

**AMENDED AND RESTATED BYLAWS
OF FALLS CREEK HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

MEMBERS

1.1 The annual meeting of the members shall be held at such date and time during the month of January of each year, and at such place within Jefferson County, Kentucky, as the Directors may designate.

1.2 A majority of those members present, in person or by proxy, shall constitute a quorum for the transaction of business.

1.3 At the annual meeting of the members they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

1.4 Special meetings of the members for any purpose or purposes may be called by the Board of Directors upon at least fourteen days written notice to the members, which notice shall state the time, place and purpose of the special meeting. Special meetings can be called at any time upon written request of any three directors, or the written request of no less than thirty percent of the membership as defined in Article IV of the Articles of Incorporation.

1.5 Written notice of the annual meeting shall be mailed or delivered to each member, at such address as appears on the corporation's records, at least fourteen days prior to the date set for that meeting.

1.6 Notice of any meeting of the members may be waived in writing by any member at any time, either before or after the meeting; and attendance at the meeting in

person or by proxy shall constitute a waiver of notice of the meeting by the member or members so attending.

ARTICLE II

DIRECTORS

2.1 The business and affairs of the corporation shall be managed by a Board of Directors, the number of which shall be ten (10). The Directors shall be elected at the annual meeting of the members; their terms shall be staggered in accordance with the Article of Amendment of Falls Creek Homeowners Association, Inc. as filed with the Secretary of State of Kentucky on December 9, 1981 and as further lodged and recorded on December 10, 1981, in Book 285, Page 357 in the Office of the County Clerk of Jefferson County, Kentucky and each Director shall be elected to serve until the next annual meeting of the members for the year in which his term expires and until his successor shall have been elected and shall qualify.

2.2 Special meetings of the Board of Directors may be called at the request of the President or by three (3) of the Directors. Notice of any special meeting of the Board of Directors shall be given at least three (3) days prior to the meeting by notice to each Director and said notice shall specify the exact time and place of each meeting.

2.3 A regular 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 the members or as may be scheduled otherwise by the Board of Directors.

2.4 Any Director may waive notice of any meeting, either before or after the holding of said meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting.

2.5 Except as provided in Article 6.2 below with respect to indemnification, a majority of the Directors then in office shall be a quorum for the transaction of business at all meetings, and the act of a majority of those Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

2.6 Except as may be provided to the contrary in the Articles or Amended Articles of Incorporation of the corporation, any vacancies that occur in the Board of Directors during the regular term may be filled by the Board of Directors. The Directors so elected shall serve only for the unexpired portion of the term to which they were elected.

ARTICLE III

OFFICERS

3.1 The officers of the corporation shall be elected by the Directors. They shall be a President, Vice-President, Secretary and Treasurer. Any two of the offices of the Vice-President, Secretary and Treasurer may be combined in one person.

3.2 All officers of the corporation elected by the Board shall hold office at the pleasure of the Board of Directors. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

3.3 The Board may create such other offices and elect persons to fill them as it may deem necessary.

3.4 The President shall be the chief executive officer of the corporation. The President shall preside at all meetings of the members and directors.

3.5 The Vice President of the corporation shall act for the President in the event of the latter's absence or inability to act.

3.6 The Secretary of the corporation shall act as Secretary of all meetings of the members and directors. The Secretary shall record all votes and minutes of such proceedings. The Secretary shall be responsible for the keeping of all corporate records. The Secretary shall give, or cause to be given, notices as provided in these Bylaws. The Secretary shall perform such other duties as may be prescribed by the Board of Directors or the President.

3.7 The Treasurer of the corporation shall have the custody of all corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements relating to the corporation. The Treasurer shall deposit all money and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall perform such other duties as may be prescribed by the Board of Directors or by the President.

ARTICLE IV

FISCAL YEAR

The fiscal year of the corporation shall be the calendar year.

ARTICLE V

ASSESSMENTS

5.1 The power and authority of the corporation to levy and collect the annual assessments for each lot is stated in the Articles of Incorporation, KRS 273.171 (17) and the applicable deed of restriction, the provisions of which are incorporated herein by reference.

5.2 Except as herein provided, owners of undeveloped lots shall not be assessed by the corporation. The owners of lots on which ground is broken for building during a given year shall be assessed on the following basis:

(a) If ground is broken on or before July 31, the owner as of such date shall pay the full year's assessment; or

(b) If ground is broken after July 31, the owner as of the time of ground breaking shall be assessed that portion of the annual assessment according to the following schedule:

<u>MONTH OF GROUNDBREAKING</u>	<u>PORTION OF ASSESSMENT CHARGED</u>
August	5/6
September	2./3
October	1 /2
November	1/3
December	1/6

5.3 Each lot owner, by acceptance of a deed for a lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Homeowner's Association annual assessments or charges. The annual assessment, together with interest, costs and reasonable attorney fees, shall be a charge on each owner's lot and improvements thereon and shall be a continuing lien upon such property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the lot owner as of January 1 of each fiscal year, provided however that the personal obligation for delinquent assessment shall pass to his or her successors in title; it is further provided, however, that the lien shall remain effective against a lot for delinquent

assessments notwithstanding any transfer of a lot. Such lien may be enforced by foreclosure against that lot and the improvements thereon, but such lien shall be subordinate to any first mortgage thereon.

