

**AMENDED AND RESTATED BYLAWS OF  
THE SUTHERLAND COMMUNITY ASSOCIATION, INC.**

**ARTICLE I**  
**Offices**

1.1. **Principal Office.** The principal office of the Corporation in the Commonwealth of Kentucky shall be located in the County of Jefferson. The Corporation may have such other offices, either within or without the Commonwealth of Kentucky, as the business of the corporation may require from time to time.

1.2. **Registered Office.** The registered office of the Corporation may be, but need not be, identical with its principal office in the Commonwealth of Kentucky. The address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE 2**  
**Capital Stock**

2.1. **No Capital Stock.** The Corporation (hereinafter the "Association") shall have neither capital stock nor stockholders, and its business and affairs shall not be conducted for private pecuniary gain or profit, nor shall any of its gain, profit, or property inure to the incorporator thereof, nor to any officer or Director thereof, nor any other individual or any member of the Corporation, except as otherwise provided in Article 5 of its Articles of Incorporation, as to compensation for services rendered, but its entire gain, profit, net earnings, and property shall be devoted exclusively to the charitable and other uses and purposes set out in Article 3 of its Articles of Incorporation.

**ARTICLE 3**  
**Members**

3.1 **Definition of Member.** Each building lot shall have one member; however, building lots created by combining more than one lot shall have no more than one member. Each member shall have one vote.

**ARTICLE 4**  
**Member Meetings**

4.1 **Annual Meetings.** The annual meeting of the members of the Association (collectively, the "Members" or individually, a "Member") shall be held during the month of March at such time and place, and on such date as the Board of Directors may designate. The purpose of such meetings shall be the election of Directors and the transaction of such other business as may properly come before the Board. If the election of Directors shall not be held on the day designated for an annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members to be held as soon thereafter as may be practicable.

The first annual meeting will be held by the end of the month of January, 2001.

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4.2. **Special Meetings.** Special meetings of the Members may be called by the President, by a majority of the Board of Directors or by Members holding not less than one-third of the voting power of all Members entitled to vote at such meeting. The Board of Directors shall designate the time and place for any special meeting. A waiver of notice shall be signed by a majority of the Members entitled to vote. Members may include a designation of any place, either within or without the Commonwealth of Kentucky, as the place for the holding of such meeting.

4.3. **Place of Meetings.** Meetings of the Members shall be held at the Sutherland Clubhouse unless the Board of Directors designates a different place for the meeting.

4.4. **Notice of Annual or Special Meetings.** Written notice stating the place, day and hour of the meeting and, in addition in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 days nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary, or the person(s) 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's address as it appears on the records of the Corporation, with postage prepaid.

4.5. **Waiver of Notice.** Any Member may waive notice of any meeting. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, unless the Member attends the meeting for the sole express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Whenever any notice is required to be given under the provisions of these Bylaws, the Articles of Incorporation, or otherwise by law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

4.6. **Quorum.** Unless otherwise stated herein, Members holding ten (10%) of the votes then entitled to be cast on the matter to be voted upon, represented in person or by proxy, shall constitute a quorum at any such meeting.

4.7. **Action by Consent of Members.** Any action required or permitted to be taken, or which may be taken, at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the Members entitled to vote with respect to the subject matter thereof. Such written consent shall have the same force and effect as a unanimous vote at a meeting.

### **ARTICLE 5** **Directors**

5.1. **Number, Tenure and Qualifications; Volunteer Board.** The Board of Directors of the Corporation shall consist of not less than three and no more than eleven individuals, until otherwise changed by an amendment to these Bylaws.

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The Directors shall be elected by vote of the Members at each Annual Meeting of the Members, as necessary. In the event that there are more openings on the Board than there are volunteers to fill such openings after the annual solicitation for volunteers to fill Board vacancies, then following the election of Directors at the Annual Meeting of the Members, the number of Directors on the Board shall be reduced accordingly, but shall not be less than three. In the event that there are more volunteers for openings on the Board than there are openings on the Board, then following the election of Directors at the Annual Meeting of the Members, the individuals receiving the most votes shall be elected to fill such vacancies and become Directors.

Each Director shall hold office for the term for which he/she was elected and until his/her successor shall be elected and qualified, whichever period is longer. The Directors shall be domiciled in the Sutherland Subdivision but need not be residents of the Commonwealth of Kentucky.

