

BY-LAWS
OF
LANDIS LAKES RECREATION ASSOCIATION, INC.

ARTICLE I

Offices

1.01 Principal Office. The principal office of Landis Lakes Recreation Association, Inc. (the "Association") in the Commonwealth of Kentucky shall be located at 11800 Brinley Avenue, Suite 201, Louisville, Kentucky 40223. The Association may have such other offices, either within or without the Commonwealth of Kentucky, as the business of the Association may require from time to time.

1.02 Registered Office. The registered office of the Association may be, but need not be, identical with its principal office in the Commonwealth of Kentucky. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Capital Stock

2.01 No Capital Stock. The Association shall have neither capital stock nor stockholders, and its business and affairs shall not be conducted for private pecuniary gain or profit, nor shall any of its gain, profit, or property inure to the incorporator thereof, nor to any officer or director thereof, nor any other individual or any member of the Association, except as may be otherwise provided in its Articles of Incorporation (the "Articles of Incorporation") as to compensation for services rendered, but its entire gain, profit, net earnings, and property shall be devoted exclusively to the uses and purposes set out in Article 3 of its Articles of Incorporation.

ARTICLE III

Membership

3.01 Membership. Ownership of a lot (a "Lot") as shown on the major subdivision plat of Landis Lakes, as shown on the major subdivision plat of Academy Ridge at Landis Lakes, and as shown on the major subdivision plat of The Woods at Landis Lakes, (collectively the "Subdivisions") each of record in the Jefferson County Clerk's office, is required in order to qualify for membership in the Association.

3.02 Representation on Board of Directors. If title to a Lot is held by a firm, corporation, partnership, association, other legal entity or any combination thereof, or if any individual or entity holds title to more than one Lot, then, in either case, that individual or entity may appoint, by a writing furnished to the Association, a delegate to represent each such Lot as a candidate for, and if elected, as a member of, the Board of Directors. Such delegate will not vote as a member of the Association unless such person is appointed by a proxy executed in conformance with these Bylaws to cast the voting interest of the Lot, which he represents.

3.03 Responsibilities of Members. Any person, including FHC, a Kentucky joint venture, Dominion of Kentucky, Ltd., a Kentucky limited partnership, and Landis Lakes Partnership, Ltd., a Kentucky limited partnership (the "Declarants"), on becoming an owner of a Lot ("Owner") within a Subdivision, will automatically become a member (a "Member" or, collectively, "Members") and be subject to these Bylaws. Such membership will terminate without any formal Association action whenever such person ceases to own a Lot, but such termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such Ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of Ownership of the Lot and membership in the Association and the covenants and obligations incident thereto. Subject to the provisions of these by-laws and any declarations that may affect the a Lot Owner, any Owner may delegate his right of enjoyment to the "Common Area" (as defined below) to the members of his family residing on the Lot or to his tenant, as more fully provided in the Declaration.

3.04 Classes of Memberships. The Association shall have two classes of voting membership:

(a) **Class A.** Class A members shall be all Lot owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned.

(b) **Class B.** The Class B members shall be the Declarants. The Declarants shall be entitled to ten votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the occurrence of the earlier of the following:

(i) Transfer of control by the Declarant; or

(ii) At such time as ninety-five percent (95%) of the Lots of *Landis Lakes, Academy Ridge at Landis Lakes, and The Woods at Landis Lakes* have been sold by the Declarants.

3.05 Voting Privileges. Subject to the voting rights of the Declarants, as set forth above, all Members will be entitled to vote on Association matters on the basis of one vote for each Lot owned.

When more than one person holds an interest in any Lot, all such persons will be Members. The vote for such Lot will be exercised by one person or alternative persons, as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Any Owner of a Lot that is leased may assign his voting right to the tenant, provided that the tenant is appointed to vote on behalf of the Owner by proxy and the proxy is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

3.06 Proof of Membership. Any person or entity, on becoming an Owner, will furnish to the Manager, if any, or to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person or entity with an ownership interest, which instrument will remain on files with the Association. An Owner will not be deemed a Member of the Association in good standing and will not be entitled to vote at any annual or special meeting of the Members unless this requirement is first met.

ARTICLE IV

Meetings, Quorum, Voting, Proxies

4.01 Place and Frequency of Meetings. Meetings of the Members will be held at least once each year at such place, within or without the Commonwealth of Kentucky, as the Board of Directors may determine.

4.02 Annual Meetings. The first annual meeting of the Members will be held within one year after the date of the adoption of these Bylaws. Each subsequent annual meeting of the Members will be held on a date and at a time set by the Board of Directors. The purpose of the annual meetings is for the election of the Board of

Directors and the transaction of such other business of the Association as may properly come before the meeting.

