

**BY-LAWS
OF
AOSTA VALLEY SUBDIVISION HOMEOWNERS'
ASSOCIATION, INC.
a Kentucky Non-Stock, Non-Profit Corporation**

ARTICLE I – MEMBERSHIP

1.1 – Association Member: Each owner, as said term is defined in Article I, Section 1(k) of AOSTA VALLEY SUBDIVISION HOMEOWNERS' ASSOCIATION, INC., Declaration of Covenants, Conditions and Restrictions and Reservation of Easements (hereinafter referred to as "Declaration") shall automatically be a member of AOSTA VALLEY SUBDIVISION HOMEOWNERS' ASSOCIATION, INC., (hereinafter referred to as "HOMEOWNERS' ASSOCIATION") upon the execution of the deed. Such membership shall be mandatory and may not be terminated by the Homeowners' Association. Membership in the Homeowners' Association shall be automatically transferred upon the transfer of title to a lot. No person or entity who holds an interest of any type or nature whatsoever in the lot, only as security for the performance of an obligation, may be appointed as a member of the Homeowners' Association.

1.2 – Voting: For purposes of voting, each member shall have one (1) vote for each lot subject to his or her control. Where title to a lot is held in more than one name, each named owner shall be considered a Member, but collectively, they shall be entitled to only one (1) vote for each lot.

1.3 – Proxies: Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Homeowners' Association and shall be revocable at any time by actual notice to the President or Secretary of the Homeowners' Association by the member or members making such designation. Notice to the President or Secretary in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

1.4 – Suspension of Membership Rights: No Member shall have any vested right, interest or privilege in or to the assets, functions, affairs or franchises of the Homeowners' Association, or any right, interest or privilege which may be transferable, or which shall continue after the membership ceases, or while the member is not in good standing. A Member shall be considered "not in good standing" during any period of time in which the Member is delinquent in the payment of any assessment, or in violation of any provision of the Declaration or any rules or regulations promulgated by the Homeowners' Association. All such determination shall be made by a majority of the Board of Directors. While not in good standing, the Member shall not be entitled to vote or exercise any other right or privilege of membership of the Homeowners' Association.

1.5 – Annual Meeting of Members: The annual meeting of the Members of the Homeowners' Association for the election of members of the Board of Directors, the consideration of reports to be laid before such meeting and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Homeowners' Association or at such other place as may be designated by the Board of Directors and specified in the notice of such meeting, or at such other time as may be designated by the Board of Directors and specified in the notice of the meeting. The first annual meeting of the Members of the Homeowners' Association shall be held within ninety (90) days following the filing of the Articles of Incorporation for the Homeowners' Association. Thereafter, the annual meeting of the Members shall be held in each succeeding year in the month in which the first annual meeting was held, the exact date to be determined by the Board of Directors.

1.6 – Special Meetings: Special meetings of the Members of the Homeowners' Association may be held on any business day when called by the President of the Homeowners' Association or by the Board of Directors of the Homeowners' Association or by Members entitled to cast at least forty percent (40%) of the votes of the membership of the Homeowners' Association. Upon request in writing

delivered either by person or by certified mail to the President or Secretary of the Homeowners' Association by any persons entitled to call a meeting of Members, such officer shall forthwith cause to be given to the Members entitled thereto, notice of a meeting to be held on a date not less than ten (10) days nor more than thirty (30) days after receipt of such request as such officer may fix. If such notice is not given within twenty (20) days after the delivery or mailing of such request, the persons calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be called to convene at such time and place as shall be specified in the notice of the meeting.

1.7 – Notice of Meetings: Not less than ten (10) days nor more than thirty (30) days before the date fixed for a meeting of the Members of the Homeowners' Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Homeowners' Association or any other person or persons required or permitted by these By-Laws to give such notice. The notice shall be given by personal delivery or by regular mail to each Member of the Homeowners' Association who is a Member as of the date preceding the day on which notice is given. If mailed, the notice shall be addressed to the Members of the Homeowners' Association at their respective addresses as they appear on the records of the Homeowners' Association. Notice of the time, place and purpose of any meeting of the Members of the Homeowners' Association may be waived in writing, either before or after the holding of such meeting, by any Members of the Homeowners' Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any Member of the Homeowners' Association at any such meeting without protesting prior to or at the commencement of the meeting, the lack of property notice, shall be deemed to be a waiver by him of such notice of such meeting.

