

***To view both the 2006 By-Laws and the PROPOSED 2012 By-Laws “side by side”: Open Internet Explorer and go to the DV webpage, click on “by-Laws”. Once open, then click on your Internet Explorer icon again, opening another IE “session”. Go to the DV website and click on “Proposed 2012 By-Laws”. This should open another IE window and you will be able to reduce both windows by clicking on the “-“ sign in the top righthand corner of the window of each window. They should both appear on your desktop so that you can view them simultaneously.

(Revised and adopted July 24, 2006)

AMENDED AND RESTATED BY-LAWS OF
DOE VALLEY ASSOCIATION, INC.

ARTICLE I

OFFICES

The principal office of the Association in the Commonwealth of Kentucky shall be located in Meade County, Kentucky at a specific location designated by the board of directors of the Association. Any officer of the Association is authorized to sign and file with the Secretary of State of the Commonwealth of Kentucky notice of any properly approved change in the Association’s principal office.

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.

ARTICLE II

DEFINITIONS

The following terms used in these By-Laws (hereinafter called the “By-Laws”) are defined as follows:

A. The “Corporation” as used herein shall mean Doe Valley Real Estate Corporation, which is the developer of Doe Valley Subdivision (hereinafter the “Subdivision”) and each successor corporation which becomes the owner and /or developer of the Subdivision and its facilities.

B. “Doe Valley Association, Inc.” (hereinafter the “Association”) is a non-stock, non-profit corporation organized for the purpose of assuring that its members will have an orderly and attractive place in which to live and enjoy the facilities.

C. A “Member” shall be defined to mean the principal adult property owner of any Subdivision Lot, providing such principal adult is the fee owner of record of one or more lots. A principal adult who has entered into a Purchase and Sale Agreement to acquire the fee ownership of one or more Subdivision Lots, but who has not received and recorded his deed to the Lot or Lots, shall also be deemed a “Member” for all purposes and rights as provided herein, except he shall not be eligible to vote as provided below. Only Member in good standing (i.e., those who are current in the payment of all assessments and fees) shall be entitled to vote.

For the purposes hereof, a corporate owner or purchaser of a Subdivision Lot may designate a principal adult corporate official who may become a “Member” hereunder by notice to the Association. No membership herein shall be held by a corporation, except through a designated member.

D. A “Subdivision Lot” or “Lots” shall mean any platted lot in the Subdivision, (including any condominium unit), together with any lot, lots or portions thereof contiguous to and forming a part of a single tract of land usable or to be used for one building site.

E. A “Lessee” means a principal adult person who has leased a residence, condominium or rental unit from a Member. A Lessee shall have all privileges of the Member, provided that the Member surrenders all privileges during the period of the lease and notifies the Association of the lease, the names of the Lessee and his immediate family, and relinquishes in writing the Member’s privileges of membership.

F. “Doe Valley Lake” (herein after the “Lake”) shall mean that body of water impounded by a dam, around which are located the lots in the Subdivision and in Doe Valley Park Estates, which Lake and lots were developed by the Corporation or its predecessor corporation.

G. The “Facilities” shall be deemed to mean and be defined as Doe Valley Lake, Doe Valley Country Club (including its clubhouse, golf course and related facilities), Doe Valley Swim & Tennis Club (including its clubhouse, tennis courts and swimming pool), the boat marina, the camping facilities, and any areas set aside as parks, all roads, and streets.

ARTICLE III

MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting of the Members shall be held on the second Friday of each June at the hour of 7:30 p.m. for the purpose of fiscal reporting, certifying election results and for the transaction of such other business as may come before the

meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next secular day.

SECTION 2. SPECIAL MEETINGS. Special meeting of the Members may be called by the president, by a majority of the members of the Board or by not less than one-fifth (1/5) of all the members entitled to vote at the meeting.

SECTION 3. PLACE OF MEETING. All annual and special meetings of the Members of the Association shall be held within Meade County, Kentucky at a location selected from time to time by the Board of Directors.

