

**AMENDMENT TO THE BYLAWS
OF WATERFORD II HOMEOWNERS ASSOCIATION, INC.**

THIS AMENDMENT TO THE BYLAWS OF WATERFORD II HOMEOWNERS ASSOCIATION, INC. (the "Amendment") is made and entered into on this the 17th day of November, 2008 by Ball Homes, LLC ("Ball") (successor by merger to Ball Homes, Inc., a Kentucky corporation), a Kentucky limited liability company, of 3609 Walden Drive, Lexington, Kentucky 40517.

WITNESSETH:

WHEREAS, on October 6, 1992, the Bylaws (the "Bylaws") of Waterford II Homeowners Association, Inc. were accepted and approved by the initial Board of Directors of Waterford II Homeowners Association, Inc.; and

WHEREAS, Ball presently owns a portion of the property described in Exhibits "A" or "B" to the Declaration of Covenants for Waterford II Subdivision (the "Declaration"); and

WHEREAS, Article VI, Section 6 of the Bylaws provides that Ball, in its capacity as "Developer" pursuant to the Bylaws, may unilaterally amend the Bylaws so long as it still owns property described in Exhibits "A" or "B" to the Declaration.

NOW, THEREFORE, for and in consideration of the Amendments set forth herein and in compliance with the terms and provisions of the Bylaws, Ball, in its capacity as the Developer under the Bylaws, hereby unilaterally amends the following provisions of the Bylaws:

1. ARTICLE II, Section 6 of the Bylaws is hereby amended to read as follows:

Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member, whether in person or by proxy, shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

2. ARTICLE II, Section 7 of the Bylaws is hereby amended to read as follows:

Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, Members representing a majority of the votes present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice

of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

3. ARTICLE II, Section 9 of the Bylaws is hereby amended to read as follows:

Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, executed by the Member or the duly authorized attorney-in-fact of that Member, and filed with the Secretary before or at the appointed time of each meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot or upon receipt of notice by the Secretary of the Board of the death or judicially declared incompetence of a Member or as required by law. A form of proxy or written ballot may provide an opportunity to specify approval or disapproval with respect to any proposal.

4. ARTICLE II, Section 10 of the Bylaws is hereby amended to read as follows:

Majority. As used in these Bylaws the term "majority" shall mean those votes, owners, or other group representing more than fifty (50%) percent of the total votes present at a duly called or held meeting of the Association or of the total votes of the Association as the context may indicate.

5. ARTICLE II, Section 11 of the Bylaws is hereby amended to read as follows:

Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of ten (10) voting Members shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

6. ARTICLE III, Section 16(h) of the Bylaws is hereby amended to read as follows:

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws, including, but not limited to, after damage or destruction by fire or other casualty;

7. ARTICLE III, Section 18 of the Bylaws is hereby amended to read as follows:

Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the membership; provided, however, the Board shall obtain Member approval in the same manner provided in Article IV, Section 2, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or

adding amenities, and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; notwithstanding, upon Member approval of the acquisition/purchase of the Waterford Clubhouse Property in the manner set forth in Article II, Section 3(d) of the Declaration, the Board of Directors shall have the power to borrow money therefor and its related repair or restoration without further approval of the membership.

8. ARTICLE VI, Section 6 of the Bylaws is hereby amended to read as follows:

Amendment. Prior to the conveyance of the first lot, Developer may unilaterally amend these Bylaws. After such conveyance, the Developer may unilaterally amend these Bylaws so long as it still owns property described in Exhibits "A" or "B" to the Declaration for development as part of the properties within the Association and so long as the amendment has no material adverse effect upon any right of any Member. Thereafter and otherwise, these Bylaws may be amended only by affirmative vote (in person or by proxy) or written consent of Members representing a majority of the votes present at a duly called or held meeting of the Association to address the proposed amendment(s).

9. With the amendments included herein to the Bylaws, the Bylaws shall continue in full force and effect.

This Amendment has been executed by the undersigned authorized officer of Ball Homes, LLC on this the 17th day of November 2008.

BALL HOMES, LLC

By: _____

Name: D. Ray Ball, Jr.

Title: President

STATE OF KENTUCKY)
COUNTY OF FAYETTE)

The foregoing instrument was acknowledged before me on this the 17th day of November, 2008, by D. Ray Ball, Jr. as President for and on behalf of Ball Homes, LLC, a Kentucky limited liability company.



NOTARY PUBLIC

My commission expires: Sept. 23, 2011

This instrument was prepared by:
STOLL KEENON OGDEN
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

By: Rena Wiseman
Rena Wiseman

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