

BY-LAWS
OF
WYNFIELD ASSOCIATION, INC.

ARTICLE I

PRINCIPAL OFFICE

The principal office of Wynfield Association, Inc. (the "Association") shall be 800 Meidinger Tower, Louisville, Kentucky 40202, but meetings of Members and directors shall be held at such places within or without the Commonwealth of Kentucky as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

"Wynfield" shall mean the real estate development located in Jefferson County, Kentucky, the plat of which is recorded in Plat and Subdivision Book _____, Page _____ at page 7 in the Office of the Clerk of Jefferson County, Kentucky, and such additional real estate as may be added thereto pursuant to Article III of the Declaration.

"Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

"Declaration" shall mean the Declaration of Rights and Restrictions recorded in Deed Book _____, Page _____ in the Office of the Clerk of Jefferson County, Kentucky.

"Developer" shall mean Zorn Cluster Homes, Inc., a Kentucky corporation, its successors and assigns.

"Lot" shall mean each single family residential lot which comprises a part of Wynfield as shown on the recorded subdivision plat, or any amendments thereto.

"Management Company" shall be any person or entity, whether one or more, employed by the Association to carry out any of the obligations of the Association.

"Member" shall mean an Owner.

"Owner" shall mean the record owner, whether one or more persons or entities of fee simple title to a Lot in Wynfield, but excluding a mortgagee having merely a security interest.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Appurtenance. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting Rights. Unless Developer elects to surrender such right at a earlier date, Developer shall have the sole and exclusive right to vote in the election of Directors and on all other matters pertaining to the Association, until Developer has sold all of the Lots, after which time each Member shall be entitled to vote. With respect to any Lot where the Owner consists of more than one person or entity, the vote for such Lot shall be exercised as such persons or entities determine among themselves, but in no event shall more than one vote be cast for each Lot.

Section 3. Suspension. No Member who is delinquent in the payment of assessments shall be entitled to exercise the right to vote hereunder until such default has been cured.

ARTICLE IV

MANAGEMENT COMPANY

The Association may employ, by contract, a Management Company to carry out all or part of the functions of the Association, which Management Company may control, be under common control with, or be controlled by Developer, but until such time as the Members are entitled to vote in the election of Directors, the fee to be paid the Management Company shall not exceed the rate of \$30.00 per month per Lot adjusted upward or downward at the end of each annual period commencing on January 1, 1995 in proportion to the percentage of change of the Consumer Price Index, All Urban Consumers, All Cities, of the United States Bureau of Labor Standards.

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ARTICLE V

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within 30 days after notice from Developer that the Members' voting rights have commenced pursuant to Article III, Section 2 hereof, which notice shall fix the time and place for the meeting, and each subsequent regular annual meeting of the members shall be held within 30 days of the anniversary of the first meeting at such time, date and place as may be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, by

*15th Meeting
Oct 29, 99*

the Board of Directors or by Members having at least 25% of the votes entitled to be cast at such meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by personal delivery or mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote, addressed to the Member's Lot or to such other address which has been supplied by such Member to the Association for the purpose of such notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting called other than by the President, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting in person or by proxy of the Members entitled to cast fifty-one (51) per cent of the total votes shall constitute a quorum for any action. So long as Developer has the sole voting power, the presence of Developer by an authorized representative or by proxy shall constitute a quorum. If, however, such quorum shall not be present, or represented at any meeting, the Members entitled to vote who are in attendance shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present in person or by proxy.

Section 5. Proxies. At all meetings of Members, each Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable.

ARTICLE VI

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The initial Board of Directors shall be the five persons named in the Articles. Commencing with the first annual meeting of the Members, the affairs of this Association shall be managed by a Board of five Directors elected by the Members.