SECTION 4. NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor no more than fifty (50) days before the secretary, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope addressed to the Member at such Member's address as it appears on the records of the Association, with postage thereon prepaid. Notice of a meeting, either annual or special, called for the purpose of electing or removing directors shall be delivered not less than twenty (20) days before the date of the meeting.

SECTION 5. MEETING OF ALL MEMBERS. If all of the Members shall meet at any time and place, either within or without the Commonwealth of Kentucky, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

SECTION 6. VOTING LISTS. The secretary of the Association shall make a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each Member, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the office of the Association and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept on file at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

SECTION 7. QUORUM. A majority of the Members entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of Members. The Members present at a duly organized meeting can continue to do some business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

SECTION 8. PROXIES. At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting, No proxy shall be valid after eleven months from the date of its execution.

SECTION 9. VOTING. Each Member in good standing who is the fee owner of record of a subdivision lot shall be entitled to vote for each subdivision lot so owned (the fee owner of a fractional interest in any Subdivision lot shall have a proportionate fractional vote) upon each matter submitted to a vote. In all elections of directors, each member in good standing shall have the right to multiply the number of votes he is entitled to cast by the number of directors to be elected and the product shall be the number of votes he may cast at such election. He may cast all of such votes for one candidate for director, or he may distribute them among two or more candidates.

SECTION 10. NOTICE TO LIEN HOLDERS. Any mortgagee, holder, insurer of any mortgage on any Subdivision Lot shall, after such mortgagee, holder, insurer or guarantor delivers written request to the Board stating its name, address, the Subdivision Lot or address of the Subdivision Lot upon which it has a mortgage, be entitled to a timely written notice of:

- A.** Any condemnation or casualty loss that affects either a material portion of the Subdivision or the Subdivision Lot securing its mortgage;
- B.** Any sixty (60) day delinquency in the payment of assessments or charges owed by the Lot owner on any lot on which it holds a mortgage;
- C.** Any suit or foreclosure action brought by the Board against any Lot owner due to a non-payment of assessments or the violation of any provisions of these By-Laws or statutes;
- D.** A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- E.** Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

ARTICLE IV

DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Association shall be managed by its Board.

SECTION 2. ADDITIONAL POWERS. The Board shall have the power and responsibility;

- A.** To engage the services of any persons deemed necessary by the Board, at such compensation deemed reasonable by the Board, in the operation, repair, maintenance and management of the facilities and the Association property, including the common streets, roads, and passageways of the Subdivision to be deeded to the Association, and to remove, at any time, any such personnel with or without cause;

B. To adopt an annual budget; to levy and collect general and special assessments for common expenses; to collect membership fees and dues; to file liens and have the right and power to bring all actions against the owner of the property for the collection of assessments for fees and to enforce the above stated lien; and may instead of foreclosure obtain a personal judgment against property owner.

C. To establish and maintain one or more bank accounts for the deposit of any funds paid to, or received by the Board;

D. To grant permits, licenses and easements over the Association property for utilities, roads and other purposes necessary for the proper operation of the Subdivision;

E. To make arrangements for and pay for out of the maintenance fund a comprehensive general liability insurance policy or policies insuring the Association and all Lot owners against any bodily injury and property damage liability to the public or to the owners of Lots and of the Association property, and their invitees or tenants, incident to the ownership, operation, maintenance and/or use of the Association property, public ways and any other areas that are owned or are otherwise under the supervision of the Association, and liability related to employment contracts to which the Association is a party.

F. To make arrangements for and pay for, out of the maintenance fund, fidelity bond(s) covering everyone, including any management agent, who either handles or is responsible for funds held or administered by the Association whether or not such persons receive compensation for their services. Said fidelity bond(s) shall name the Association as an obligee and shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. The fidelity bond coverage must at least equal the sum of three (3) months' assessments on all lots in the Subdivision plus the Association reserve funds. Premiums for all fidelity bonds provided for in these By-Laws shall be common expenses;

G. Any policy of insurance or fidelity bond shall have a provision requiring ten (10) days' written notice to the Association and any holder of a first mortgage named in the mortgage clause before the insurance policy or fidelity bond may be cancelled or substantially modified for any reason;

H. In the event any of the property held by the Association is to be condemned or taken by any local governmental authority, by eminent domain or otherwise, the Association, acting through the Board, shall represent the Members and their mortgage holders in any proceedings, negotiations, settlements or agreements arising hereunder. Any proceeds or damages resulting there from shall be payable to the Association and shall be held for the benefit of the Members and their mortgage holders, as their interests may appear.