Initially, there shall be two classes of Directors (collectively, "Classes", and individually a "Class"), each consisting of one half of members the first Board of Directors and referred to as Class A or Class B Directors. The class assignments shall be made by a random drawing. If the number of members is uneven, the additional member shall be randomly assigned to Class B. All Class A Directors' beginning terms shall expire at the second annual meeting of the Members after their election to office. The initial term for all Class B Directors shall expire at the third annual meeting of the Members after their election to office. Subsequent Directors shall be elected for a term of two (2) years, regardless of Class.

5.2. **Powers.** The Board of Directors shall have power to:

(a.) Exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation (i.) by law, (ii.) by that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") for Sutherland Subdivision, as amended from time to time, and by any similar set of deed restrictions applicable to Sutherland Subdivision (as such term is defined in the Declaration) or (iii.) by any Supplemental Declaration (as such term is defined in the Declaration) for any property made subject to the Corporation, unless the power, duty or authority is reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(b.) Employ managers, independent contractors or other employees as they deem necessary, and to prescribe their duties; and

(c.) Manage and operate the clubhouse and other recreational facilities. In the exercise of this power, the Board of Directors may permit nonresidents of Sutherland Subdivision to use the clubhouse and recreational facilities for a reasonable annual fee, and may provide criteria for permitting nonresident membership.

5.3. **Duties.** It shall be the duty of the Board of Directors to:

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(a.) Fix the annual assessments at an amount sufficient to meet the obligations imposed by the Declaration, set the date(s) assessments are due, and decide what interest rate is to be applied to assessments which remain unpaid after the due date;

(b.) Send written notice of each assessment to every tract owner subject to assessment at least thirty (30) days in advance of the due date of the annual assessment or the first installment thereof and file liens for unpaid assessments;

(c.) Furnish upon demand by any lot owner a certificate signed by an officer of the Corporation setting forth whether the assessments on a specified lot have been paid, for which a reasonable charge may be made;

(d.) Prepare an annual budget;

(e.) Manage, operate and maintain the common areas, open spaces, entrance ways, streets, crosswalks, medians, storm drains, basins, lakes, recreational areas and facilities within the Sutherland Subdivision, including but not limited to, the tennis courts, pools, and clubhouse facilities;

(f.) Adopt and publish rules and regulations, including fees, if any, governing the use of the common area and facilities, and enforce these rules and regulations; and

(g.) Procure and maintain adequate liability and hazard insurance on property owned by the Corporation. The property shall be insured for its full replacement cost. The insurance coverage with respect to the common area shall be written in the name of, and the proceeds shall be payable to the Corporation. Insurance proceeds shall be used by the Corporation exclusively for the repair or replacement of the property for which the insurance was carried.

5.4. **Removal and Resignations.** Directors may be removed from office for good cause, which may include absences from three (3) successive regular meetings of the Board of Directors. Such action shall be taken by the Board of Directors by adopting a corporate resolution. Any Director may resign from the Board of Directors at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.5. **Annual and Regular Meetings.** An 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 Members. The Board of Directors may provide by resolution the time and place, either within or without the Commonwealth of Kentucky, for the holding of regular meetings without other notice than such resolution.

5.6. **Special Meetings.** Special meetings of the Board of Directors may be called by, or at the request of, the President, or by any two Directors. All special meetings of the Board of Directors shall be held at the principal office of the Corporation or such other place as may be specified in the notice of the meeting.

5.7. **Notice.** Notice of any special meeting shall be personally delivered or telephoned to each Director at least twenty-four (24) hours prior thereto or mailed to each Director at his/her business address at least two (2) days prior to the time of the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. 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 of Directors need be specified in the notice or waiver of notice of such meeting.

5.8. **Quorum.** A majority of the number of incumbent Directors fixed by, or determined in accordance with, the Articles of Incorporation shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, 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.

5.9. **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 of Directors, unless otherwise required by law, by the Articles of Incorporation, or by these Bylaws.

5.10. **Vacancies.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in the office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of the majority of the members of the Board of Directors for a term of office continuing only until the next election of Directors by the Corporation's Members.

5.11. **Compensation.** Only by a vote of a majority of the Members present at an annual meeting may each Director be paid his/her expenses, if any, of attendance at each meeting of the Board of Directors.

A Director may receive payment from serving the Corporation in any other capacity only by an affirmative vote of a majority of the members of the Board of Directors at a regular meeting. Such vote, including abstentions, shall be specifically noted in the Minutes of the meeting.

5.12. **Conflict of Interest.** A potential conflict of interest exists whenever a Director and/or his/her family within the second degree of kindred, is to receive any compensation from the Association for any purpose. Each instance of such a potentiality is to be reported to the Board of Directors as an agenda item at a regular meeting and requires a specific affirmative vote of a majority of the Directors before the compensation can be paid. The Minutes of the meeting shall reflect the actual vote of each Director. The Director to receive the compensation shall abstain from voting.

