

BYLAWS

OF

MAJESTIC WOODS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE II

Offices

The principal office of the corporation shall be located at 1118 Majestic Woods Drive, LaGrange, Kentucky, 40031 but may be changed from time to time by resolution of the Board of Directors.

ARTICLE II

Members

The association shall have one class of members. The membership shall be comprised of the owners of the lots within MAJESTIC WOODS, SUBDIVISION (ALL SECTIONS), and all further developed sections of this subdivision. Each member shall have one vote for each lot owned provided that all association fees have been paid for that lot(s) or the member has been assigned a payment plan as of the time of the vote and is current on said plan. In the event a lot or lots are owned by two or more individuals or entities, each shall be members but a single vote of the owners of such lot shall be exercised as they among themselves determine. If they cannot decide among themselves who shall cast the vote, their vote shall count toward fulfilling the quorum but shall otherwise be disregarded.

The membership rights (including voting rights) of any members may be suspended by action of the Board of Directors if such members shall have failed to pay any assessment or charge lawfully imposed upon such member or any property owned by such member, or if any member shall be in current violation of any rule or regulation promulgated by the Board of Directors regarding the use of any property or conduct with respect thereto.

Annual meetings of the membership shall normally be held in March of each year commencing in 2011 at such time and place as designated in a notice thereof, but such place shall be within the city limits of LaGrange, Ky. The primary purpose of said meeting shall be to elect the directors for the upcoming term in accordance with the staggered terms as specified in Article III(B) herein. Written notice stating the place, day and hour of the annual meeting and, in the case of special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five nor more than twenty days before the date of the meeting, either personally or by mail, by or at the direction of the president, secretary or other board member, or the person(s) calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as appears on the books of the association, with postage prepaid thereon.

Any voting members (one representative per lot[s] owned and for which association fees are paid or current on a payment plan) whether in person or by proxy, representing the ownership of at least fifty-one percent (51%) lots shall constitute a quorum at the meeting, unless a different number is specifically set out herein or required by the recorded subdivision restrictions.

ARTICLE III Directors

(A) General powers

The Business and affairs of the corporation shall be managed by its Board of Directors. The Board of Directors shall have power to:

(1) exercise for the Association all powers, duties and authority vested in or delegated to this Association by law or the Declaration of Restrictions (including any authority under the restrictions reserved to the Developer) and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or by such Declarations;

(2) employ independent contractors as they deem necessary, and to prescribe their duties;

(3) elect and/or remove officers who shall first be selected from the five board members, and if necessary, from the membership at large;

(B) Duties

It shall be the duty of the Board of Directors to:

(i) keep a correct and complete record of all its corporate affairs, make such records available for inspection by a Member or his agent within 24 hours of written notice, and present an annual statement thereof to the Members on or before the annual membership meeting;

(ii) supervise all officers and agents of the Association and see that their duties are properly performed;

(iii) designate depositories for Association funds and designate those officers and/or agents who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;

(iv) hold an Association meeting on the proposed annual budget and approve the annual budget (this can be accomplished at the annual membership meeting);

(v) send written notice of each assessment to an owner of each lot subject thereto at least thirty (30) days before the due date of the annual assessment;

(vi) record and enforce any liens deemed necessary or prudent;

(vii) cause the Common Areas, if any, to be maintained;

(viii) limit spending out of association funds for food and beverages for board meetings to \$200.00 per year.

(ix) award contracts up to one year in duration for mowing, landscaping, tree removal, snow removal etc., or the board, by resolution, may grant this authority to the President and may put limitations on said authority as it deems proper; any contracts made by the President under such authority shall be contingent upon Board review/approval, and a majority vote of the remaining board members can overturn the action of the President; all contracts shall contain a Contingency Clause for such board approval within (15) days of the execution of the contract.

