

Continuation of Articles of Incorporation of Spring Farm Lake Homeowners Association, Inc.

Article II Addendum: Any provision of these Articles of Incorporation to the contrary notwithstanding, the corporation shall not have any purpose or object, nor have or exercise any power, nor engage in any activity, which in any way contravenes or is in conflict with, the other provisions of this Article II of these Articles of Incorporation.

The objects and purposes of the corporation, and the powers it shall have and may exercise are as follows:

(a) As general and controlling purposes, to act as a “homeowners’ association” as defined in Section 528 of the Internal Revenue Code of 1986, as amended (“Code”) (references herein to sections or provisions of the Code shall be deemed to include and refer to, to the extent applicable, any similar sections or provisions of any subsequent Federal tax laws), in such manner (i) that no part of its income or property shall inure to the private benefit of any donor, director or individual having a personal or private interest in the activities of the corporation, except as reasonable compensation for services actually rendered, (ii) that it shall not directly or indirectly participate in or intervene in any political campaign on behalf of any political candidate for public office, and (iii) that no substantial part of its activities shall be carrying on propaganda or otherwise attempting to influence legislation.

(b) As a particular purpose in furtherance of, consistent with, and subject to, the general and controlling purposes set forth in subsection (a) of this Article II, to governing the affairs of all property subject to the provisions of a Declaration of Covenants, Conditions and Restrictions Spring Farm Lake Subdivision -- Sections 2 and 3 (as the same may be amended from time to time as therein provided, the “Declaration”), made, imposed and declared by Spring Farm Lake, LLC (together with its successors and assigns, the “Developer”) and to be recorded in the Office of the Jefferson County Clerk. Such property shall include SPRING FARM LAKE SUBDIVISION-- SECTIONS 2 and 3 (together with all property hereafter made subject to the Declaration, the “Subdivision”), a plat of which is to be recorded in the Office of the Jefferson County Clerk, and to that end, to hold title to, or easements over, land within the Subdivision for common purposes, including but not limited to, detention areas, utility areas, open spaces, pond areas, landscape areas, and/or landscape entry areas, to maintain and administer common areas in accordance with the Declaration.

(c) In furtherance of, and at all times subject to, the aforesaid purposes, enterprises, activities and projects:

(i) To exercise all the powers and privileges and to perform all of the duties and obligations of the community or homeowners association as set forth in the Declaration, as the same may be amended from time to time as therein provided;

(ii) To fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of

the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

(iii) To acquire by purchase, gift or otherwise, real and personal property to be used in connection with any and all corporate purposes hereunder;

(iv) To hold real and personal property and to maintain and improve same;

(v) To borrow for the acquisition, improvement or maintenance of the real and personal property of the corporation and to mortgage and pledge as security the assets of the corporation;

(vi) To enforce any and all covenants, restrictions and agreements applicable to the property of the corporation and to other property, the ownership of which is a prerequisite to membership in the corporation;

(vii) Subject to the limitations imposed by the corporation or its Bylaws, to sell, lease, transfer, dedicate for public use or otherwise dispose of any or all of the corporation's real or personal property;

(viii) To do and perform any act or thing permitted by law which would promote the common benefit and enjoyment of the owners of property within the Subdivision; and

(ix) To have and exercise any and all powers, rights and privileges which a corporation organized under Chapter 273 of the Kentucky Revised Statutes may now or hereafter have or exercise.

Article VIII: BOARD OF DIRECTORS. 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 number of directors shall be fixed by resolution of the Board of Directors from time to time, subject to the applicable provisions of the Kentucky Revised Statutes and the corporation's Bylaws, provided that the corporation shall never have fewer than three directors. A director may be removed in accordance with the provisions of the Bylaws.

Article IX: MEMBERS. Each owner of a fee simple interest in a lot in the Subdivision shall be a member of the corporation, and each such owner shall be entitled to exercise one vote for each interest in a lot owned by such owner. This is not intended to include individuals or entities who or which hold an interest merely as security for the performance of an obligation. All voting power of the members shall be exercised by the Developer, as defined in the Bylaws, on each matter properly submitted to the members for their vote, consent, waiver, release or action, until such time or times as the Developer elects to relinquish that voting right, which relinquishment shall not take place later than the date on which the Developer ceases to own the fee simple title to at least one lot in the Subdivision. When more than one person holds an interest in a lot, all such persons shall be members; the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot. The

membership of each member shall terminate when the owner ceases to own an undivided fee simple interest in at least one lot in the Subdivision, and upon the sale, transfer or other disposition of each undivided fee simple interest in a lot. The membership in the corporation which is appurtenant to that interest shall automatically be transferred to the new owner of that interest. No member shall otherwise terminate or sever membership in the corporation.