SECTION 3. NUMBER, ELECTION, TERM OF OFFICE AND QUALIFICATIONS.

A. The Directors of the Association shall be elected, the number of Directors for the Association shall be five (5). Each Director shall hold office for three (3) years or until his successor shall have been elected and qualified for the office, whichever period is longer.

B. PROCESS OF ELECTION. Elections for Directors will be conducted by mail. Ballots will be mailed to all members at least thirty (30) days prior to the annual meeting date. A self-addressed official return envelope will be included with the ballot. Qualifications of Director candidates will be sent with the ballot. Ballots may be returned in the official return envelope and must be received in the administrative office not later than two (2) days prior to the date set for the Annual Meeting. The Board of Directors shall appoint an election committee composed of three members. The three members shall include one Doe Valley Staff member and two Doe Valley members in good standing. One Director will be appointed to oversee the activities of the election committee. The election committee will meet the day prior to the Annual Meeting and will be provided with an up-to-date member in good standing list by the Doe Valley Office Staff. The election committee will meet for the purpose of opening, verifying and counting ballots. Only official, signed ballots of members in good standing will be counted. Election results will be documented, sealed, and given to the secretary of the Board of Directors who will open the envelope and read the results at the Annual Meeting.

SECTION 4. REGULAR MEETINGS. A regular meeting of the Board shall be held without other notice than the By-Law, immediately after, and at the same place as, the annual meeting of Members. The Board may provide, by resolution, the time and place, either within or without the Commonwealth of Kentucky, for the holding of additional regular meetings without other notice than such resolution.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board may be called by or at the request of the President and any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the Commonwealth of Kentucky, as the place for holding any special meeting of the Board called by them.

SECTION 6. NOTICE. Notice of any special meeting shall be given in writing to each Director which notice shall be delivered (i) at least forty-eight (48) hours in advance if sent by fax, e-mail, telegram or delivered in person, or (ii) at least four (4) days in advance if sent by mail. Such notice shall be given to each Director at such post office, physical or electronic address, or using such fax number as designated by said Director from time to time by written notice to the Secretary of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by fax, e-mail, or telegram, such notice shall be deemed to be delivered when sent to the proper address. If delivered in person, such notice shall be deemed to be delivered when personally handed to such Director at any location, or when physically delivered to such Director's designated physical address for notices. 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 need be specified in the notice or waiver of notice of such meeting.

SECTION 7. QUORUM. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the

directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. A quorum may be established via telephonic or other electronic means which allow all participants to communicate with each other according to parliamentary rules.

SECTION 8. 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; provided however, that the Board, by resolution adopted by a majority of the full Board, may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board, but no such committee shall have the authority of the Board in reference to amending the Articles of Incorporation, recommending to the Members the sale, lease, exchange or other disposition of all or substantially all the property and assets of the Association otherwise than in the usual and regular course of business, recommending to the Members voluntary dissolution of the Association or a revocation thereof, or amending these By-Laws.

SECTION 9. REMOVAL. In accordance with KRS 273.211 (4), a member of the Board, may be removed as a Director only pursuant to the procedures therefore provided in the Articles of Incorporation.

SECTION 10. VACANCIES. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. A Director elected to fill a vacancy shall be elected for the un-expired term of his predecessor in office. Any Directorship to be filled by reason of an increase in the number of Directors may be filled by the Board for a term of office continuing only until the next election of Directors by the Members.

SECTION 11. COMPENSATION. No member of the Board shall receive compensation, but may be reimbursed for any expenditure made by him for or on the Association business.

