

**BY-LAWS OF SUTHERLAND FARMS HOMEOWNERS
ASSOCIATION, INC.**

ARTICLE I

MEMBERS

Every person or entity who is an owner of any lot in the Sutherland Farms Subdivision shall be a member of the Association. Membership is mandatory upon acquisition of ownership of a lot. Membership shall be appurtenant to and may not be separated from ownership of any lot.

ARTICLE II

CLASSES AND MEMBERSHIP

The Association shall have two (2) classes of membership:

A. Class A members shall be all owners, except for the developers prior to termination of Class B membership. If, however, the developers own one or more lots upon or after the termination of Class B membership, then developers shall become Class A members as their ownership interests may appear.

B. Class B. The Class B membership shall be the developers, their successors or assigns. The Class B membership shall terminate and cease upon the first to occur of (1) when the total outstanding Class A votes equal fifty (50) votes, or (2) the last day of December, 2006 or, (3) when, in its discretion, the developers so determine.

ARTICLE III

CLASS A VOTING

Except for matters concerning special assessments and amendments to the restrictive covenants, Class A members shall not be entitled to vote until the termination of Class B membership, at which time Class A members shall be entitled to one (1) vote for each lot owned. The vote for any one lot owned by more than one person or entity shall be exercised as they, among themselves, shall determine but in no event shall a vote or votes with respect to any jointly owned lot(s) be cast separately.

ARTICLE IV
CLASS B VOTING

Except for special assessments and amendments to the declaration of restricted covenants, Class B members (developers) shall be the only members entitled to vote in the Association until such time as the Class B membership shall cease.

ARTICLE V
SPECIAL ASSESSMENTS AND AMENDMENTS

On all matters concerning a special assessment relating to the common use facilities or an amendment to this declaration or these by-laws, the voting shall, prior to termination of the Class B membership, be as follows:

- (a) Class A members shall have one (1) vote for each lot owned;
- (b) Class B members shall have two (2) votes for each lot owned.

ARTICLE VI
ASSESSMENTS

Each owner of any lot shall, by acceptance of a deed therefore, whether or not it shall be so expressed in any deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of these by-laws and restrictions and promises to pay to the Association both annual assessments and charges and special assessments. Such assessments to be established and collected from time to time as hereinafter provided. The special and annual assessments, together with such interest thereon and costs of collection therefore as are hereinafter provided, shall be a charge and continuing lien upon the real estate/lot against which such assessment is made as of the effective date of each assessment. Each such assessment, together with such interest thereon and the cost of collection, including reasonable attorneys fees, therefore as are hereinafter provided, shall also be the personal obligation of the person or entity who is owner of such lot at the time when the assessment fell due. In the case of co-ownership of a lot, all such co-owners shall be jointly and severally liable for the entire amount of the assessment.

ARTICLE VII

ANNUAL ASSESSMENTS

The annual assessments levied by the Association shall be used for the improvement, maintenance, and operation of the entranceway to Sutherland Farms, the street lighting, water retention areas, landscaping, common areas, open areas and all other items as may be provided for in these By-laws including, but not limited to, the payment of taxes and insurance thereon, the payment of utility bills, the repair, replacement and additions and operation of the Association. The Association may require annual assessments to be paid in monthly installments.

ARTICLE VIII

SPECIAL ASSESSMENTS

In addition to the annual assessments, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of the entranceway, the street lights, or other items provided by these By-laws; provided, however, that any such special assessment shall have the assent of two-thirds of the members present and voting in person or by proxy at an annual or special called meeting of the membership at which a quorum is present. Special assessments shall be due and payable on the date which is fixed by the resolution authorizing such assessment.

ARTICLE IX

ENFORCEMENT OF LIEN BY JUDICIAL SALE

For and in consideration of the privileges and protections granted herein, the Association shall have and possess a lien against any lot for which any assessment shall remain unpaid for a period in excess of thirty (30) days and such assessment being delinquent, shall accrue interest thereon at the rate of 18% per annum after the due date. The lien created by this chapter may be enforced by judicial sale.

ARTICLE X

EXEMPTION

The developer and all property owned by the developers shall be exempt from all assessment and liens thereof of any type. The homeowners association shall be responsible for and shall maintain the common areas,

open space, storm water management facilities, and all other structures located in the subdivision which are not owned by individual lot owners. Each owner shall observe all governmental building codes, health regulations, zoning restrictions and other regulations applicable to the lot.

ARTICLE XI

MEETING OF MEMBERS

Section 1. Annual Meeting. The Annual Meeting of the Members for the election of Directors and the transaction of such other business as may properly come before it shall be held at the principal office of the Corporation as designated herein or at such other place within or without the Commonwealth of Kentucky, as shall be set forth in the Notice of Meeting. The Meeting shall be held within the first two weeks of January at a time and place set by the Board of Directors.

