

**AMENDMENT TO BY-LAWS OF
MCCONNELL'S TRACE NEIGHBORHOOD ASSOCIATION, INC.**

WHEREAS, pursuant to Article VI, Section 6 of the By-Laws of McConnell's Trace Neighborhood Association, Inc., the Developers, **KEICO, LLC**, a Kentucky limited liability company, having a mailing address of 1720 Sharkey Way, Lexington, KY 40511; **SJM DEVELOPMENT, LLC**, a Kentucky limited liability company, having a mailing address of 1720 Sharkey Way, Lexington, KY 40511; **LEES2826, LLC**, a Kentucky limited liability company, having a mailing address of 1720 Sharkey Way, Lexington, KY 40511; and **JEFFCO, LLC**, a Kentucky limited liability company having a mailing address of 1720 Sharkey Way, Lexington, KY 40511 (collectively "Developers"), may unilaterally amend the Bylaws at any time during the Developer's Control Period, as defined therein; and

WHEREAS, the Developers continue to own real property (subdivided lots or otherwise) in McConnell's Trace residential development;

NOW THEREFORE, the By-Laws of McConnell's Trace Neighborhood Association, Inc. are amended as follows:

ARTICLE III(c) "POWERS AND DUTIES":

Section 19(A) Rights of the Association. With respect to the Common Areas, and in accordance with the Articles of Incorporation, the Deeds of Restrictions, as amended, filed of record in the Office of the Fayette County Clerk (collectively, the "Deeds of Restrictions"), and these By-laws, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of two-thirds (2/3) of the Board of Directors.

Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the right to enter into a declaration of easements and covenant to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to individuals who are not Members, in consideration for payment by the owner(s) of such property or such non-Members of all or a portion of the costs associated with such maintenance or use. The Board shall have all powers and duties set forth in the Articles of Incorporation, the Deeds of Restrictions, and these By-laws, including without limitation the following:

(B) Implied Rights. The Association may exercise any other right or privilege given to it expressly by the Deeds of Restrictions, as amended from time to time, or these By-laws, or which may be reasonably implied from or reasonably necessary to effectuate any such right or privilege.

(C) Rules, Regulations and Policies. The Association, through the Board of Directors or by majority vote of Members present at any annual, regular, or special meeting duly noticed and

held, may make, modify, and enforce reasonable rules, regulations and policies (i) governing the use, maintenance, and upkeep of all Lots; and (ii) prescribing the policies and procedures for levying Dues and Assessments, levying fines and enforcing violations of the Deeds of Restrictions as amended and these By-laws (the "Rules and Regulations"), consistent with the rights and duties established by the Deeds of Restrictions and these By-laws. Such Rules and Regulations shall be binding upon all owners of lots and units, members of the Association, occupants, invitees, and licensees until and unless repealed or modified in a regular or special meeting of the Board of Directors by the vote of a majority of the Board.

(D) Dues and Assessments. As set forth in the Deeds of Restrictions, the Board of Directors may, from time to time, set and establish annual Dues and Assessments for each lot or unit for the operations of the Association and fix the due date of the Dues and Assessments. If the Board of Directors fails to specifically set the Dues and Assessments for any given year, the Dues and Assessments from the prior year shall carry over as the Dues and Assessments for the year in question. Any Dues and Assessments levied by the Association shall be used only for purposes generally benefitting the Association.

If the Board of Directors fails to set a specific due date for the Dues and Assessments, such Dues and Assessments will accrue on January 1st of each year and will be payable on or before February 1st of such year. Dues and Assessments shall be deemed delinquent without notice or demand. No lot or unit shall be subject to Dues and Assessments until the residence constructed thereon has been completed and is being occupied as a residence.

The Board of Directors may accelerate the payment of Dues and Assessments for any member who is delinquent in the payment of such Dues and Assessments.

If the annual Dues and Assessments are not paid when due, the owners of such lot(s) or unit(s) shall incur a late fee, finance charge or interest for each lot or unit for which the Dues and Assessments remain unpaid. The amount of this late fee, finance charge or interest may be changed from time to time by majority vote of the Board of Directors. As set forth herein, the Dues and Assessments and assessed late fee, finance charge or interest imposed under these Deeds of Restrictions shall constitute a continuing lien on the lot or unit.