SECTION 12. INFORMAL ACTION. Any action required by law to be taken at a meeting of the Board, or any action which may be taken at a meeting of the Board or of a committee, may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the Directors, or all of the Members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

ARTICLE V

OFFICERS

SECTION 1. CLASSES. The Officers of the Association shall be a president, one or more vice-presidents, a treasurer, a secretary, and such other officers, including a general manager, whose duties may be fixed from time to time by the Board, as may be provided by the Board and elected into accordance with the provisions of this article. The Board may also create

the offices of one or more assistant treasurers and assistant secretaries, all of whom shall be elected by the Board. Any two or more Offices may be held by the same person, except the Office of President and Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected annually by the Board at the first meeting of the Board held after each Annual Meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest 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. Removal from an officer or agent position shall not constitute removal of that individual from the Board of Directors. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 4. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the un-expired portion of the term.

SECTION 5. PRESIDENT. The president shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board. He may sign, with the secretary, or any other proper officer of the Association thereunto authorized by the Board, any deeds, mortgages, bonds, contractor or other instruments which the Board has authorized to be executed except in cases where the signing of the execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; have authority to vote all shares of stock in other corporations; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time.

SECTION 6. VICE PRESIDENT. In the absence of the president or in the event of his inability or refusal to act, the vice president 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. The vice president shall perform such other duties as from time to time may be assigned to him by the president or by the Board.

SECTION 7. TREASURER. If required by the Board, 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 shall determine. He shall: (a) 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 or other depositories as shall be selected in accordance with the provisions of Article VI of these By-Laws; (b) keep a record of the billing and collection of assessments, fees and dues together with a list of those Members in good standing who are current in the payment of all assessments, fees and dues; and (c) in general, perform all the duties incident to the office of the treasurer and such other duties as from time to time may be assigned to him by the president or the Board.

SECTION 8. SECRETARY. The secretary shall: (a) keep the minutes of the Members' and of the Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Association's records and of its seal; (d) keep a register of the post office address of each Member which shall be furnished to the secretary by such Member; (e) in general, perform all duties to the office of secretary and such other duties as from time to time may be assigned to him by the president or the Board.

SECTION 9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The assistant treasurers shall respectively, if required by the Board, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board shall determine. The assistant secretaries, as and if authorized by the Board, may sign with the president or vice president documents of the Association. The assistant treasurers and assistant secretaries in general shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president of the Board.

SECTION 10. SALARIES. The salaries of the officers, if any, shall be as fixed from time to time by the Board, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Association.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. LOANS. No loans shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ORDERS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 4. DEPOSITS. 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 or other depositories as the Board may select.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Association shall begin in the 1st day of January and end on the 31st of December each year.

ARTICLE VIII

RESERVED

ARTICLE IX

WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of these By-Laws, or under the provisions of the Articles of Incorporation, or under the provisions of the non-stock, non-profit corporation laws of the Commonwealth of Kentucky, waiver thereof in writing, signed by the person, or persons, entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

AUDITORS, ANNUAL REPORTS AND SUBDIVISION DOCUMENTS

SECTION 1. SELECTION OF AUDITORS. The Association's books shall be examined annually by an independent firm of public accountants whose selection shall be made by the Members in the manner herein set forth. The Board shall, prior to each Annual Members' Meeting, recommend a suitable firm of public accountants to act as the Association's auditors for the ensuing year. The firm thus selected, and any other firm or firms of public accountants, whose names are submitted to the Board by Members holding ten percent (10%) of the vote of the Association, by a notice in writing received at least fifty (50) days prior to the annual meeting, shall be submitted to the Members for their consideration at the Annual Meeting.

SECTION 2. DUTIES OF AUDITORS. The auditors shall address their certificate to the Association and have same included in the Association's annual report. The auditors shall furnish to each member of the Board a copy of their full report, including an adequate summary of the instructions under which their examination was conducted. The scope of the annual audit

shall be arranged with the auditors by the Board, but at a minimum shall include an audit of revenues, expenditures, and the balance sheet. A representative of the auditors shall be required to attend the Annual Meeting of the Members to answer questions and to make any explanation or statements they desire to make with respect to the accounts.