Section 2. Special Meetings. Special Meetings of the Members may be called at any time by a majority of the Directors or by the holders of at least thirty-three and one-third percent (33-1/3%) of all votes entitled to be cast on the issue proposed to be considered at the proposed Special Meeting, provided that such holders of stock sign, date, and deliver to the Corporation's Secretary one (1) or more written demands for the Meeting describing the purpose or purposes for which it is to be held. Within 5 days thereafter, the board of Directors shall fix a date, time and place for such Meeting, to be held within 20 days of such Notice either within or without the Commonwealth of Kentucky, and shall give Notice of such Meeting in accordance with these Bylaws. Only business within the purpose or purposes described in the Meeting Notice required by these Bylaws may be conducted at a Special Meeting of the Members.

Section 3. Notice. The Secretary shall give Notice of all Annual and Special Meetings of the Members no fewer than ten (10) nor more than sixty (60) days before the date of such Meeting to each Member entitled to vote at such Meeting as of the record date established by Article VIII of these Bylaws, such Notice stating the place, date and hour of the Meeting; Notices for Special Meetings of the Members shall include a description of the purpose or purposes for which the Meeting is called. Such Notice shall be in writing addressed to each Member entitled to vote at such Meeting and transmitted by regular United States mail, postage pre-paid, to the address of the Member as it

appears on the records of the Corporation (which shall be irrefutably presumed to be correct unless such Member shall have filed with the Secretary of the Corporation a written Notice of Change of Address). Any and all Notices for Annual or Special Meetings may be waived by the Members by submitting a signed Waiver either before or after the Meeting, or by attendance at the Meeting unless the Member at the beginning of the Meeting objects to holding the Meeting or transacting business at the Meeting.

Section 4. Waiver of Notice of Meetings. A Member may waive any notice of a Meeting as required by these Bylaws or by the Kentucky Revised Statutes before or after the date and time stated in the notice of the Meeting. The waiver shall be in writing, signed by the Member entitled to notice, and be delivered to the Corporation for inclusion in the minutes or filing with the corporate records.

Section 5. Quorum. The Quorum shall consist of those who attend, in person or by proxy, any duly noticed meeting.

Section 6. Proxies. A Member may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. A telegram or cablegram appearing to have been transmitted by the proper person, or a photographic, photostatic, or equivalent reproduction of a writing appointing a proxy shall be deemed to be a sufficient, signed appointment form. Appointment of a proxy shall be effective when the appointment form is received by the Secretary of the Corporation. An appointment shall be valid for 11 months unless a longer period is expressly provided in the appointment form. An appointment of a proxy shall be revocable by the Member unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include the appointment of: (a) a pledgee; (b) a person who purchased or agreed to purchase the shares; (c) a creditor of the Corporation who extended it credit under terms requiring the appointment; (d) an employee of the Corporation whose employment contract requires the appointment; or (e) a party to a voting agreement created under the provisions of K'S 271B.7-310.

The death or incapacity of the Member appointing a proxy shall not affect the right of the Corporation to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary of the Corporation before the proxy exercises his authority under the appointment.

Section 7. Action Without a Meeting. Action required or permitted to be taken by the Members at a Members Meeting may be taken without a Meeting and without prior Notice, if the action is taken by all Members entitled to vote on the action. Action taken under this section shall be evidenced by one (1) or more written consents describing the action taken, signed by the Member or his proxy taking the action, and delivered to the Corporation for inclusion in the Minutes for filing with the corporate records. Action taken under this section shall be effective when consents representing the votes necessary to take the action under this section are delivered to the Corporation, or upon delivery of the consents representing the necessary votes, as of a different date if specified in the consent. Any Member giving a consent under this Section may revoke the consent by a writing received by the Corporation prior to the time that consents representing the votes required to take the action under this Section have been delivered to the Corporation but may not do so thereafter. A consent signed under this Section shall have the effect of a Meeting vote and may be described as such in any document.

ARTICLE XII

OFFICERS AND DIRECTORS

OFFICERS

Section 1. Officers and Qualifications. The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may prescribe from time to time. The duties of each of the respective officers of the Corporation are set forth in these Bylaws.

Section 2. Election. All officers of the Corporation shall be elected annually by the Board of Directors at its Meeting held immediately after the Annual Meeting of the Members.

Section 3. Removal of Officers. Any officer may be removed either with or without cause by the vote of the majority of the Board of Directors; the Directors may specify a date upon which removal shall become effective or in the absence of any date, the removal shall become effective when the successor of the officer has been elected and qualified.

Section 4. Duties of Officers. Each officer shall have the authority and shall perform the duties as follows:

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President shall be the chief executive officers of the Corporation, and subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation, including but not limited to, the authority to employ (and to discharge) all subordinate employees, and to fix and prescribe their duties, all as may be required or deemed advisable for the conduct of the business of the Corporation. The President shall, when present, preside at all Meetings of the Members and shall act as Chairman of the board of Directors, if the Board of Directors does not select a Chairman of the Board different from the President. The President may sign certificates for the shares of the Corporation and with the Secretary or any other proper officer of the Corporation, authorized by the Board of Directors, sign deeds, mortgages, bonds, contracts, checks, drafts, obligations of the Corporation, United States Government or other bonds, all other securities of every kind for the Corporation 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 to other officers or agents of the Corporation or shall be required by law to be otherwise signed and executed, and the President in general shall perform all duties incident to the chief executive officer and such other duties and responsibilities as from time to time are prescribed by the Board of Directors.