Article X: CONFLICT OF INTEREST. No director, member or officer of the corporation shall be disqualified by such office or membership from dealing or contracting with the corporation as a vendor, purchaser, employee, agent, service provider or otherwise. No contract or transaction shall be void or voidable with respect to the corporation for the reason that it is between the corporation and one or more of its directors, members or officers, or between the corporation and any other entity in which one or more of the corporation's directors, members or officers are directors or officers, or have financial or personal interests, or for the reason that one or more interested directors or officers participated in or voted at the meeting of the directors or a committee thereof which authorized such contract or transaction, if in any case (a) the material facts of any such relationship or interest and of the contract or transaction are disclosed or are known to directors or the committee thereof, are in good faith reasonably justified by said facts, or authorize the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors constitute less than a quorum; or (b) the material facts of any such relationship or interest and of the contract or transaction are disclosed or are known to the members entitled to vote thereon and the contract or transaction is specifically approved at a meeting of the members held for that purpose at which a quorum is present by the affirmative vote of members exercising a majority of the voting power of the members who are present in person or represented by proxy and are not interested in the contract or transaction; or (c) the contract or transaction is fair to the corporation at the time it is authorized or approved by the directors, a committee thereof, or the members.

Article XI: DISSOLUTION. The Corporation may be dissolved only with the written consent of the holders of 80% or more of the votes of all members. The written instrument of dissolution shall be in conformity with requirements of the laws of the Commonwealth of Kentucky so as to permit the instrument to be recorded in the Office of the Secretary of State and the Office of the Jefferson County Clerk. Any proposal to dissolve the corporation shall be in writing and a notice of the same and place where the proposal to dissolve the corporation is to be considered by the membership shall be mailed to every member at the member's respective address at least thirty (30) days prior to such meeting. The Corporation may be dissolved only in the event provision is made for the maintenance of the properties owned by the corporation either by acceptance by a governmental entity, association, trust, corporation or other organization devoted to purposes substantially similar to this Corporation, which governmental entity, association, trust, corporation or other organization shall assume all obligation for the maintenance of the property as contained in these Articles and the recorded Declaration applicable to the property of the corporation and all property, the ownership of which is a prerequisite to membership in the corporation. This Article XI may be amended only with the written consent of the holders of 80% or more of the votes of all members.

Article XII: BYLAWS. The Corporation shall have bylaws and rules to regulate the business and affairs of the corporation so long as the same are not inconsistent with the provisions of

these Articles, the recorded Declaration or laws of the Commonwealth of Kentucky. The Bylaws of the corporation shall be adopted by the initial Board of Directors at its first organizational meeting.

Article XIII: INDEMNIFICATION OF DIRECTORS AND OFFICERS.

(a) Indemnification. To the fullest extent permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may hereafter be amended, but only to the extent not in conflict with the provisions of Article II, the corporation shall indemnify each director and officer of the corporation against expenses (including, but not limited to, attorney's fees), judgments, taxes, penalties, fines (including, but not limited to, any excise tax assessed with respect to any employee benefit plan) and amounts paid in settlement (collectively, a "Liability"), incurred by such director or officer in connection with defending any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) to which such director or officer is, or is threatened to be made, a party because such director or officer is or was a director or officer of the corporation, is or was serving at the request of the corporation as a member, director, officer, partner, trustee or agent of another domestic or foreign corporation, partnership, limited liability company, joint venture, trust or other enterprise.

(b) Reimbursement of Expenses. To the fullest extent authorized or permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may be hereafter be amended, but only to the extent not in conflict with the provisions of Article II, the corporation shall pay or reimburse expenses (including, but not limited to attorney's fees) incurred by a director or officer of the corporation who is a party to a proceeding in advance of final disposition of such proceeding.

(c) Indemnification Provision Not Exclusive. The indemnification against Liability and advancement of expenses provided by, or granted pursuant to this Article XIII, to the fullest extent authorized or permitted by, and in accordance with the provisions of, Kentucky law, as the same exists or may hereafter be amended, but only to the extent not in conflict with the provisions of Article II, shall not be deemed exclusive of other rights, if any, to which such director or officer of the corporation seeking such indemnification or advancement may be entitled under the Bylaws or any agreement, action of disinterested directors or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office of the corporation, shall continue as to a person who has ceased to be a director or officer of the corporation, and shall inure to the benefit of the heirs, executors and administrators of such person.

(d) Repeal or Modification of Indemnification. Any repeal or modification of this Article XIII shall not adversely affect any right or protection of a director or officer of the corporation under this Article XIII with respect to any act or omission occurring prior to the time of such repeal or modification.

Article XIV: ELIMINATION OF CERTAIN LIABILITY OF DIRECTORS. A director of the corporation shall not be personally liable to the corporation for monetary damages for breach of

such director's duties as a director; provided, however, that this provision shall not eliminate or limit the liability of a director for the following: (i) for any transaction in which such director's personal financial interest is in conflict with the financial interests of the corporation; (ii) for acts or omissions not in good faith or which involve intentional misconduct or are known to such director to be a violation of law or (iii) for any transaction from which such director derived an improper personal benefit. This Article XIV shall continue to be applicable with respect to any such breach of duties by a director of the corporation as a director notwithstanding that such director may thereafter cease to be a director and shall inure to the personal benefit of such director's heirs, executors and administrators.

Article XV: SEVERABILITY OF PROVISIONS. If any provision of these Articles of Incorporation, or its application to any person or circumstances, is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of these Articles of Incorporation that can be given effect without the invalid provision or application, and to this end the provisions of these Articles of Incorporation are severable.