1.8 – Quorum, Adjournment: At all meetings of Members of the Homeowners' Association, the presence at the commencement of such meetings in person or by proxy of Members holding of record a majority of the total number of votes of the Homeowners' Association then existing, shall be necessary and sufficient to constitute a quorum for the transaction of any business. The withdrawal of any Member after the commencement of a meeting shall have no effect on the existence of a quorum, after a quorum has been established at such meeting. No action may be authorized or taken by a lesser percentage than required by law or by these By-Laws. Members of the Homeowners' Association entitled to exercise the majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are affixed and announced at such meeting.

1.9 – Order of Business: The order of business at all meetings of the Members of the Homeowners' Association shall be as follows:

- (a) Call of meeting to order;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Board Members;
- (g) Unfinished and/or old business;
- (h) New business;
- (i) Adjournment.

1.10 – Actions Without a Meeting: All actions, except removal of a member of the Board of Directors, which may be taken at a meeting of the membership, may be taken without a meeting with the approval of the Members having the percentage of voting power required to take such action if same were taken at a meeting. Such approval shall be in writing and the writing shall be filed with the Secretary of the Homeowners' Association.

ARTICLE II – BOARD OF DIRECTORS/TRUSTEES

2.1 – Initial Board: The initial Board of Directors shall consist of three (3) Members named in the Articles of Incorporation. The initial Board of Directors (also referred to as Board of Trustees) shall serve until the first annual meeting of the Board of Directors.

2.2 – Board of Directors: Until the fifth Annual Meeting, the initial Board shall consist of three (3) persons appointed by Handerson, LLC, a Kentucky limited liability company, who shall serve until their respective successors are elected and qualified. Directors appointed by the Declarant need not be Members of the Association. However, a Director elected by Class A Members shall be a Lot Owner or a spouse of a Lot Owner, except that if a Lot Owner is a corporation, partnership, joint venturer, or other entity, the Lot Owner may elect as a Director an officer, partner, joint venturer, or like individual affiliated with this Lot Owner

2.3 – Election of Board: After the fifth annual meeting, the Board of Directors shall consist of not less than three (3) members, all of whom are to be elected at large by the membership of the Homeowners' Association. All Members of the Board of Directors, except for the initial Board, shall be Members of the Homeowners' Association.

2.4 – Election of Directors, Vacancies: The required Directors of the Board shall be elected at each annual meeting of the membership of the Homeowners' Association. Only persons nominated as candidates shall be eligible for election as Directors and the candidates receiving the greatest number of votes shall be elected. There shall be no cumulative voting for Members of the Board of Directors and voting may be in person or by proxy.

If a vacancy exists on the Board of Directors for any reason, then, in such event, the remaining Members of the Board, although less than a majority of the Members of the Board, may, by the vote of a majority of their number, fill any vacancy for an unexpired term.

2.5 – Nominating Committee: The Board of Directors may appoint a nominating committee consisting of five (5) Members of the Homeowners' Association, three (3) of whom shall be Members of the Board of Directors. The members of the nominating committee shall serve for a period of one (1) year from and after their election or until their respective successors are appointed and qualified, whichever shall first occur. Unless specifically requested by a majority of the Board of Directors, the nominating committee shall not nominate candidates to fill any vacancies occurring by reason of death, resignation, or otherwise, for the balance of an unexpired term. At least forty-five (45) days prior to the annual meeting of Members of the Homeowners' Association, the nominating committee shall recommend the names of Members of the Homeowners' Association selected by majority vote of the nominating committee to be submitted to the membership of the Homeowners' Association at the annual meeting for election to the Board of Directors.

