

**BYLAWS OF
GLENEAGLES ESTATES COMMUNITY ASSOCIATION, INC.**

COPY

SECTION 1. MEETINGS

1.1 Annual Meeting. The annual meeting of the members, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held during the month of October at a time designated by the Board of Directors.

1.2 Special Meetings. Special meetings of the members may be called (a) at any time by the Board of Directors, or (b) by members holding in the aggregate one-fourth of the voting power of all members. The Secretary shall call a special meeting to be held at a time fixed by the Secretary, but not less than ten days nor more than thirty-five days after the Secretary shall have received (a) a written request from the Board of Directors, or (b) a petition signed by members holding in the aggregate twenty-five percent of the voting power of all members. If the Secretary neglects or refuses to such call, then the call may be issued by (a) any Director, or (b) a member who signed the petition.

1.3 Place of Meetings. Meetings of the members shall be held at a place designated by the Board of Directors.

1.4 Notice of Meetings. The Secretary shall cause written notice of the time, place, and agenda of each annual meeting of the members to be delivered to the members entitled to vote not less than ten nor more than thirty-five days before the date of the meeting.

1.5 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.

1.6 Quorum. Members holding twenty-five percent of the votes entitled to be cast on the matter to be voted upon represented in person shall constitute a quorum at a

meeting of members. The members shall act by a majority vote of those members present at a meeting at which a quorum is present. For all quorum calculations, decimals are truncated.

1.7 Adjourned Meetings. If however, such majority shall not be present in person, those members attending shall have the authority to adjourn the meeting, and they shall set another day for the meeting, at least ten days after the regular date, and shall cause the Secretary of the corporation to immediately notify in writing all members of record of the new date. If on the second meeting, there is still no quorum as prescribed above, those memberships represented in person shall constitute a quorum for the transaction of all business. At any adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted without further notice.

1.8 Action Without Meeting. Unless otherwise provided in the Articles of Incorporation or these Bylaws, or any amendments thereto, any action required by statute to be taken at any annual or special meeting of the members, or any action which may be taken at any annual or special meeting of the members, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of not less than the minimum number of votes that would be necessary to authorize such action at such meeting. Such consent shall be filed with the Secretary of the Association. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those members who have not consented in writing.

1.9 Absentee Voting. Absentee voting will be allowed on matters requiring a fifty-one percent majority approval of the voting membership for passage. Ballots may be

procured from any board member. Completed ballots must be received by a board member prior to the vote in order to be counted.

1.10 Voters' List. The Secretary shall furnish and certify a list of the members entitled to vote at each meeting and the list shall indicate the number of votes of each member. Only those persons whose names appear on such certified list shall be entitled to vote at such meeting.

SECTION 2. BOARD OF DIRECTORS

2.1 Number. The affairs of the Corporation shall be initially managed by a Board of three Directors. Each Director shall be a member of the Association and shall have paid the required assessments provided for in the Restrictions of Gleneagles Estates Community or any amendments thereto. Directors shall be elected at the annual meeting by the members entitled to vote or at a special meeting of the members entitled to vote called for that purpose which shall be held for the initial election of a Board of Directors to hold office until the annual meetings set forth herein by no later than November 15, 2002. There shall be no more than one director per voting membership.

2.2 Term of Office. Except as hereinafter provided in Sections 2.2(a), (b) and (c) the term of office of the Directors shall be staggered and shall be for one to three years or until his or her successor is elected and has accepted the election. A Director may succeed himself or herself.

(a) The following Director shall hold office until the first annual meeting, at which time his term shall expire:

The Director receiving the lowest votes at the first election for Board of Directors. Thereafter, this Director shall be elected for a three year term.

(b) The following Director shall hold office until the second annual meeting, at which time his term shall expire:

The Director receiving the second lowest vote total at the first election for Board of Directors. Thereafter, this Director shall be elected for a three year term.

(c) The following Director shall hold office until the third annual meeting, at which time his term shall expire:

The Director receiving the highest vote total at the first election for Board of Directors. Thereafter, this Director shall be elected for a three year term.

2.3 Vacancies. The office of a Director shall become vacant if he or she dies, resigns by a writing signed by him or her and delivered to the Association or is not in compliance with Section 5.1 of these Bylaws. Any vacancy in the Board of Directors may be filled for the unexpired term by a vote of the majority of the remaining Directors though less than a majority of the whole Board.

2.4 Meeting. A regular meeting of the Board of Directors shall be held as soon as is practical after the annual meeting of the members or any special meeting of members at which a Board of Directors is elected. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it. Special meetings of the Board of Directors may be called by the President or by any three Directors.

2.5 Quorum. A majority of the Directors then in office 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. Any member of the Board of Directors may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

2.6 Notice--Waiver. Notice of the time and place of each meeting of Directors, other than an annual meeting, shall be served upon or telephone to each director at least twenty-four hours, or mailed to each Director at his address as shown by the books of the Association at least forty-eight 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.

2.7 Action Without Meeting. Unless otherwise restricted by the Articles of Incorporation, these Bylaws or any amendments thereto, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all members of the Board of Directors consent thereto in writing, and such writing or writings are filed with the minutes of the proceedings of the Board.

2.8 Committees. The Board of Directors may from time to time designate and appoint one or more committees. Unless the Board of Directors otherwise provide, a majority of the members of any such committee shall constitute a quorum of 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

of procedure, and shall keep a written record of all actions taken by it.