VICE PRESIDENT

In the absence of the President or in the event of his death or inability to act, the Vice President (or in the event there by more than one Vice President, the Vice Presidents in order of designation at the time of their election, or in the absence of any designation, then in the order of their election) 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 may sign certificates for shares of the Corporation and shall perform such other duties as may from time to time be assigned to him by the President or by the Board of Directors.

SECRETARY

The Secretary shall keep the Minutes of the Meetings of the Board of Directors and of the Members, shall attend to the giving of Notice of Meetings of the Board of Directors and of members as required by these Bylaws and to be responsible for the authenticating of records of the Corporation. In addition to the foregoing, the Secretary shall perform such other duties and responsibilities as from time to time are prescribed by the Board of Directors.

TREASURER

The Treasurer of the Corporation shall be its chief fiscal officer and the custodian of its funds, securities, and property. The Treasurer shall have the following specific powers and duties:

- a. To keep and maintain, open to inspection by the President and any director at all reasonable times, adequate and correct accounts of the properties and business transactions of the Corporation, which shall include all matters required by law and which shall be in form as required by law.
- b. To have the care and custody of the funds and valuables of the Corporation and deposit the same in the name and to the credit of the Corporation with such depositories as the Board of Directors may designate.
- c. To maintain accurate lists and descriptions of all capital assets of the Corporation, including land, buildings and plants.
- d. To see to the proper drafting of all checks, drafts, notes and orders for the payment of money as required in the business of the Corporation, and to sign such instruments.
- e. To disburse the funds of the Corporation for proper expenses and dividends and as may be ordered by the Board of Directors and to take proper vouchers for such disbursements.
- f. To render to the President and Secretary or to the Board of Directors, whenever they may require, an account of all transactions as Treasurer, and a financial statement in form satisfactory to them, showing the condition of the Corporation.

In addition to the foregoing, the Treasurer shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws and as may be prescribed by the President or the Board of Directors from time to time.

Section 4. Compensation of Officers. The officers shall receive such salary or other compensation as may be fixed from time to time by the Board of Directors.

DIRECTORS

Section 1: Number and Qualifications. The entire Board of Directors shall consist of five (5) members, with alternates appointed to serve in the event of removal or resignation of one of the members of the Board of Directors. The appointed alternates shall not exceed three (3) persons. The alternates shall be permitted to have voice at any meeting of the Board of Directors with no vote.

Section 2: Term of Office. The term of each Director and alternate shall be until the next Annual Meeting of the Shareholders following the election of the Director and until his/her successor is elected and qualifies

Section 3: Duties and Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of its Board of Directors. The Directors shall in all cases transact the business of the Corporation by a majority present at the Meeting.

Section 4: Meetings. The Board of Directors shall meet for the election of officers and for the transaction of any other business of the Corporation as soon as practical after the adjournment of the Annual Meeting of the Shareholders. Regular Meetings of the Board of Directors shall be held at such times as the Board of Directors may from time to time determine. The Board of Directors shall invite the Director alternates and Corporate officers to attend with voice but no vote.

Special meetings of the Board of Directors may be called by the President or upon written request of three (3) of the Board of Directors. The Secretary shall give notice of such Meeting no more than ten (10) days after receipt of such request.

Section 5: Quorum. At any Meeting of the Board of Directors, the presence of a majority of the elected and qualified members of the Board of Directors shall be necessary to constitute a quorum for the transaction of business.

Section 6: Committees. The Board of Directors shall be authorized to form committees from among the

shareholders to assist the Board of Directors with the maintenance and care of the subdivision.

Section 7: Vacancies, Removal and Resignation: Any Director may be removed by a vote of the Shareholders at any Special Meeting or at the Annual Meeting of the Shareholders. A Director may resign at any time by delivering a written Notice to the Board of Directors. Any vacancy occurring on the Board of Directors shall be promptly filled from the field of Director alternates by majority vote of the remaining Directors. If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of the Directors remaining in office. In the event there are no alternates elected, then the Board may fill the vacancy by naming any shareholder.

ARTICLE XIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the corporation to the fullest extent authorized by Kentucky law, as the same exists or may hereafter be amended, (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, provided, however, that the corporation shall indemnify any such person seeking indemnity in connection with an action, suit or proceeding (or part thereof) initiated by such person only if such action, suit or proceeding (or part thereof) was

authorized by the Board of Directors of the corporation. Such right shall be a contract right and shall include the right to be paid by the corporation expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service as or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Section or otherwise.

ARTICLE XIV

AMENDMENTS

These By-laws may be altered, amended, repealed or restated by majority vote of the members of the corporation at a duly called annual meeting or special called meeting, a two-thirds majority vote assenting to the amendment and a meeting at which a quorum is present.

Enacted January 15, 2003.

Amended July 24, 2006.

Amended January 6, 2007