4.03 Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, or by a majority of the Board of Directors, or upon written request of Members who are collectively entitled to vote at least twenty percent (20%) of all of the votes in the Association.

4.04 Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the agenda for the meeting, will be delivered not less than ten (10) nor more than thirty-five (35) days before the date of the meeting, personally or by mail by or at the direction of the President, or the Secretary or the persons calling the meeting, as provided in these Bylaws, to each Member entitled to vote at such meeting.

4.05 Waiver of Notice. Any Member may waive notice of any meeting. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, unless the Member attends the meeting for the sole express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Whenever any notice is required to be given under the provisions of these Bylaws, the Articles of Incorporation, or otherwise by law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

4.06 Quorum. A quorum is deemed present throughout any meeting of the Association if Members entitled to cast (or proxies entitled to cast) twenty percent (20%) of the votes of the Association are present at the beginning of the meeting. If, however, such quorum is not present or represented at the meeting, the Members entitled to vote at the meeting will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy.

4.07 Actions Binding on Members. A majority of votes intended to be cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles of Incorporation, or these Bylaws.

4.08 Majority of Owners. As used in these Bylaws, the term "majority" will mean those votes, Owners, or other groups as the context may indicate totaling more than fifty percent (50%) of the total number.

4.09 Proxies. Any Member may cast such Member's vote in person or by proxy, but no proxy will be valid if it is not dated or if it purports to be revocable without notice. Further, no proxy will be valid after eleven (11) months from the stated

date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended or sooner terminated by operation of law. Finally, no proxy will

be valid unless filed with the Secretary of the Association at or before the appointed time of the meeting at which the proxy will be voted.

4.10 Action Without a Meeting. Any action which may be taken by the vote of the Members at a regular or special meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to the subject matter thereof. Such written consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE V

Board of Directors, Selection: Term of Office

5.01 Number, Qualification and Initial Board. The affairs of this Association will be managed by a Board of at least three individuals. Except as provided below regarding Directors appointed by the Declarant, the Directors will be Members of the Association or the delegates of Members appointed by proxy under Article IV above. The number of the Board of Directors will be established from time to time by amendment to these Bylaws. Directors need not be residents of the Commonwealth of Kentucky.

The initial number of members of the Board of Directors will be three. The names and addresses of the persons who are to serve as the initial Directors until his or her successors are appointed are listed below:

<u>NAME</u>	<u>ADDRESS</u>
R. Stephen Canfield	Canfield Properties, Inc. Suite 201 11800 Brinley Avenue Louisville, KY 40243
Stephan M. George	Dominion of Kentucky, Ltd. 1219 S. Hurstbourne Parkway Louisville, Kentucky 40222
Joseph A. Pusateri	Landis Lakes Partnership, Ltd 13000 Middletown Industrial Blvd. Suite C Louisville, Kentucky 40223

5.02 Director During Declarant Control Period. During the period prior to the Declarants assigning all of their rights to the Association, as provided in these by-laws (the "Declarant Control Period"), the Board of Directors will be selected by the Declarants and will serve at the sole discretion of the Declarants. The Directors selected by the Declarant need not be Members of the Association. Unless the Declarants direct otherwise, and subject to these Bylaws and other applicable laws, the initial Directors named in the Articles of Incorporation will continue to serve throughout the Declarants Control Period. The Declarants will surrender the right to select the Board of Directors upon termination of the Declarants Control Period, as provided below.

5.03 Election of Directors After Declarant Control Period. Upon termination of the Declarants Control Period in accordance with these by-laws, a special meeting of the Members will be called, at which meeting the Declarant will turn control of the Association over to the other Members. The Members will elect a new Board of Directors, and any terms of Directors appointed by the Declarant that have not expired will terminate at that time. Subsequently, the Directors will be elected by the Member's at each annual meeting of the Members. At the first general election of the Board by Members and at subsequent elections, the Members may cast as many votes as they are entitled to exercise under the provisions of Section 3.05 above.

5.04 Term of Office of Directors After Declarant Control Period. The term of office for the initial Directors elected by the Members will be fixed at the time of their election as they themselves will determine in order to establish a system of three year terms in which at least one-third of the Board is elected each year, and the Board will identify in which year the directorships for each category of representation are subject to election. For example, if the number of Directors on the initial Board is set at three, one Director will serve for a one-year term, one Director will serve for a two-year term, and one Director will serve for a three-year term. At the expiration of the initial term of office of each respective Director, a successor will be elected to serve three years. Each Director will hold office until such Director's successor is elected by the Members and qualified to take over the office.

