

**BY-LAWS
OF
MEADOWBROOK ESTATES HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

PRINCIPAL OFFICE

The principal office of Meadowbrook Estates Homeowners Association, Inc. (the "Association") shall be 2102 Meadowbrook Drive, LaGrange, Kentucky 40031, but meetings of Members and Directors shall be held at such places within or without the Commonwealth of Kentucky as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

"Development" shall mean the real estate development known as "Meadowbrook Estates" located in Oldham County, Kentucky.

"Common Elements" shall mean all real property owned by the Association for the common use and benefit of the Owners.

"Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions, as amended from time to time.

"Lot" shall mean each single family residential lot which comprises a part of the Development as shown on the recorded subdivision plat, or any amendments thereto.

"Member" shall mean an Owner.

"Owner" shall mean the record owner, whether one or more persons or entities of fee simple title to a Lot in the Development, but excluding a mortgagee having merely a security interest.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Appurtenance. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting Rights. Each Member shall be entitled to one (1) vote in the election of the Directors and all other matters pertaining to the Association to which Members are entitled to vote. With respect to any Lot where the Owner consists of more than one person

or entity, the vote for such Lot shall be exercised as such persons or entities determine among themselves, but in no event shall more than one vote be cast for each Lot.

Section 3. Suspension. No Member who is delinquent in the payment of assessments shall be entitled to exercise the right to vote hereunder until such default has been cured.

Section 4. Percentage of Votes Required. Except as may otherwise be set forth in the Declaration, the vote of at least Fifty-One percent (51%) of the outstanding votes of the Members entitled to vote shall be required in order to constitute the act or decision of the Members.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held during the month of January of each year, at such time, date and place as may be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, by the Board of Directors or by Members having at least 25% of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by personal delivery, email or mailing a copy of such notice, postage prepaid, not less than ten (10) days, nor more than twenty (20) days in advance of such meeting to each Member entitled to vote, addressed to the Member's Lot or to such other address which has been supplied by such Member to the Association for the purpose of such notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. Except as set forth in Section 6 below, action requiring the vote of the Members may be taken only at annual and/or special meeting of the Members at which a quorum shall be present. The presence at the meeting in person or by proxy of the Members entitled to cast at least Fifty-One percent (51%) of the total votes shall constitute a quorum for any action. Every act or decision done or made by the vote of at least Fifty-One percent (51%) of the outstanding votes of the Members entitled to vote at a meeting at which a quorum is present shall be regarded as the act of the Members.

Section 5. Proxies. At all meetings of Members, each Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable.

Section 6. Action Taken Without a Meeting. The Members entitled to vote shall have the right to take any action in the absence of a meeting which they could take at a meeting

by obtaining the written approval of at least Fifty-One percent (51%) of the Members entitled to vote for any such action. Any action so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE V

BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The initial Board of Directors shall be the three (3) persons named in the Articles of Incorporation, who shall serve until the next annual meeting of the Members, at which time new Directors shall be voted upon by the Members. There shall always be at least three (3) and no more than seven (7) members of the Board of Directors.

Section 2. One Director per Lot. Only one person per Lot may be a Director.

Section 3. Term of Office. Each Director shall serve for one (1) year. At each annual meeting of the Members, the Members shall elect the number of Directors necessary to fill any expired term and to bring the number of Directors to no less than three (3).

Section 4. Removal. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association entitled to vote. In the event of death, resignation or removal of a Director, a successor shall be elected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No Director shall receive compensation for any service he may render to the Association; however, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Board of Directors. The Members shall elect the Board of Directors in conjunction with the annual meeting of the Members.

Section 2. Nomination. Nomination for election to the Board of Directors may be made from the floor at the annual meeting of the Members, or by providing the Secretary with a written nomination at least ten (10) business days prior to the annual meeting of the Members. Nominations shall be required for all vacancies that are to be filled.

Section 3. Election. Election to the Board of Directors shall be by written ballot. At such election the Members or their proxies may cast (1) vote in respect to each vacancy. The persons receiving the largest number of votes shall be elected, subject to a maximum of seven (7), as described in Article V, Section 1, above. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held annually with or without notice at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

ARTICLE VIII

Section 1. Powers. The Board of Directors shall have the power to:

a. adopt and publish rules and regulations (“Rules and Regulations”) governing the matters as set forth in the Declaration, and to establish penalties for the infraction thereof;

b. suspend a Member's voting rights and participation in the Association during any period in which such Member shall be in default in the payment of any assessment levied by the Association, and, after notice and hearing, for a period not to exceed sixty (60) days, for an infraction of the Declaration or published Rules and Regulations;

c. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not expressly reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

d. hire, as an independent contractor, such persons as they deem reasonable and necessary to assist in the satisfaction of their (and the Association's) responsibilities and obligations under these Bylaws, the Articles of Incorporation and/or the Declaration; and

Notwithstanding anything contained herein to the contrary, however, the Directors shall not be authorized to borrow money on behalf of the Association in connection with the carrying out of its rights and obligations, without at least Fifty-One percent (51%) of the total votes of the Members entitled to vote.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. cause to be kept a record of its meetings and the Association's affairs and to allow inspection of such records by any Member upon reasonable request;
- b. supervise all officers and agents of the Association, and see that their duties are properly performed;
- c. as more fully provided in the Declaration to:
 1. fix the amount of the assessments against each Lot; and
 2. enforce collection of all assessments
- d. procure and maintain insurance, including officers and Directors liability and indemnification insurance; and
- e. except as may otherwise be provided in the Declaration, to cause the Common Elements to be maintained and repaired.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time, by resolution, create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors, and at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until a successor is elected and qualified, unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless

otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 6. Multiple Offices. Officers may also be Directors, so long as they are otherwise elected in accordance with these ByLaws. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created by the Board of Directors pursuant to Section 1 of this Article.

Section 7. Duties. The duties of the officers are as follows:

a. President: the President shall preside at all meetings of the Board of Directors and all meetings of the Members; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

b. Vice President: the Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors.

c. Secretary: the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board of Directors.

d. Treasurer: the Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolutions of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of accounts; and shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to the Members.

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify each of its Directors and officers 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 (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director or officer of the Association 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 if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Except as provided hereinbelow, any such indemnification shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Director or officer is proper in the circumstances because he 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 not, or are not, parties to such action, suit, or proceeding, or (b) by the Members.

Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, or proceeding if authorized by the Board of Directors and upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association.

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 in defense of any claim issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without any further determination that he has met the applicable standard of conduct set forth above.

ARTICLE XI

COMMITTEES

The Board of Directors may appoint such committees as it deems appropriate in carrying out its purposes.

ARTICLE XII

BOOKS AND RECORDS

The books and records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, the By-Laws and the Rules and Regulations of the Association (if any) shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIII

AMENDMENTS

Section 1. Amendments. The power to alter, amend or repeal or adopt new By-Laws shall be vested in the Board of Directors, but shall be subject to change or repeal by the vote of no less than Fifty-One percent (51%) of the Members entitled to vote.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

The undersigned, hereby certifies that she is the Secretary of the Meadowbrook Estates Homeowners Association, Inc., and the foregoing By-Laws were duly adopted as the By-Laws of the Association by the unanimous written consent of the Directors.

Tara Harley, Secretary

Date: July ____, 2005