The Common Area shall be exempt from payment of Dues and Assessments.

19(B) Enforcement. The Board of Directors shall have the power to impose fines or other sanctions upon any owner, and to suspend an owner's right to vote or to use any Common Areas, for the violation of any duty imposed under the Deeds of Restrictions, the By-Laws for McConnell's Trace Neighborhood Association, Inc. (the "By-Laws"), or any Rule and/or Regulation duly adopted by the respective Developer and/or the Board of Directors; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and/or egress to or from any lot.

In the event that any owner or occupant of a lot or unit violates the Deeds of Restrictions, the By-Laws, and/or a Rule or Regulation and a fine is imposed, the fine shall be assessed against the occupant or the owner, in the respective Developer's or the Board of Directors'

discretion; provided, however, if the fine is first assessed against a non-owner occupant and is not paid within the time period set by the Deeds of Restrictions or the Board of Directors, the owner shall pay the fine upon notice from the Association within the time period set by the Deeds of Restrictions or the Board of Directors. The failure of the Board of Directors to enforce any provision of the Deeds of Restrictions, the By-Laws, or any Rule or Regulation shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

If a fine assessed hereunder is not paid when due, the occupant and/or owner of such lot or unit shall incur a late fee, finance charge or interest for each lot or unit for which the fine remains unpaid. A fine not paid within thirty (30) days of the due date shall be deemed delinquent without further notice or demand. As set forth herein, any fine and assessed late fee, finance charge or interest imposed under the Deeds of Restrictions shall constitute a continuing lien on the lot or unit.

(i) Notice. Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of Dues and Assessments, the assessment of late fee, finance charge or interest for the nonpayment of Dues and Assessments, and/or fines for a violation of the Deeds of Restrictions, the By-Laws, and/or a Rule or Regulation, the Board of Directors, through its Managing Agent, shall serve said owner or occupant with written notice by personal delivery, email, mail or telegram to the address of the occupant or owner of the lot or unit in question as identified on the Office of the Fayette County Property Valuation Administration (PVA) website, or at such other address or email as the occupant or owner of such lot or unit may provide in writing to the Association; and such notice shall describe (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than ten (10) days to cure the alleged violation or present a written request to the Board of Directors for a hearing; and (d) a statement that the proposed fine, sanction and/or enforcement mechanism provided for herein shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If the violation is not cured or a challenge is not made within ten (10) days, the action stated in the notice shall be imposed.

(ii) Hearing. If a hearing is requested by said owner or occupant in a timely manner, the hearing shall be held in executive session by the Board of Directors affording the owner a reasonable opportunity to be heard. Prior to the effectiveness of any fine, sanction and/or enforcement mechanism provided for herein, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(iii) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Deeds of Restrictions, the By-Laws, or the rules and regulations of the Association by self-help (specifically including without limitation entering into said lot to remedy an uncured violation following notice provided for herein), or by suit at law

or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth herein.

In any such action, to the maximum extent permissible, the owner who was the owner of the lot at the time of the violation, of which abatement is sought, shall be liable for all costs and expenses incurred in engaging in such self-help and/or remedying said violation, including without limitation administrative fees, costs and expenses of such self-help which shall be considered a fine hereunder, late fee, finance charge or interest, and attorney's fees incurred by the Association in pursuing in any rights or remedies available under these By-laws, which amounts shall constitute a continuing lien on the lot or unit as stated herein.

19(C) Liens. All Dues and Assessments, fines, late fees, finance charges, accrued interest, and administrative fees, as provided for herein, as well as the costs and expenses incurred in collecting said amounts and/or in enforcing a violation of the Deeds of Restrictions, these Bylaws or the Rules and Regulations, including without limitation attorney's and professional fees, shall be the personal obligation of the owner of the lot at the time the Dues and Assessments, fines, late fees, finance charges, accrued interest, and administrative fees, as provided for herein, as well as the costs and expenses incurred in collecting said amounts and/or in enforcing a violation, were incurred; and said owner's grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except to the extent the lien securing same may have been extinguished by judicial proceedings.