5.05 Removal and Resignations. Directors may be removed from office for good cause, which may include absences from three (3) successive regular meetings of the Board of Directors. Such action shall be taken by the Board of Directors by adopting a corporate resolution. Any director may resign from the Board of Directors at any time by giving written notice to the President or Secretary of the Association, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.06 Vacancies.

(a) **During Declarant Control Period.** During the Declarant Control Period, if a Director appointed by the Declarant dies, becomes disabled or resigns, the Declarant will appoint a new Director to serve the balance of the term of the resigning, disabled or deceased Director.

(b) **Following Declarant Control Period.** After the expiration or termination of the Declarant Control Period, any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected will be coincident with the term of the replaced Director. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board of Directors for a term of office continuing only until the next election of Directors by the Association's Members.

5.07 Compensation. By resolution of the Board of Directors each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a stated annual stipend as Director or a fixed sum for attendance at each meeting of the Board of Directors. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE VI

Meetings of Directors

6.01 Annual and Regular Meetings. An annual meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of Members. Regular meetings of the Board of Directors will be held at such regular times as set by the Board of Directors, at such place and hour as may be fixed from time to time by resolution of the Board. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day that is not a legal holiday.

6.02 Special Meetings. Special meetings of the Board of Directors will be held when called by, or at the request of, the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

6.03 Notice. Notice of any special meeting shall be personally delivered or telephoned to each Director at least twenty-four (24) hours prior thereto or mailed to each Director at his business address at least two (2) days prior to the time of the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is

delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

6.04 Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast fifty percent (50%) of the votes on the Board are present at the beginning of the meeting.

6.05 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise required by law, by the Articles of Incorporation, or by these Bylaws.

6.06 Action Taken Without a Meeting. The Directors will have the right to take any action that they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved, will have the same effect as though taken at a meeting of the Directors.

6.07 Chairman and Vice-Chairman of the Board. The Board of Directors may appoint one of its members Chairman of the Board of Directors. The Board of Directors may also appoint one of its members as Vice-Chairman of the Board of Directors, and such individual shall serve in the absence of the Chairman and perform such additional duties as may be assigned to him by the Board of Directors.

ARTICLE VII

Powers and Duties of the Board of Directors

7.01 General. The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association vested in or delegated to the Association by law and/or by the Declaration. Except as provided by these Bylaws, the Articles of Incorporation or the Declaration, the Board of Directors may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

7.02 Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors will have the following powers and duties.

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration.

(b) To establish, make, amend from time to time, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use, and occupancy of Lot 1000 and the *Landis Lakes Recreational Facilities*, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered or mailed to each Member promptly after adoption.

(c) To keep in good order, condition, and repair all the "Landis Lakes Recreational Facilities" (the "Facilities" as defined in the Declaration) and all items of personal property, if any, used in the enjoyment of the Facilities. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

(d) To fix, determine, levy, and collect the Annual Assessments to be paid by each of the Members towards the gross expenses of *Landis Lakes II Subdivision*, and to adjust, decrease, or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.

(e) To collect Special Assessments which may be assessed by a majority vote of Members, as set forth in Section 10.03 herein.

(f) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the these Bylaws, and to exercise other remedies for delinquent Assessments as set forth in the Declaration.

(g) Subject to the provision of Section 12.01 hereof, to enter into contracts within the scope of their duties and powers.

(h) Subject to the provisions of Section 12.02 hereof, to borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of these Bylaws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that the Board will not borrow more than \$5,000.00 or cause the Association to be indebted for more than \$5,000.00 at any one time without the prior approval of a majority of votes of Members present and voting in person or by proxy on the issue.

(i) Subject to the provisions of Section 12.03 hereof, to establish a bank account for the operating account of the Association and for all separate funds as required or deemed advisable by the Board of Directors.

(j) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Members at convenient weekday business hours.

(k) To cause any and all sidewalks, parking areas, and roadways in and to the *Facilities* and across the "Property" (as defined in the Declaration) to be maintained to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.

(l) To cause the maintenance of the lawn, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the Common Areas for the benefit of the Members.

(m) To procure and maintain adequate liability and hazard insurance on property owned by, or for activities conducted under the direction of, the Association, to the extent that such insurance is readily available at a reasonable premium as determined by the Board of Directors. All property owned shall be insured for its full replacement cost. All insurance coverage shall be written in the name of, and the proceeds shall be payable to, the Association, and insurance proceeds payable as a result of property damage shall be used by the Association for the repair or replacement of the property for which the insurance was carried.