SECTION 3. AUDITED STATEMENTS. The Association shall provide to each Lot owner, insurer or guarantor of any first mortgage that is secured by a Lot, who shall so request in writing, a copy of the Association's audited financial statements for the preceding fiscal year.

SECTION 4. ANNUAL REPORTS. A copy of the annual report to Members shall be mailed to Members prior to, or together with the notice of, the annual meeting of Members for each year. The annual report to Members, or the proxy statement for the annual meeting of the Members, shall disclose and set forth such information as, from time to time, may be required to be included in proxy statements by the Board.

SECTION 5. SUBDIVISION DOCUMENTS. The Association's current copies of the By-Laws and any rules or regulations concerning the Subdivision as well as its own books, records and financial statements shall be made available for inspection by Members or by holders, insurers and guarantors of first mortgages that are secured by Subdivision Lots.

These documents shall be available for inspection during normal business hours.

ARTICLE XI

AMENDMENT OF BY-LAWS

These By-Laws may be altered, amended, or repealed in the following manner:

SECTION 1. NOTICE OF AMENDMENT. Notice of the subject matter of the proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

SECTION 2. APPROVAL OF ASSOCIATION MEMBERS. A resolution amending these Bylaws may be proposed by either the Board of Directors or the Association. Except as elsewhere provided, approval must be by at least sixty-six percent (66%) of the entire membership of the Board of Directors together with not less than sixty-seven percent (67%) of the votes of the Association Members; or by at least eighty percent (80%) of the votes of the Association Members (in which case approval by the Board is not required). Provided, Members who are not present in person or by proxy shall be deemed to have given a proxy to the Board of Directors to cast their votes on any proposed amendment, the text of which was contained in the notice of such meeting.

SECTION 3. APPROVAL OF ELIGIBLE MORTGAGE HOLDERS. In addition to approval by the Association Members, amendments of a material nature, (as defined by the Federal National Mortgage Association guidelines), must also be approved by eligible mortgage

holders representing at least fifty-one percent (51%) of the votes of the Subdivision Lots that are subject to mortgages held by eligible mortgage holders. For the purpose of this section, “eligible mortgage holder” shall mean those holders of a first mortgage on a Subdivision Lot who have requested the Association to notify them of any such “material” amendment.

SECTION 4. PROHIBITIONS. No amendment shall discriminate against any Member or against any Lot or class or group of Lots unless the member so affected shall consent. No amendment shall change any Lot or the Lot owner’s rights in the Association property, or increase the owner’s percentage of the common expenses, or change the voting rights of Members, unless the record owner of the Lot(s) concerned and all record owners of liens on such Lot(s) shall join in the execution of the amendment.

SECTION 5. REPEAL. The repeal of these By-Laws in their entirety and their replacement by the new By-Laws shall be accomplished in the same manner as provided by this Article for the amendment of these By-Laws.

ARTICLE XII

RULES AND REGULATIONS

The Board may establish, alter, amend or rescind Rules and Regulations for the government of conduct of all Members of the Association, their families, guests, invitees and licensees while in Doe Valley Subdivision or in or on any of the facilities, streets or public areas in the overall area known as Doe Valley.

ARTICLE XIII

CONVEYANCE TO THE ASSOCIATION

Eliminated from the By-Laws on April 22, 1994 as ownership was transferred to the Association on December 18, 1991.

In accordance with Article XI of the Bylaws, the foregoing amended and restated By-Laws were proposed by the Board of Directors at its meeting held on February 20, 2006, approved at that meeting by at least sixty-six (66%) of all Directors in office at that time, and subsequently approved by not less than sixty-seven (67%) of the votes of the Association Members at a meeting of Members held on June 9, 2006.

Mary A. Hall, Secretary

EXPLANATORY NOTES REGARDING 2002 AND EARLIER AMENDMENTS:

- Section 3: Number: Election: Term of Office and Qualifications.