2.6 – Nominations by Members: In addition to nomination by the nominating committee, ten percent (10%) or more of the total number of the membership of the Homeowners' Association entitled to vote for Directors and who are not Members of the nominating committee or the Board of Directors may also nominate candidates for the Board of Directors by petition signed by them and filed with the Secretary of the Homeowners' Association at least forty-five (45) days prior to the annual meeting of the membership. Prior to nomination of such persons, it must be ascertained that the person so nominated is or will be willing to serve as a Member of the Board of Directors if elected. The name of any such nominees, after having been certified by the Secretary or any other officer, that they are qualified for election and have been nominated in accordance with the provisions of the By-Laws shall be included on any proxy mailing to Members of the Homeowners' Association for election at the annual meeting.

2.7 – Organizational Meeting: Immediately after each annual meeting of the membership of the Homeowners' Association, the newly elected Board Members shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

2.8 – Regular Meeting: Regular meetings of the Board of Directors may be held at such times and places as shall be determined by a majority of the Board, but at least four (4) such meetings shall be

held during each fiscal year.

2.9 – Special Meetings: Special meetings of the Board may be held at any time upon call by the President or by any two (2) Board Members. Written notice of the time and place of such meeting shall be given to each Board Member either by personal delivery or by mail, telegram or telephone at least three (3) days before the meeting, which notice need not specify the purposes of the meeting.

Attendance of any Board Member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a waiver by him of notice of such meeting and such notice may be waived in writing either before or after the holding of such meeting by an Board Member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organization, regular or special meeting.

2.10 – Quorum, Adjournment: A quorum of the Board of Directors shall consist of a majority of the Board Members then in office; provided that a majority of the Board Members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned or fixed is announced at such meeting. At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration, the Articles of Incorporation or these By-Laws.

2.11 – Removal of Board Members: At any regular or special meeting of the membership of the Homeowners' Association duly called, at which a quorum shall be present, any one (1) or more of the Members of the Board of Directors may be removed with or without cause, by the vote of the membership of the Homeowners' Association entitled to exercise at least fifty-one percent (51%) of the voting power of the membership of the Homeowners' Association. Following the removal of any Member of the Board of Directors, the members of the Homeowners' Association, entitled to vote, shall elect a successor or successors to fill the vacancy or vacancies so created.

2.12 – Fidelity Bonds: The Board of Directors may require that all officers and employees of the Homeowners' Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds, if required, shall be paid by the Homeowners' Association and shall be a common expense.

2.13 – Actions Without a Meeting: All actions which may be taken at a meeting of the Board of Directors, may be taken without a meeting with the approval of a majority of all of the Members of the Board of Directors. Such approval shall be in writing and the writing shall be filed with the Secretary of the Homeowners' Association.

ARTICLE III – OFFICERS

3.1 – Election and Designation of Officers: The Board of Directors shall elect a President, Vice President, Secretary and a Treasurer, each of whom shall be a Member of the Board. The Board may also appoint an Assistant Treasurer and an Assistant Secretary and such other officers as, in their judgment, may be necessary. All officers shall be either (i) Members of the Board; or (ii) Members of the Homeowners' Association.

3.2 – Term of Office, Vacancies: The officers of the Homeowners' Association shall hold office until the next organizational meeting of the Board of Directors and until their successors are elected, except in case of resignation, removal from office or death. The Board may remove any officer at any time with or without cause by a majority vote of the Board of Directors then in office. Any vacancy in any office may be filled by the Board of Directors.

3.3 – President: The President shall be the chief executive officer of the Homeowners' Association. He shall preside at all meetings of the membership of the Homeowners' Association and shall preside at all meetings of the Board of Directors. Subject to directions of the Board of Directors, the President shall exercise general executive supervision over the business and affairs of the Homeowners'

Association. He may execute all authorized Deeds, Contracts and other obligations of the Homeowners' Association and shall have such other authority and shall perform such other duties as may be determined by the Board of Directors or otherwise provided for in these By-Laws.

3.4 – Secretary: The Secretary shall keep the Minutes of the meetings of the membership of the Homeowners' Association and of the Board of Directors. He shall keep such books as may be required by the Board of Directors, shall give notice of meetings of the membership of the Homeowners' Association and of the Board of Directors required by law, or by these By-Laws or otherwise, and shall have such authority and shall perform such other duties as may be determined by the Board of Directors.