(n) To delegate to the manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in subparagraphs (d), (e), (f), (g), (h) and (i) of this Section 7.02 and duties reserved to the Board by law will not be so delegated.

7.03 Manager. The Board of Directors may employ for *Landis Lakes Recreational Association* a professional management agent or agents as Manager for compensation established by the Board of Directors to perform such duties and services as the Board of Directors will authorize. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (d), (e), (f), (g), (h) and (i) of Section 7.02 of this Article and duties reserved to the Board by law. The Declarant, or an affiliate or employee of the Declarant, may be employed as Manager.

ARTICLE VIII

Officers and Their Duties

8.01 Enumeration of Officers. The officers of the Association will be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board may from time to time create by resolution.

8.02 Election of Officers. The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

8.03 Term. The officers of the Association will be elected annually by the Board, and each will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

8.04 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

8.05 Resignation and Removal. Any officer may be removed from office by the Board whenever, in its judgment, the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

8.06 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

8.07 Multiple Offices. Any two or more offices may be held by the same person except the offices of President and Secretary.

8.08 Duties. The duties of the officers are as follows:

(a) **Chairman of the Board of Directors.** The Chairman of the Board of Directors, if that office be created and filled, may, at the discretion of the Board of Directors, be the chief executive officer of the Association and, if such, shall, in general, supervise and control the affairs and business of the Association, subject to control by the Board of Directors. The Chairman of the Board shall preside at all meetings of the Members and Board of Directors.

(b) **President.** The President, unless a Chairman is appointed and designated chief executive officer pursuant to Section 6.07, shall be the chief executive officer of the Association. If no Chairman has been appointed or, in the absence of the Chairman, the President shall preside at all meetings of the Members and of the Board of Directors. He may sign any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. The President shall, in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Association to attend, act and vote at any meetings of shareholders of any corporation in which the Association may hold stock, and at any such meeting shall hold and may exercise all rights incident to the Ownership of such stock which the Association, as

Owner, would have had and exercised if present. The Board of Directors may confer like powers on any other person or persons.

(c) **Vice-President.** In the absence of the President, or in the event of his inability or refusal to act, the Vice-President (or, in the event there be more than one Vice-President, the Vice-Presidents in order designated at the time of their election, or in the absence of any designation, then in the order of their election), if that office be created and filled, shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

(d) **Treasurer.** The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies and other depositories as shall be selected in accordance with the provisions of these Bylaws; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman of the Board, the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the Board of Directors shall determine.

(e) **Secretary.** The Secretary shall keep the minutes of the Members' meetings and of the Board of Directors' meetings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the Declaration, these Bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Association; keep a register of the mailing address of each Member and Director; and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman of the Board, the President or by the Board of Directors.

(f) **Assistant Treasurers and Assistant Secretaries.**

(i) The Assistant Treasurer, if that office be created and filled, shall, if required by the Board of Directors, give bond for the faithful discharge of his duty in such sum and with such surety as the Board of Directors shall determine.

(ii) The Assistant Treasurers and Assistant Secretaries, in general, shall perform such additional duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the Chairman of the Board, the President or the Board of Directors.

1 **8.09 Other Officers.** Other officers and agents of the Association shall have such authority and perform such duties in the management of the Association as shall be assigned to them by the Chairman of the Board, the President or the Board of Directors.

8.10 Compensation. The compensation of the officers of the Association shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of the fact that he is also a Director of the Association.

ARTICLE IX

Committees

9.01 Appointment of Committees. The Board of Directors may authorize its Chairman or the President to appoint such other committees as it deems desirable.

9.02 Duties. Each committee so appointed in accordance with this Article IX shall receive complaints from the Members with respect to any matter involving the Association's activities within such committee's field of responsibility. Each committee shall dispose of such complaints as it deems appropriate or shall refer them to an appropriate Director or officer of the Association for further review.

ARTICLE X

Assessments

10.01 Definitions. As used in these Bylaws, the following terms shall have the following meanings:

 (a) "Annual Assessment" shall mean the amount of the annual assessment levied on each Lot from time to time by the Board of Directors.

 (b) "Special Assessment" shall mean the special assessment as provided for in the Declaration.

 (c) "Payment Date (s) " shall mean the dates set for payment of any assessment by the Board of Directors.

10.02 Payment of Annual Assessments. Annual Assessments shall be payable with respect to each Lot which has been sold by the Declarant as follows:

 (a) Annual Assessments shall be payable in advance on the Payment Date(s).

(b) If a Lot is sold by the Declarant during a calendar year, the amount of the Annual Assessment for that calendar year shall be prorated, and the purchaser shall be liable for Assessments only for the portion of the calendar year beginning on the date of sale by the Declarant.