5.4 Statements for the annual assessments shall be (including mailing) on or before February 15 of each fiscal year and shall give notice that payment in full is required within 30 days or a 10% penalty may be imposed upon such delinquency.

5.5 After 30 days from the date of delivering (including mailing) the assessment, the Association may, without further notice, initiate appropriate legal proceedings to collect delinquent assessments and penalties, including the filing of a lien against the lot and improvements thereon, as authorized under the applicable deed of restrictions and Bylaws. The lot owner at the time of such proceedings shall be responsible for all costs of collections, including court costs and reasonable attorney fees.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

6.1 As conditioned by paragraph 6.6 of this Article, the corporation shall indemnify each of its director(s) and officer(s) (hereinafter referred to as "person"), who was or is a party or is threatened to be made a party to any anticipated, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement

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

6.2 Except as provided herein below, any such indemnification shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because the person 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 or are not parties to such action, suit, or proceeding; or (b) by the members of the corporation.

6.3 Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action or proceeding if authorized by the Board of Directors or the members upon receipt of a written guarantee executed personally or on behalf of the director or officer to repay such advance if it is ultimately determined that the director or officer is not entitled to be indemnified by the corporation.

6.4 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 any claim, issue or matter therein, the person shall be indemnified against expenses (including reasonable attorneys' fees) actually and reasonably incurred by the person in connection

therewith without any further determination that the person has met the applicable standard of conduct set forth above.

6.5 The foregoing indemnification provisions shall apply to any former director or officer of the corporation whose term of office has expired.

6.6 Indemnification by the corporation of a director or officer shall be first limited and restricted to payment by and through a directors' and officers' liability insurance policy, if coverage is obtained by the corporation. If no liability coverage is obtained or if the liability insurance carrier fails to pay the corporation's claim for any reason, then any indemnification by the corporation shall be limited to and shall not exceed the corporation's assets in existence at the time of said payment. At no time shall any individual lot owner or member of the corporation be held liable or responsible for the indemnification of any director or officer as provided for in Article VI of these Bylaws.

ARTICLE VII

PAYMENT OF CORPORATE FUNDS

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by any two authorized officers of the corporation

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered or amended by the Board of Directors.

ARTICLE IX

COMMITTEES

The following standing Committee's of the Corporation shall be chaired by a Director, as approved by the Board, and all activities of any and all of the Committees shall be subject to Board approval.

a) Maintenance - This Committee shall be responsible for, but not limited to, maintaining the roads in good condition. This may include repairing, paving, cleaning (sweeping, etc.) and snow and ice removal.

b) Membership - This Committee shall be responsible for, but not limited to, activities such as greeting new residents, updating the resident directory, and serving as an informational resource for new residents.

c) Beautification - This Committee shall be responsible for, but not limited to, activities such as maintenance and improvement of the entrance and street signs and encourage resident participation in house and yard care and beautification. The Committee will monitor the neighborhood entrances to prevent any signs or advertisements from 5:00 p.m. Friday evening through 8:00 a.m. Monday morning.

d) Security - This Committee shall be responsible for, but not limited to, activities such as Neighborhood Watch Program, identification of household goods and other property, and other programs deemed necessary to aid in improving community security.

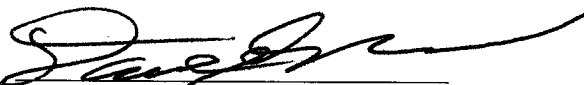
e) Social - This Committee shall be responsible for, but not limited to, activities such as periodic community social functions.

f) Publicity - This Committee shall be responsible for, but not limited to, activities such as issuing periodic newsletters, special notices, articles for local newspapers, etc.

In addition to the foregoing standing Committees, the Board may, from time to time, at its discretion, establish those ad hoc committees as it may deem warranted.

The original Bylaws of the Falls Creek Homeowners' Association, Inc. and all restatement thereafter are hereby amended and restated upon approval and by proper vote of the Board of Directors as provided by Article VIII of these bylaws on the 9th day of March, 2004.

FALLS CREEK HOMEOWNERS
ASSOCIATION, INC.

By: 
Dave Gibson, President

COMMONWEALTH OF KENTUCKY
COUNTY OF JEFFERSON

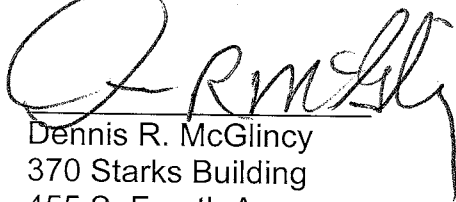
Subscribed, sworn to and acknowledged before me by Dave Gibson, President of Falls Creek Homeowners Association, Inc. this 9th day of March, 2004.

My commission expires: 7/13/06


NOTARY PUBLIC, STATE AT LARGE, KENTUCKY

INSTRUMENT PREPARED BY:

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