5.13 **Action by Written Consent.** Any action required or permitted to be taken by the Board of Directors at a meeting 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, either personally or by fax or mail, by or at the direction of the President or Secretary, or person calling the meeting, to each member of record entitled to vote and such written consent is filed with the Minutes of the proceedings.

5.15. **Other Committees.** The Board of Directors by an appropriate Bylaw or resolution may provide for such committees as may appear necessary for the effective management of the business of the Corporation, and give such committees powers and duties as may seem proper, and provide when and how often any such committee shall meet, how its meetings shall be called, and at what time those meetings may be held. One Director shall be a member of each other committee and shall act as the liaison with the Board of Directors and the committee.

## ARTICLE 6 Officers

6.1. **Officers.** The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two of the offices of Vice President, Secretary and Treasurer may be held by the same person.

6.2. **Election and Term of Office.** The officers of the Corporation may be elected by the Board of Directors at the first, and thereafter at each annual, meeting of the Board of Directors. If the election of officers is not held at any such meeting, such election shall be held as soon thereafter as is practicable. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall be duly elected or until his/her death or until he/she shall resign or shall have been removed in the manner hereinafter provided.

6.3. **Removal and Resignations.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgement, the best interests of the Corporation would be served. Election or appointment of an officer or agent shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the affirmative vote of a majority of the members of the Board of Directors for the unexpired portion of the term.

6.5. **President.** The President shall:

(a.) Be the chief executive officer of the Corporation and shall supervise and control the affairs and business of the Corporation, subject to control by the Board of Directors;

(b.) Preside at all meetings of the Members and of the Board of Directors;

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(c.) Have the authority, acting alone, to sign and deliver any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed;

(d.) Have such other powers and other duties as the Board of Directors may assign.

6.6. **Vice President**. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President (or, in the event there be more than one Vice President, the Vice Presidents in order designated 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. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

6.7. **Treasurer**. The Treasurer shall:

(a.) Have charge, custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and be responsible for the deposit of all such monies in the name of the Corporation in such banks, trust companies and other depositories as shall be selected in accordance with the provisions of these Bylaws;

(b.) Keep adequate and current accounts of the Corporation's affairs and transactions and provide timely reports to the Board of Directors; and,

(c.) Perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

~~6.8. **Secretary**. The Secretary shall.~~

~~(a.) See that all notices are duly given in accordance with these Bylaws or as required by law;~~

~~(b.) Keep the Minutes of the Members' meetings and the Board of Directors' meetings;~~

~~(c.) See that the Minutes of each Board of Directors' meeting are complete and indicate all Board members who are present, all business items discussed and record the votes of each member on each item, including abstentions;~~

~~(d.) Be custodian of the corporate records and of the seal, if any, of the Corporation; and~~

~~(e.) Perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.~~

6.9. **Other Officers.** Other officers and agents of the Corporation shall have such authority and perform such duties in the management of the Corporation as shall be assigned to them by the Board of Directors.

**ARTICLE 7**  
**Committees**

7.1. **Architectural Review Committee.** The Board of Directors shall have the power to appoint an Architectural Review Committee, which shall review potential additions and changes to Sutherland lots, buildings and appurtenances, analyze complaints to the Board regarding violations of covenants, conditions and restrictions or zoning laws and shall make appropriate recommendations to the Board of Directors. The Committee shall also perform such other functions as the Board of Directors determines. The Board may ask the Committee to recommend rules and regulations which will assist in maintaining the quality of the subdivision. One Director shall be a member of the Architectural Review Committee and shall act as liaison between the Board of Directors and the Committee.

7.2. **Pool, Tennis Court and Clubhouse Committee.** The Board of Directors shall have the power to appoint a Committee which shall focus on the maintenance and use of the pool, tennis court and clubhouse. The Committee may recommend rules and regulations pertaining to these facilities to the Board of Directors. One Director shall be a member of the Pool, Tennis Court and Clubhouse Committee and shall act as liaison between the Board and the Committee.

7.3 **Other Committees.** The Board of Directors by an appropriate resolution may provide for such other committees as may appear necessary for the effective management of the business of the Corporation, and give such committees powers and duties as may seem proper, and provide when and how often any such committees shall meet, how meetings shall be called, and at what time those meetings may be held. One Director shall be a member of each other committee and shall act as the liaison between the Board and the committee.