(B) Number, tenure, and qualifications

The initial number of directors of the corporation shall be five (5). Said number may be increased or decreased by amendment of this bylaw. The board member positions to be filled each year shall be elected at each annual meeting of members for two (2) year terms staggered as hereinafter provided. Each director so elected shall serve as a director until the earlier of (1) the second annual meeting of members and until his successor has been elected and qualified; or (2) he is removed by a majority of the members in the association from his or her position, with or without cause. Elections shall be conducted by nominations made from the members entitled to vote with the election to be by secret ballot, unless there are no more nominees than the number up for election, in which case the election may be completed by proper acclamation. There shall only be one board member per household, but any board member may be elected to multiple terms. New board member terms will begin the day after the annual meeting. It is recognized that with the adoption of these By-laws that the following five (5) individuals have been elected to serve for the terms stated:

| | |
|-----------------|--|
| Bill Sharp | (1 year term scheduled to terminate March, 2012) |
| Crystal Sprouse | (1 year term scheduled to terminate March, 2012) |
| Tony Williams | (1 year term scheduled to terminate March, 2012) |
| Jon Lamkin | (2 year term scheduled to terminate March, 2013) |
| Shannen Money | (2 year term scheduled to terminate March, 2013) |

The persons elected in 2012 to occupy the seats held by Billy Sharp, Crystal Sprouse and Tony Williams will then serve two (2) year terms to then allow for staggered terms among board members of two years each. Thereafter any member of the association in good standing may be elected, but only one (1) owner from any lot or household may serve on the board at the same time.

(C) Vacancies

Should a vacancy occur on the board before completion of a term, such vacancy may be filled by the affirmative vote of a majority of the remaining Board of Directors, though less than a quorum.

(D) Annual Meeting

The annual meeting of the Board of Directors shall be held without notice other than this bylaw immediately after the annual meeting of members to elect officers of the corporation for the upcoming year and to address any other business as may properly come before the board. The Board of Directors may provide, by resolution, the time and place, within the City of LaGrange, Kentucky, for the holding of additional regular meetings without other notice than such resolution.

(E) Special Meetings

Special meetings of the Board of Directors may be called by or at the request of any board member/officer. The person or persons authorized to call special meetings of the Board of Directors may choose any place, either within City of LaGrange, Kentucky, as the place for holding any special meeting of the Board of Directors called.

(F) Notice

Notice of any special meeting shall be given at least five days prior thereto by written notice delivered personally, mailed, or faxed (provided confirmation is obtained that the fax has been received) to each director at his business or other designated address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with first class postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any notice required hereunder shall state the time and place of the meeting. Notice of any special meetings shall also state the nature of the business to be conducted.

(G) Quorum

Unless any specific provision herein or the recorded subdivision restrictions require otherwise, a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

(H) Manner of Acting

Unless a greater number of board members is required by a specific by-law herein or by the recorded subdivision restrictions, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(I) Compensation

No director shall receive compensation for his services as director; however, any reasonable expenses incurred by a director related to his or her duties or responsibilities as such, shall be paid by the corporation; provided that nothing contained herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

(J) Committees

The Board of Directors shall have authority to establish such committees as it may consider necessary or convenient for the conduct of its business. The Board of Directors may establish an executive committee in accordance with and subject to the restrictions set out in the statutes of the Commonwealth of Kentucky.

(K) Informal Action

Any action required or permitted to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors or of a committee, may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the directors, or all members of the committee, as the case may be, and included in minutes or filed with the corporate records. Such consent shall have the same effect as a unanimous vote.

**ARTICLE IV
Officers**

(A) Classes

The officers of the Corporation shall be a President, Vice President, Secretary, Treasurer and Sergeant-at-Arms, and such other officers whose duties may be fixed from time to time by the Board of Directors and who are to be elected in accordance with the provisions of this article.

(B) Election and term of office

Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. After the initial appointment of officers by the Board of Directors at the corporation's organization meeting, the officers of the corporation shall be elected every year by the

Board of Directors at the annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as shall be convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Officers may be elected for multiple terms provided they are current with all fees to the association and not otherwise in violation of the by-laws or subdivision restrictions.

(C) Removal

Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

(D) Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

(E) President

The president shall be the chief executive officer of the corporation and shall in general supervise and control all of the day-to-day business and affairs of the corporation. The president shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

(F) Vice-President

In the absence of the president or in the event of his inability or refusal to act, the vice president shall perform the duties of the president and, when so acting, shall have all of the powers and be subject to all of the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned by the president or by the board of directors. One or more vice presidents may be elected with such titles and with such priority to act for the president as the board of directors may determine.