2.9 Powers of all Committees. No committee shall have the power to act in the name of the Association, or to bind the association to any act unless otherwise provided in these Bylaws, or by specific resolution of the Board of Directors.

2.10 Fees and Compensation. The Directors shall receive no compensation for their services as Directors.

2.11 Bonds. Fidelity bonds shall be required by the Board from all persons handling or responsible for Association funds. The amount of those bonds and sureties shall be determined by the Board. Premiums on the bond shall be paid by the Association. Officers or board members not handling or responsible for Association funds are not required to be bonded.

2.12 Nominating Committee. The Board of Directors will appoint at least three members not currently on the Board to a committee to present a slate of nominees prior to the annual meeting to fill the expiring Directors' terms of office. The Secretary will include the slate of nominees with the notice of the annual meeting.

SECTION 3. OFFICERS

3.1 Officers. The Association shall have a President, a Vice President, and a Secretary-Treasurer, all of whom shall be elected by the Board of Directors and may be removed at any time, without cause, by the Board of Directors. The Association may also have such assistant officers as the Board of Directors may deem necessary, all of whom shall be elected by the Board of Directors or chosen by an officer or officers designated by it and removed at any time, without cause, by the Board of Directors. Any two or more offices may be held by the same person except the office of President.

3.2 President. The President shall:

(a) Have general charge and authority over the business and affairs of the Association subject to the direction of the Board of Directors,

(b) Have authority to preside at all meetings of the members and of the Board of Directors,

(c) 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

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

3.3 Vice President. The Vice President shall perform the duties of the President in his or her absence. The Vice President shall have such other powers and duties as the Board of Directors or the President may assign to him or her.

3.4 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 and have charge of the corporate records, and

(c) Have such other duties and powers as the Board of Directors or the President may assign to him or her.

3.5 Treasurer. The Treasurer shall:

(a) Have custody of all funds and securities of the Association,

(b) Keep adequate and current account of the Association's affairs and transactions,

(c) Shall prepare and submit reports of receipts and expenditures, if any, at each meeting of the Board of Directors,

(d) Shall make a written report at each annual membership meeting of the Association showing the amount of money received and disbursed by the Association since the last annual membership meeting and the assets and liabilities of the Association, and

(e) Have such other duties and powers as the Board of Directors or the President may assign to him or her.

(f) Shall notify membership by mail of annual assessment prior to the due date.

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

3.7 Fees and Compensation. The Officers shall receive no compensation for their services as officers.

SECTION 4. FISCAL YEAR

4.1 The fiscal year of the corporation shall be the calendar year.

SECTION 5. ASSESSMENTS

5.1 The Board of Directors shall annually assess each owner of a unit in accordance with the provisions of the Gleneagles Estates Community Deed of Restrictions or any amendments thereto, recorded in the Office of the Clerk of Oldham County, Kentucky. Except as hereinabove provided, the owner of a lot on the first day of January will be responsible for the assessment for that year, and it is the owner's responsibility to obtain reimbursement from his or her purchaser in the event of a sale during the year. Statements for the annual assessment will be mailed. Each assessment is secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not

paid when due shall be delinquent. No owner may waiver or otherwise escape liability for the assessments provided for herein by abandonment of his or her lot.

SECTION 6. INDEMNIFICATION OF OFFICERS, DIRECTORS AND AGENTS

6.1 Determination of Right to Indemnification. Any indemnification of the directors, officers or agents of the Association shall be made by the Association upon a determination that indemnification of the director, officer or agent is proper in the circumstances because he or she has met the standard of conduct set forth in Article 10. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the holders of a majority of the member votes represented by any meeting at which a quorum is present.

6.2 Authority to Advance Expenses. The Board of Directors shall authorize the advance of expenses incurred by a director, officer or agent of the Association in defending such action, suit or proceeding referred to in Article 10 prior to the final disposition of the proceeding if the director, officer or agent furnished the Association with a written undertaking by or on behalf of the director, officer or agent to repay such amount if it is ultimately determined that he or she did not meet the standard of conduct required in Article 10.

SECTION 7. AMENDMENTS

7.1 Amendments. The Bylaws of the Association may be amended from time to time by fifty-one percent of the voting members.

SECTION 8. CONTRACTING AUTHORITY

8.1 Authority. The Board of Directors has full discretion in spending Association funds up to \$1,500.00 as long as obligations and expenditures are within the authority granted by the Articles of Incorporation, and Bylaws. The President, Vice President, and the Treasurer has authority to obligate the Association for any emergency purchases up to \$1,500.00. Any purchases over \$1,500.00 must first have approval of the majority (51%) of the Association members. All disbursement checks must be signed by two officers.

SECTION 9. DOCUMENTATION

9.1 Except as otherwise authorized herein or by law, all Association records will be open to all members. The President, Secretary, or Treasurer will be responsible for maintaining all Association/Corporation related documents.

SECTION 10. ORDER OF PRECEDENCE

10.1 In the case of conflict, the Gleneagles Estates Community Restrictions and amendments thereto shall take precedence over the Articles of Incorporation and the Bylaws.

The Articles of Incorporation take precedence over the Bylaws.

I certify that the foregoing Bylaws, consisting of 10 pages, are the Bylaws adopted by the Board of Directors of Gleneagles Estates Community Homeowners Association, Inc. on this _____ day of _____, 2002.

President

ATTEST:

Secretary