Lots owned by Declarant.

8. Directors. The affairs of the Association shall be managed by a Board of Directors.

a. Number of Directors. The number of Directors

constituting the initial Board of Directors shall be a minimum of nine (9). Thereafter, the number of Directors shall be fixed in the manner provided in the Bylaws and may thereafter be increased or decreased from time to time by amendment to or in the manner provided in the Bylaws; provided, however, that (i) the number of Directors shall in no event consist of less than three (3) Directors from North Lake, Inc. and six (6) from the Property Owners, (ii) no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director, (iii) as provided in the applicable Sections of the Declaration, Declarant shall have the right to elect all members of the Board of Directors of the Association as long as Declarant owns any Lot (platted) within the Property other than a dwelling used by Declarant as a personal residence in the development and (iv) at such time as Declarant no longer owns any Lot other than a dwelling used by Declarant for a personal residence in the Development, the members of the Association shall elect a new Board of Directors of the Association as provided in the appropriate Section of the Declaration. Directors other than those representing North Lake, Inc., must be Property Owners in the development and residents of the State of Alabama. The names and mailing addresses of each person who is to serve as an initial Director of the Association until their successors are elected and qualified or until such Directors are removed as provided in Paragraph 8(b) of these Articles are as follows:

J. A. Conner, Jr., J. Ab Conner and Donald M. Conner,
all at: P. O. Box 3070/739 Opelika Rd., Auburn,
AL 36831-3070/36830

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b. **Removal.** For so long as Declarant owns any Lot within the Property, other than a dwelling used by Declarant for a personal residence, Declarant shall have the right at any time and from time to time to remove any Director, either with or without cause, and may appoint a successor to such removed Director or otherwise fill any vacancies on the Board, in each case without any consent or approval of any of the members. At such time as Declarant no longer owns any Lot within the Development, other than a dwelling used by Declarant as a personal residence, the members of the Association shall have the right at any time and from time to time to remove any Director, either with or without cause, and may appoint a successor to such removed Director. Vacancies which may thereafter arise on the Board shall be filled as provided in the Bylaws.

c. **Powers.** Except as may be otherwise provided to the contrary in the Declaration, these Articles of Incorporation or the Bylaws of the Association, all powers of the Association shall be exercised by or under authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors.

d. **Conflicts of Interest.** No contract or other transaction between the Association and one or more of its Directors or any other corporation, firm, association, or entity in which one or more of its Directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest. Any Director of the Association or any corporation, firm, association, or entity of which any Director of the Association is a

director or officer or is financially interested may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Association, provided that such relationship or interest in such contract or transaction shall be disclosed or known to the Board of Directors at the meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction and, if such fact shall be disclosed or known, any Director so related or interested may be counted in determining a quorum at such meeting and may vote on such matter or action with the same force and effect as if he were not so related or interested. Any Director of the Association may vote on any contract or other transaction between the Association and any affiliated corporation without regard to the fact that he is also a director of such affiliated corporation.

9. **Incorporators.** The name and mailing address of each incorporator is as follows:

J. A. Conner, Jr.; P.O. Box 3070, Auburn, AL 36831-3070.

10. **Distribution of Assets Upon Dissolution.** Dissolution of the Association shall be accomplished as set forth in the Alabama Nonprofit Corporation Act. Upon dissolution of the Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

a. Real property contributed to the Association without the receipt of other than nominal consideration by

Declarant shall be returned to Declarant, unless it refuses to accept the conveyance (in whole or in part); and

- b. Unless otherwise agreed to the contrary in the plan of distribution, all remaining assets shall be distributed among the members of the Association, as tenants in common, with each member's share of the assets to be determined in accordance with its voting rights.

11. Power of President and Vice Presidents to Execute Documents. The President and each Vice President of the Association shall each have authority to execute all instruments, documents, and contracts on behalf of the Association.

12. Indemnification of Officers, Directors, Employees, and Agents.

- a. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed claim, action, or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, officer, partner, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have

been adjudged to be liable for willful, deliberate, or wanton 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 view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which court shall deem proper.

- b. To the extent that a Director, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Paragraph 12(a) above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, notwithstanding that he has not been successful on any other claim, issue, or matter in any such action, suit, or proceeding.
- c. Any indemnification under Paragraph 12(a) above (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Paragraph 12(a) above. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to, or who have been wholly successful on the merits or otherwise with respect to, such claim, action, suit, or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by a majority vote of the

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members of the Association.

- d. Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit, or proceeding may be paid by the Association in advance of the final disposition of such claim, action, suit, or proceeding as authorized in the manner provided in Paragraph 12(c) above upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount if and to the extent that it shall be ultimately determined that he is not entitled to be indemnified by the Association as authorized in this Paragraph 12.
- e. The indemnification authorized by this Paragraph 12 shall not be deemed exclusive of and shall be in addition to any other right to which those indemnified may be entitled under any statute, rule of law, provisions of these Articles of Incorporation, Bylaws, agreement, vote of members or disinterested Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.
- f. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a Director, officer, partner, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such

capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder.


13. **Amendment.** For so long as Declarant owns any Lot within the Development, other than a dwelling used by Declarant as a personal residence, these Articles of Incorporation may be amended at any time and from time to time by Declarant or by the vote of the Board of Directors of the Association, without the consent or approval of any of the Members of the Association. At such time as Declarant no longer owns any Lot within the Development, other than a dwelling used by Declarant as a personal residence, then these Articles of Incorporation may be amended, subject to the terms and provisions of the Declaration, by the affirmative vote of at least two-thirds (2/3) of the total votes in the Association (i.e., two-thirds (2/3) of all Owners).

14. **Incorporation by Reference.** All of the terms, provisions, definitions, covenants, and conditions set forth in the Declaration are hereby expressly incorporated herein by reference as if fully set forth herein. In the event of any conflict or ambiguity between the terms, provisions, definitions, covenants, and conditions set forth herein in these Articles of Incorporation and the Declaration, then the provisions of the Declaration shall at all times control.

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IN WITNESS WHEREOF, the undersigned Incorporators
have hereunto subscribed their names to these Articles
of Incorporation as of this,

the 26th day of June, 2006.




J. A. Conner, Jr.
Incorporator

STATE OF ALABAMA
LEE COUNTY

I, the undersigned authority, a Notary Public for the
State of Alabama at Large, hereby certify that J. A.
Conner, Jr., whose name as Incorporator of Asheton
Lakes at NorthLakes Property Owners Association, Inc.
is signed to the foregoing Articles of Incorporation, and
who is known to me, acknowledged before me on this
day that, being informed of the contents of the
instrument, he executed the same voluntarily on the day
the same bears date.

Given under my hand and official seal this the 26th day
of June, 2006.

(NOTARY SEAL)



Notary Public

My commission expires: 10/26/09

Book/Pg: 1279/653
Term/Cashier: IS1 / AP
Tran: 451.9252.12327
Recorded: 06-27-2006 14:01:41
REC Recording Fee
Total Fees: \$ 30.00

30.00