Amended on April 22, 1994 to correct the wording of the By-Laws to provide for all five (5%) Director positions.

- Section 13: Corporation's Management and Control.

Eliminated from By-Laws on April 22, 1994 as ownership was transferred to the Association on December 18, 1991.

- Article IV Section 9. Removal.

Amended on 17, April, 1998 to include "A member of the Board may also be removed, by the affirmative vote of the majority of the Board of Directors, if the member is absent from more than three consecutive regular Board meetings or more than four regular Board meetings in a calendar year.

- Article III Section 1: Annual Meeting. Amended date and time of Annual Meetings on January 17, 2002.

- Article III Section 9: Voting. Amended to delete wording "at such meetings" on January 17, 2002.

- Article IV Section 3: Number: Election: Term of Office. Amended to change process of election on January 17, 2002.

- Article IV Section 2-B: Amended to include foreclosure clause on January 17, 2002.

EXPLANATORY NOTES FOR 2006 PROPOSED CHANGES:

- **For consistency and accuracy the word "State" (when referring to Kentucky) changed to "Commonwealth" throughout the bylaws.**
- **Article I amended so that the designation of the principal office of the Association is handled in a manner similar to the current provisions of the Articles of Incorporation pertaining to the registered agent and registered office of the Association. Since the Association's registered office is dealt with in the Articles of Incorporation, language dealing with that subject in the bylaws is deleted.**
- **Article III, Section 2 amended at to clarify the mechanism by which the 1/5 of all Members are to express their desire to hold a special meeting.**
- **Article III, Section 3 amended to require that all meetings of Members must be held within Meade County, and to clarify that the Board of Directors is to set the place and time of such meetings. The provision relating to a waiver of notice signed by all**

Members of the Association is deleted as obtaining a waiver of notice from all Members is impractical.

- Article III, Section 4 Housekeeping changes to make the provision gender neutral, and to make it clear that 20 days notices is required for a meeting called for the purposes of removing directors (not just for electing them).
- Article IV, Section 3 amended to allow all ballots returned timely to be counted in election of Directors, even if returned in something other than the official return envelope.
- Article IV, Section 6 amended to update the timing and methods for giving notice of Board meetings in accordance with modern communications technology.
- Article IV, Section 7, amended in accordance with the latest edition of Robert's Rules of Order, Newly Revised, regarding the manner in which a quorum for a Board meeting can be established and the meeting conducted, using modern communications technology. Thus a board meeting can be held by conference call or video conference or any other method by which all the participants can simultaneously hear each other to discuss and debate the matters before them. It is important to note that Robert's Rules sees the opportunity for simultaneous aural communication among all participants as being central to the deliberative character of Board meetings. While e-mails and faxes are suitable substitutes for regular mail in giving notice that a meeting will be held, they are not considered suited for the conduct of the deliberative process and debate under parliamentary rules.
- Article IV, Section 9, amended to comply with KRS 273.211 (4) which provides procedures for removal of Directors are to be set forth in the Articles of Incorporation. See corresponding amendment to the Articles of Incorporation.
- Article V, Section 3 amended to clarify the effect of the Board's removal of a Director from his or her officer position under Article V. Even if removed from an officer position under Article V, a Director continues to serve on the Board, as a Director at Large, unless removed from the Board under the procedures for removal set forth in the Articles of Incorporation.
- Article VIII is deleted as it relates to a corporate seal. Corporate seals are not commonly used by homeowner associations, and the Association does not currently have or use one.
- Article X, Section 2 amended to specify an annual audit of income, expenses, and net worth as the basic level of auditing that is required. Given the complexity of the Association's operations and finances, and the substantial assets and accounts it manages, this is necessary for Members to maintain confidence in the accuracy of the financial reporting of the Association.

- **Article X, Section 5 amended to correct typographical errors.**
- **Article XI, Section 2 amended to correct grammatical errors and clarify the approval process. No change to the actual method of approval. The changes are designed to merely word the provision more clearly.**