(G) Secretary

The secretary shall (1) keep the minutes of the members' and the Board of Directors' meetings in one or more books provided for that purpose; (2) see that all notices are duly given in accordance the provisions of these bylaws or as required by law; (3) be custodian of the corporate records; and (4) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the Board of Directors.

(H) Treasurer

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The treasurer shall (1) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws; and (2) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or by the Board of Directors.

(I) Sergeant-at-Arms

The Sergeant-at-Arms shall keep order at the meetings.

ARTICLE V
Contracts, Loans, Checks, and Deposits

(A) Contracts

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

(B) Loans

No loans shall be contracted on behalf of the corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

(C) Checks, drafts, orders, etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

(D) Deposits

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

(E) Gifts

Any director or officer may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes of or for any special purpose of the corporation.

(H) Charitable contributions

No officer shall make charitable contributions in the name of, from the funds of, or on behalf of the corporation without prior authorization by a unanimous vote of all directors/officers.

**ARTICLE VI
Books and Records**

The corporation shall keep correct and complete books and records of the account and shall also keep minutes of the proceedings of its members and Board of Directors, and shall keep at the principal office a record giving the names and addresses of the directors entitled to vote. All books and records of the corporation may be inspected by any director, or his agent or attorney, for any proper purpose at any reasonable time.

**ARTICLE VII
Fiscal Year**

The fiscal year of the corporation shall be January 1st to December 31st.

**ARTICLE VIII
Waiver of Notice**

Whenever any notice is required to be given under the provisions of the articles of incorporation, or under the provisions of the corporation laws of the Commonwealth of Kentucky, waiver thereof in writing, signed by the person, or persons, entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE IX
Amendment of Bylaws**

These bylaws may be amended, altered, changed, added to, or repealed by the affirmative vote of a majority of the Board of Directors (no lesser quorum being applicable), if notice of the proposed amendment, alteration, change, addition, or repeal be contained in the notice of the meeting to the Board of Directors. All members shall be sent written notice of any amended bylaw within ten (10) days of approval of the amendment by the board of directors.

ARTICLE XI
Indemnification

Each person who is or was a director or officer of the Association, whether elected or appointed, including the heirs executors, administrators, or estate of any such person, shall be indemnified by the Association to the full amount against any liability, and the reasonable cost or expense (including attorney fees; monetary or other judgments, fines and excise taxes, or penalties and amounts paid or to be paid in settlement) incurred by such person in such person's capacity as a director or officer or arising out of such person's status as a director or officer; provided, however, no such person shall be indemnified against any such liability, cost, or expense incurred in connection with any action, suit, or proceeding (1) in which such person shall have been adjudged liable on the basis that personal benefit was improperly received by such person, (2) for any transaction in which the director's personal financial interest is in conflict with the financial interests of the corporation, (3) for acts or omissions not in good faith or which involve intentional misconduct or which are known by the director to be in violation of law. Such rights of indemnification shall be a contract right and shall include the right to be paid by the Association the reasonable expenses incurred in defending any threatened or pending action, suit, or proceeding in advance of its final disposition; provided, however, that such advance payment of expenses shall be made only after delivery to the Association of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification. Any repeal or modification of this article shall not affect any rights or obligations then existing. If any indemnification payment required by this article is not paid by the Association within 90 days after a written claim has been received by the Association, the director or officer may at any time thereafter bring suit against the Association to recover the unpaid amount and, if successful in whole or in part, such person shall be entitled to be paid also the expense of prosecuting such claim. The Association may maintain insurance, at its own expense, to protect itself and any such person against any such liability, cost or expense, whether or not an Association would have the power to indemnify such person against such liability, cost, or expense under the Kentucky Nonprofit Corporation Acts or under this article, but it shall not be obligated to do so. The indemnification provided by this article shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any bylaw, agreement, statute, vote of members or board of directors, or otherwise. If this article or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each such person to the full extent permitted by any applicable portion of this article that shall not have been invalidated or by any other applicable law.

The above Bylaws of this Corporation
were adopted by the Board of Directors
on _____, 2012.

MAJESTIC WOODS HOMEOWNERS'
ASSOCIATION, INC.

By: Bill Sharp
PRESIDENT

ATTEST:

SECRETARY
James A. [Signature]