3.5 – Treasurer: The Treasurer shall receive and have charge of all money, bills, notes and similar property belonging to the Homeowners' Association, and shall do with the same as may be directed by the Board of Directors. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board of Directors and shall have such authority and shall perform such other duties as may be determined by the Board of Directors.

3.6 – Other Officers: The Assistance Secretary and Assistant Treasurer, if any, and any other officer whom the Board may appoint shall, respectively, have authority, and perform such duties as may be determined by the Board of Directors.

3.7 – Delegation of Authority and Duties: The Board is authorized to delegate the authority and duties of any officer to any other officer or manager and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein.

ARTICLE IV – FISCAL YEAR

The fiscal year of the corporation shall be fixed by the Board of Directors from time to time, subject to applicable law.

ARTICLE V – CORPORATE SEAL

The corporate seal, if any, shall be in such form as shall be approved from time to time by the Board of Directors.

ARTICLE VI – AMENDMENTS

6.1 – Amendments by Members: All By-Laws of the corporation shall be subject to alteration or repeal, and new By-Laws may be made, by a majority vote of the members at the time entitled to vote in the election of Directors.

6.2 – Amendments by Directors: The Board of Directors shall make, adopt, alter, amend and repeal, from time to time, By-Laws of the Corporation; provided, however, that the Members entitled to vote with respect thereto Paragraph 7.1 above, may alter, amend or repeal By-Laws made by the Board of Directors, except that the Board of Directors shall have no power to change the quorum for meetings of Members or of the Board of Directors or the filling of vacancies in the Board resulting from the removal by the members. If any By-Laws regulating an impending election of Directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of members for the election of Directors, the By-Laws so adopted, amended or repealed, together with a concise statement of the changes made.

ARTICLE VII – INDEMNIFICATION

The Corporation shall indemnify any person 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, by reason of the fact that he, his testator or intestate representative is or

was a Member, director, officer, employee or agent 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 attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, in accordance with the laws of the Commonwealth of Kentucky, and to the full extent permitted by said laws. Such indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of Members or disinterested directors or otherwise, including insurance purchased and maintained by the Corporation, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Member, director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VIII - LIMITATION OF DIRECTOR LIABILITY

No Director of the Corporation shall be personally liable to the Corporation or its Members for monetary damages for any breach of his or her duties as the Director, except for liability (i) for a transaction in which the Director's personal financial interest is in conflict with the financial interest of the Corporation or its Members; (ii) for acts omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; or (iii) for any transaction from which the Director derived an improper personal benefit.

Any repeal or modification of this Paragraph by the Members of the Corporation shall not adversely affect any right or protection of a Director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

The undersigned certifies that the foregoing By-Laws have been adopted as the first By-Laws of the Corporation, in accordance with the requirements of applicable law.

Dated this 1st day of October, 2007.

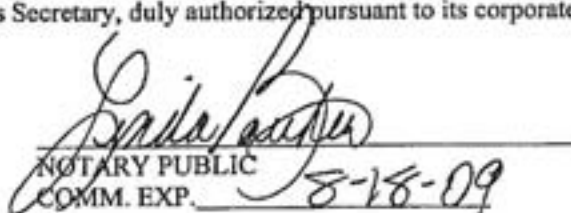
**AOSTA VALLEY SUBDIVISION
HOMEOWNERS' ASSOCIATION, INC.,
a Kentucky Non-Stock, Non-Profit Corporation,**


BY: Ronald G. Mullen, Secretary

STATE OF KENTUCKY)

COUNTY OF KENTUCKY)

The foregoing instrument was acknowledged before me, a Notary Public, this 1st day of October, 2007, by Aosta Valley Subdivision by Ronald G. Mullen, its Secretary, duly authorized pursuant to its corporate resolution.


NOTARY PUBLIC
COMM. EXP. 8-18-09

THIS INSTRUMENT PREPARED BY:



RONALD G. MULLEN
ATTORNEY-AT-LAW
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Florence, Kentucky 41042