Section 2. Term of Office. At the first annual meeting of the Members, they shall elect one director for a term of one year, two directors for terms of two years, and two directors for terms of three years. At each annual meeting thereafter the Members shall elect the number of directors necessary to fill any expired term and to bring the number of directors to five for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association entitled to vote. In the event of death, resignation or removal of a director, a successor shall be elected

by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. First Board of Directors. The Board of Directors shall be named by Developer until such time as the Members are entitled to vote, notwithstanding the following sections of this Article.

Section 2. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more voting Members of the Association. The first nominating committee shall be selected by the initial Board of Directors and announced in the notice of the first annual meeting. Thereafter, a nominating committee shall be appointed by the Board of Directors at its first meeting after the annual meeting of the Members, to serve until the close of the next annual meeting and such appointment shall be announced to the Members. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held annually without notice at such place and

hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any three directors after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE IX

Section 1. Powers. The Board of Directors shall have the power to:

a. adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the conduct of Members and their guests thereon, and other matters as set forth in Section 8.7 of the Declaration, and to establish penalties for the infraction thereof;

b. suspend a Member's voting rights and the right to use of the Common Areas (a) during any period in which such Member shall be in default in the payment of any assessment levied by the Association, and (b) after notice and hearing, for a period not to exceed sixty (60) days for an infraction of published rules and regulations;

c. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not expressly reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

d. employ as an independent contractor, a Management Company, or a manager, or such other employee(s) as they deem necessary, and to prescribe their duties; and

e. authorize the borrowing of money by the Association in connection with the carrying out of its rights and obligations, provided that the principal amount of such borrowings outstanding at any time shall not exceed \$20,000.00 without the approval of at least two-thirds of the Members entitled to vote.

Section 2. Duties. It shall be the duty of the Board of Directors to:

a. cause to be kept a record of its meetings and the Association's affairs and to allow inspection of such records by any Member upon reasonable request;

b. supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

c. as more fully provided in the Declaration to:

1. fix the amount of the assessments against each Lot;

2. enforce collection of all assessments;

d. procure and maintain insurance, including officers and directors liability and indemnification insurance; and

e. cause the Common Areas, Maintenance Easement Areas and Exterior of the Residences (as those terms are defined in the Declaration) to be maintained.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President and a Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time, by resolution, create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors, and at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until a successor is elected and qualified, unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 6. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created by the Board pursuant to Section 1 of this Article.

Section 7. Duties. The duties of the officers are as follows:

a. President: the President shall preside at all meetings of the Board of Directors and all meetings of the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

b. Vice President: the Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

c. Secretary: the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

d. Treasurer: the Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolutions of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of accounts; and shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to the Members.

ARTICLE XI

IDENTIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify each of its directors and officers who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and

reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Except as provided hereinbelow, any such indemnification shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth above. Such determination shall be made: (a) by the Board of Directors by a majority vote of a quorum of directors who were not, or are not, parties to such action, suit, or proceeding, or (b) by the Members.

Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, or proceeding if authorized by the Board of Directors and upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association.

To the extent that a director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without any further determination that he has met the applicable standard of conduct set forth above.

ARTICLE XII

COMMITTEES

The Board of Directors shall appoint a Nominating Committee as provided in Article VII of these By-Laws, and in addition, shall appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIII

BOOKS AND RECORDS

The books and records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, the By-Laws and any Rules and Regulations of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIV

AMENDMENTS

Section 1. Amendments. The power to alter, amend or repeal or adopt new By-Laws shall be vested in the Board of Directors, but shall be subject to change or repeal by the Members from and after the date when the Members become entitled to vote in the election of the Directors.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

We, the undersigned, hereby certify that we acted as Chairman and Secretary respectively of the first meeting of the Board of Directors of Wynfield Association, Inc., a Kentucky corporation, held on Jan 15, 1994, at which the foregoing By-Laws were duly adopted as and for the By-Laws of the corporation and we hereby further certify that the foregoing constitute the By-Laws of the corporation.

Dated Jan 15, 1994

x Henry A. P. [Signature]
Chairman of the Meeting

x Michael [Signature]
Secretary of the Meeting

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