(c) No Member shall be entitled to a refund of any Annual Assessment upon the sale of the Lot.

10.03 Payment of Special Assessments. The Association may levy Special Assessments only with the assent of a majority of the votes of Members who are voting in person or by proxy at a special meeting called for this purpose. Written notice of a special meeting called for this purpose shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or proxies entitled to cast twenty percent (20%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Special Assessments shall be payable with respect to each Lot as follows:

(a) Special Assessments shall be payable within thirty (30) days of the date of the special meeting at which the Special Assessment was levied.

(b) No Member shall be entitled to a refund of any Special Assessment upon the sale of a Lot.

10.04 Administration. During the Declarant Control Period, the Declarant or its nominee shall administer the assessments and receipts therefrom, which may only be used for the purposes permitted by the Declaration and/or the Articles of Incorporation and Bylaws of the Association. During the Declarant Control Period the Assessments for Members (other than the Declarants) shall not exceed One Hundred and Twenty-Five Dollars (\$125.00) per Lot.

ARTICLE XI

Indemnification of Directors, Officers and Employees

11.01 Indemnification. The Association shall, to the fullest extent permitted by, and in accordance with the provisions of, the Kentucky Nonprofit Corporation Act, indemnify each director, officer and employee of the Association against expenses (including attorneys' fees), judgments, taxes, fines and amounts paid in

settlement incurred by such person in connection with, and shall advance expenses (including attorneys' fees) incurred by such person in defending, any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) to which such person is, or is threatened to be made, a party by reason of the fact that such person is or was a director, officer or employee of the Association, or is or was serving at the request of the Association as a director, officer, member, partner, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise. Advancement of expenses shall be made upon receipt of an undertaking, with such security, if any, as the Board of Directors may reasonably require, by or on behalf of the person seeking indemnification to repay amounts advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Association as authorized herein.

11.02 Non-exclusivity of Indemnification. The indemnification provided for by this Article XI shall not be deemed exclusive of any other rights to which directors, officers or employees of the Association may be entitled under any statute, agreement or action of the Board of Directors of the Association, or otherwise, and shall continue as to a person who has ceased to be a Director, officer or employee of the Association, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XII

Contracts, Loans **Checks and Deposits**

12.01 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract and execute and deliver any instruments in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

12.02 Loans. No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

12.03 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as shall, from time to time, be determined by resolution of the Board of Directors. All funds of the Association not otherwise employed shall be deposited, from time to time, to the credit of the Association in such banks, trust companies and other depositories as the Board of Directors may select.

ARTICLE XIII

Miscellaneous

13.01 Amendments. The Board of Directors shall have the power and authority to alter, amend or repeal these Bylaws by the vote of a majority of the entire Board of Directors.

13.02 Fiscal Year. The Board of Directors shall have the power to fix, and from time to time change, the fiscal year of the Association.

13.03 Seal. The Board of Directors may adopt a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, and state of incorporation, and the word "SEAL."

13.04 Construction. Unless the context specifically requires otherwise, any reference in these Bylaws to any gender shall include all other genders; any reference to the singular shall include the plural; and any reference to the plural shall include the singular.

13.05 Definitions. Any capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration.

13.06 Conflicts. Should any conflict arise in the provisions of the Declaration and these Bylaws, the provisions of the Declaration shall control.

13.07 Limitations. Notwithstanding any other provision hereof, the Association shall take no action contrary to the provisions of Article 3 of the Articles of Incorporation, and if at any time the Association is a private foundation or a private operating foundation as such terms are defined in the Internal Revenue Code of 1986, as the same may hereafter be amended ("Code"), then the Association shall only act as permitted under the Code without subjecting the Association to additional taxes imposed under Subchapter A, Chapter 42, Subtitle D of the Code.

The above Bylaws of this Association were adopted by the Board of Directors on this 1st day of March , 2001.

R. Stephen Canfield

Stephan M. George

Joseph A. Pusateri

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adopted by the Board of Directors on this 1st
day of March , 2001.

R. Stephen Canfield

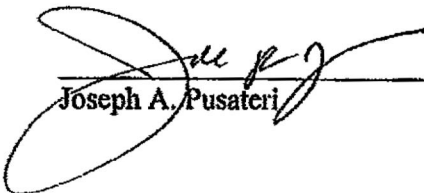
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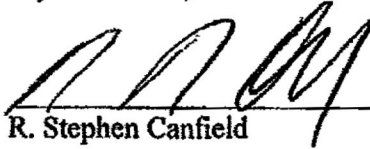
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