The Dues and Assessments, fines, late fees, finance charges, accrued interest, and administrative fees, as provided for herein, as well as the costs and expenses incurred in collecting said amounts and/or in enforcing a violation of the Deeds of Restrictions, these Bylaws or the Rules and Regulations, including without limitation attorney's and professional fees, shall be secured by a continuing lien on such lot in favor of the Association, which lien shall not be diminished, terminated or satisfied in any way by a sale, transfer, subdivision and/or consolidation of the lot. Such lien shall be prior and superior to all other liens and encumbrances upon said lot, except that:

(i) All real property ad valorem taxes, assessments and other levies under the laws of the Commonwealth of Kentucky would be superior thereto; and

(ii) The lien or charge of any first Mortgage or Vendor's Lien filed of record (meaning only a recorded Mortgage or Vendor's Lien with first priority over other Mortgages) made in good faith and for value, to which first Mortgage the continuing lien created herein shall be subordinate and inferior in all respects, provide said first Mortgage is filed of record before the Dues and Assessments, late fees, administrative fees, finance fees, fines and accrued interest, as provided for herein, as well as the costs and expenses incurred in collecting said amounts and/or in enforcing a violation of the Deeds of Restrictions, these Bylaws or the Rules and Regulations, including without limitation attorney's fees and professional fees, are levied hereunder, regardless of whether the Association has caused to be filed a Notice of Lien with respect to said Dues and Assessments and/or fines.


Such lien, as set forth herein, may be enforced by suit, judgment, and foreclosure on behalf of the Association upon majority vote of the Board of Directors. The Association, acting on behalf of the owners, shall have the power to bid for the lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey same. During the period of time which a lot is owned by the Association following foreclosure:

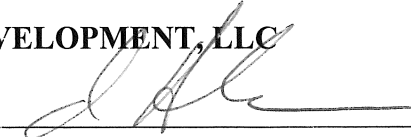
- (i) No right to vote shall be exercised on its behalf;
- (ii) No Dues or Assessments shall be levied on it; and
- (iii) Each other lot shall be charged, in addition to its usual Dues and Assessments, its equal pro rata share of the Dues and Assessments that would have been charged such lot had it not been acquired by the Association as a result of foreclosure.

All payments received by the Association with respect to the continuing lien created hereunder for Dues and Assessments, fines, late fees, finance charges, accrued interest, and administrative fees, as provided for herein, as well as the costs and expenses incurred in collecting said amounts and/or in enforcing a violation of the Deeds of Restrictions, these Bylaws or the Rules and Regulations, including without limitation attorney’s and professional fees; shall be applied first to expenses and costs incurred, including without limitation, attorney’s and professional fees, then to late fees, finance charges and accrued interest, then to administrative, and then to delinquent Dues and Assessments and/or delinquent fines, in order of coming due.


Section 20 Enforcement. The Board shall have all powers to enforce the Deeds of Restrictions, the By-Laws and the Rules and Regulations, as set forth in the Articles of Incorporation, the Deeds of Restrictions, and these By-laws, including without limitation, those enforcement rights set forth in the Master Addendum to the Deeds of Restrictions for McConnell’s Trace Subdivision, at Section 9.2(b) “Enforcement”).

IN WITNESS WHEREOF, the Developers have executed Amendment to By-Laws of McConnell’s Trace Neighborhood Association, Inc. on the day and year first above stated and directed it to be filed of in the Fayette County Clerk’s office along with the Master Addendum to Deeds of Restrictions for McConnell’s Trace Subdivision.

KEICO, LLC
By: 
Its: Managing Member


SJM DEVELOPMENT, LLC
By: 
Its: Managing Member

LEES2826, LLC

By: 

Its: Managing Member

JEFFCO, LLC

By: 

Its: Managing Member

COMMONWEALTH OF KENTUCKY)
) SCT
COUNTY OF FAYETTE)

The foregoing Master Addendum to Deeds of Restrictions was subscribed, sworn and acknowledged before me on this the 17 day of November 2010, by Dennis R. Anderson, as the Managing Member of **KEICO, LLC; SJM Development, LLC; LEE2826, LLC; and JEFFCO, LLC.**


NOTARY PUBLIC, KENTUCKY,
STATE AT LARGE

My Commission Expires: 2-14-2011