**ARTICLE 8**  
**Assessments**

8.1. **Definitions.** As used in these Bylaws these terms shall have the following meanings:

(a.) "Annual Assessment" shall mean the amount of the annual assessment levied on each lot from time to time by the Board of Directors. There shall be one annual assessment for each lot and for the combined lots which are in effect as of January 1, 2001.

(b.) "Special Assessment" shall mean the special assessment provided for in the Declaration.

(c.) "Payment Date(s)" shall mean the dates set for the payment of any assessment by the Board of Directors.

8.2. **Payment of Annual Assessments.** Annual Assessments shall be payable as follows:

(a.) Annual Assessments shall be payable in advance on the Payment Date(s).

(b.) If a dwelling or lot is sold during a calendar year, the amount of the Annual Assessment for that calendar year shall be prorated, and the purchaser shall be liable for Assessments only for the portion of the calendar year beginning on the date of sale of the lot.

(c.) No Member shall be entitled to a refund of any Annual Assessment upon the sale of the lot.

8.3 **Increase or Decrease in Annual Assessments.** The Board of Directors of the Corporation may from time to time increase or decrease the Annual Assessment.

8.4 **Payment of Special Assessments.** The Corporation may levy Special Assessments only with the assent of a majority of the votes of Members who are voting in person or by proxy at a special meeting called for this purpose. Written notice of a special meeting called for the purpose shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or proxies entitled to cast 30% of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Special Assessments shall be payable as follows:

(a.) Within 30 days of the date of the special meeting at which the Special Assessment was levied; and

(b.) No Member shall be entitled to a refund of any Special Assessment upon the sale of a lot.

**ARTICLE 9**  
**Indemnification of**  
**Directors, Officers and Employees**

9.1. **Indemnification.** The Corporation shall, to the fullest extent permitted by, and in accordance with the provisions of, the Kentucky Nonprofit Corporation Acts, indemnify each Director, officer and employee of the Corporation against expenses (including attorneys' fees), judgments, taxes, fines and amounts paid in settlement incurred by such person in connection with, and shall advance expenses (including attorneys' fees) incurred by such person in defending, any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) to which such person is, or is threatened to be made, a party by reason of the fact that such person is or was a Director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, member, partner, employee or agent of another domestic or foreign corporation, partnership,

joint venture, trust or other enterprise. Advancement of expenses shall be made upon receipt of any undertaking, with such security, if any, as the Board of Directors may reasonably require, by or on behalf of the person seeking indemnification to repay amounts advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized herein.

9.2. **Nonexclusivity of Indemnification.** The indemnification provided for by this Article 9 shall not be deemed exclusive of any other rights to which Directors, officers or employees of the Corporation may be entitled under any statute, agreement or action of the Board of Directors of the Corporation, or otherwise, and shall continue as to a person who has ceased to be a Director, officer or employee of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such a person.

## **ARTICLE 10** **Contracts, Loans, Checks and Deposits**

10.1. **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract and execute and deliver any instruments in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

10.2. **Loans.** No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors which shall be duly recorded in the Minutes of the Corporation. Such authority may be general or confined to specific instances.

10.3. **Checks, Drafts, etc.** 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 such officer or officers, or agent or agents, of the Corporation and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.

10.4. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited, from time to time, to the credit of the Corporation in such banks, trust companies and other depositories as the Board of Directors may select.

## **ARTICLE 11** **Miscellaneous**

11.1. **Amendments.** The Board of Directors shall have the power and authority to alter, amend or repeal these Bylaws by an affirmative vote of a majority of the entire Board of Directors, except that an amendment to Section 8.4 of these Bylaws shall require the consent of the Members as set forth therein.

11.2. **Fiscal Year.** The Board of Directors shall have the power to fix, and from to time change, the fiscal year of the Corporation.

11.3. **Construction.** Unless the context specifically requires otherwise, any reference in these Bylaws to any gender shall include all other genders; any reference to the singular shall include the plural; and any reference to the plural shall include the singular.

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11.4. **Limitations.** Notwithstanding any other provision hereof, the Corporation shall take no action contrary to the provisions of Article 3 of the Corporation's Articles of Incorporation, and if at any time the Corporation is a private foundation or a private operating foundation as such terms are defined in the Internal Revenue Code of 1954, as amended ("Code"), then the Corporation shall only act as permitted under the Code without subjecting the Corporation to additional taxes imposed under Subchapter A, Chapter 42, Subtitle D of the Code.

The above Bylaws of this Corporation  
were adopted by the Board of Directors  
on January \_\_, 2001,

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, Secretary