

BYLAWS OF
LOCUST GROVE NEIGHBORHOOD ASSOCIATION,
INC.

I certify that the following Bylaws, consisting of five pages, each of which I have initialed for identification, are the Bylaws adopted by the Board of Directors of Locust Grove Neighborhood Association, Inc. at a meeting of Directors held Sept. 16, 2004.

Jody A. Flynn
_____, Secretary

BYLAWS OF
LOCUST GROVE NEIGHBORHOOD
ASSOCIATION, INC.

Section 1. Meetings

Annual Meeting. The annual meeting of the members shall be held during the month of October at a time designated by the Board of Directors.

Special Meetings. Special meetings of the members may be called (a) by the President or the Board of Directors, or (b) by members holding in the aggregate one-fifth of the voting power of all members. The Secretary, not less than ten days nor more than thirty-five days after receiving (a) a written request from the President or the Board of Directors, or (b) a petition signed by members holding in the aggregate one-fifth of the voting power of all members, shall issue the call for the special meeting in accordance with the notice procedures for annual meetings below. If the Secretary neglects or refuses to issue such call, then the call may be issued by (a) a Director, or (b) a member who signed the petition.

Place of Meetings. Meetings of the members shall be held at such places within Woodford County as may be designated by the Board of Directors.

Notice of Meetings. The Secretary shall issue written notice of the time and place of each annual meeting of the members to be hand-delivered, emailed, or sent standard U.S. mail to the members entitled to vote, not less than ten nor more than thirty-five days before the date of the meeting.

Waiver of Notice. The attendance of any member at any meeting of members without protesting the lack of proper notice shall constitute a waiver of such notice.

Quorum. Members holding at least one-third of the votes entitled to be cast on the matter to be voted upon, represented in person or by proxy shall constitute a quorum at any meeting of members. A majority vote of the quorum is necessary for adoption of any matter to be voted upon, unless KRS Chapter 273 provides otherwise.

Section 2. Board of Directors

Number and Term of Office. A Board of not less than three but no more than seven Directors shall manage the affairs of the Corporation. At the first annual meeting of the Board of Directors following the election of the initial Board of Directors, an odd number of Directors shall be voted on for election, with the remaining even number of initial Directors voted upon in the following year annual meeting. This process shall continue each year such that over a two-year period each Director's seat will be up for a vote. The Directors to be elected in a given year shall be elected at the annual meeting by the members entitled to vote, or if not so elected, at a special meeting of members entitled to vote called for that purpose. A Director shall hold office until his successor is elected and has accepted the election by either (a) an acceptance in writing, or (b) being present and acting as a Director at either a regular or special meeting of the Board of Directors.

Vacancies. The office of a Director shall become vacant if he or she dies or resigns in writing, signed by the resigning Director and delivered to the Corporation. Any vacancy in the Board of Directors may be filled for the unexpired term by a vote of the majority of the remaining Directors, even if the remaining Directors represent less than a majority of the whole Board.

Meetings. A regular meeting of the Board of Directors shall be held immediately after the annual meeting of the members or any special meeting of members at which a Board of Directors is elected. Special meetings of the Board of Directors may be called by the President or by any two Directors.

Quorum. A majority of the Directors then in office (but not fewer than three Directors) shall be necessary to constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Notice - - Waiver. Notice of the time and place of each meeting of Directors shall be hand-delivered, telephoned or emailed to each Director at least twenty-four hours, or mailed to each Director at his address as shown by the books of the Corporation at least seventy-two hours, prior to the time of the meeting. Notice of any meeting of Directors may be waived either before or after the meeting by any Director. The attendance of any Director at any meeting of

Directors without protesting the lack of proper notice shall be deemed to be a waiver of notice of that meeting.

Committees. The Board of Directors may from time to time designate and appoint one or more committees as provided in KRS 273.221. Unless the Board of Directors otherwise provides, a majority of the members of any such committee shall constitute a quorum at any meeting of that committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of that committee. Action may be taken by any such committee without a meeting by a writing signed by all of its members. Any such committee shall prescribe its own rules for calling and holding meetings and its methods for procedure, and shall keep a written record of all actions taken by it.

Section 3. Officers

Officers. The Corporation may have one or more Vice Presidents and shall have a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Corporation may also have such assistant officers as chosen by the Board of Directors, or chosen by an officer or officers designated by the Board of Directors. Any two or more offices may be held by the same person except the office of President and Secretary.

President. The President shall (a) be a duly elected Director, in good standing, (b) have general charge and authority over the business and affairs of the Corporation subject to the direction of the Board of Directors, (c) have authority to preside at all meetings of the members and of the Board of Directors, (d) have authority acting alone, except as otherwise directed by the Board of Directors, to sign and deliver any document on behalf of the Corporation, and (e) have such other powers and duties as the Board of Directors may assign to him or her.

Vice President. The Vice President, or if there is more than one Vice President, the Vice Presidents in the order of their seniority by designation (or if not designated, in the order of their seniority of election), shall perform the duties of the President in his or her absence. A Vice President shall also be a duly elected Director, in good standing. The Vice President shall have such other powers and duties as the Board of Directors or the President may assign to him or her.

Secretary. The Secretary shall (a) issue notices of all meetings for which notice is required to be given, (b) keep the minutes of all meetings, have charge of the corporate record books, be responsible for all required corporate filings, and (c) have such other duties and powers as the Board of Directors or the President may assign to him or her.

Treasurer. The Treasurer shall (a) have the custody of all funds and securities of the Corporation, (b) keep adequate and current accounts of the Corporation's affairs and transactions, and (c) have such other duties and powers as the Board of Directors or the President may assign to him or her.

Other Officers. Other officers and agents of the Corporation shall have such authority and perform such duties in the management of the Corporation as the Board of Directors or the President may assign to him or her.

Section 4. Assessments

In accordance with paragraph 5 of the Restrictive Covenants and Conditions for the Locust Grove Subdivision, Unit 1 and Unit 2, filed of record in the Woodford County Clerk's Office and incorporated herein by reference, the Board of Directors shall annually assess each member (as "member" is defined in the aforementioned Restrictive Covenants and Conditions) an annual fee of \$80.00. If by equal installments, the fee shall be paid no less frequently than quarterly, with the annual due date being the effective date of adoption of these bylaws. The fee shall be paid by check, money order (or cash) delivered to the Treasurer, or other officer assigned to receive payment by the President, and made payable to the Locust Grove Neighborhood Association, Inc.

Section 5. Amendments

The bylaws of the Corporation may be amended from time to time by the Board of Directors, subject to the power of the members of the Corporation.