

**BYLAWS OF
HURSTBOURNE SPRINGS CONDOMINIUMS COUNCIL
OF CO-OWNERS, INC.**

ARTICLE I GENERAL PROVISIONS

I.1 Identification. These are the Bylaws of Hurstbourne Springs Condominiums Council of Co-Owners, Inc. (the "Council")

I.2 Definitions. Except as otherwise defined herein, or unless the context clearly demands otherwise, the following terms shall have the respective meanings given such terms in the Horizontal Property Law, KRS 381.805 to KRS 381.910 and any applicable provisions of the Kentucky Condominium Act, KRS 381.9101 to KRS 381.9207 of the Commonwealth of Kentucky, as amended (hereinafter called "the act"). "Unit", "Condominium Project", "General Common Elements", and "Council of CoOwners".

I.3 Purpose of Council. the Council has been organized and these Bylaws have been adopted by the Board of Directors of the Council pursuant to the Act for the purpose of administering a condominium project in Jefferson County, Kentucky, known as Hurstbourne Springs Condominium.

I.4 Office. The principal office of the Council will be in Jefferson County, Kentucky, or such other office as the Board of Directors may determine from time to time.

I.5 Fiscal Year. The fiscal year of the Council shall be the Calendar year.

I.6 Members' Qualifications. The members of the Council shall consist of all of the record owners of units in Hurstbourne Springs Condominium. Any person, on becoming a record owner of a unit, shall automatically become a member of the Council and be subject to these Bylaws, Articles of Incorporation, the Master Deed and Declaration of Condominium Regime of Hurstbourne Springs Condominiums, and the Rules and Regulations. Such membership shall terminate without any formal action by the Council when such person ceases to be a record owner of a unit, but such termination shall not relieve or release such former owner from any liability or obligation incurred or arising during the period of his membership or impair any rights and remedies which the Council or others may have against such former owner arising out of or connected with his membership.

ARTICLE II MEMBERS MEETINGS

II.1 Annual Meetings. The membership shall meet each year during the month of June to elect the Board of Directors and conduct such other business as shall properly come before it. The membership shall meet each year during the month of December to review and approve the annual budget and conduct such other business as shall properly come before it.

II.2 Special Meetings. Special meetings of the Members may be called for any reasonable purposes either by the Board of Directors or by receipt of a written request of Members entitled to cast one third or more of the votes of the entire membership, or as otherwise may be required under these Bylaws or the Master Deed. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

II.3 Notice of All Meetings. Notice of all meetings stating the time and place and purpose for which the meeting is called shall be given by the president, vice president, or secretary. Such notice shall be given in writing to each member at such member's address as it appears on the books of the Council and shall be personally delivered or mailed or sent by e-mail (with respect to e-mail only to members who have consented to e-mail notice and provided an e-mail address to the Council) not less than ten (10) days nor more than sixty (60) days prior to the date of the meetings. Any Member may waive notice of any and all meetings in writing before or after such meetings, and such waiver shall be deemed equivalent to the giving of notice.

II.4 Quorum. A quorum shall be the number of members required by the provisions of KRS Chapter 273 (30%), as amended from time to time, or in the absence of any such law, 51% of the Members. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Members, except when approval by a greater number of Members is required by the Master Deed or by these Bylaws.

II.5 Voting Rights. Voting shall be on the basis of one vote per unit. The vote of each unit shall be indivisible, and no member or group of members shall be permitted to cause a fraction of the vote to which his unit is entitled. Only those members not delinquent in payment of their maintenance fees and/or other fees will be allowed to vote.

II.6 Designation of Voting Representative. If a unit is owned by one person, his right to vote shall be established by the record title to his unit.

If a unit is owned by a husband and wife, either owner (but not both) shall be entitled to vote and to be counted for purposes of a quorum, but if both are present at a

meeting and cannot agree on how to cast a vote on that subject, they shall lose their right to vote on that subject at that meeting.

If a unit is owned by more than one person (other than husband and wife), the person entitled to cast the vote for the unit shall be designated by a proxy signed by all of the record owners of the unit and filed with the secretary of the Council.

If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the president or vice president and attested by the secretary or assistant secretary of the corporation and filed with the secretary of the Board of Directors.

If a unit is owned by a trust or estate, the person entitled to cast the vote for the unit shall be designated by the trustee or personal representative and filed with the secretary of the Board of Directors.

If a unit is owned by a partnership, whether general or limited, or a joint venture, the certificate designating voting members shall be signed by all partners or joint venturers, as the case may be and file with the secretary of the Board of Directors.

Such proxies or certificates shall be valid until revoked or superseded by a subsequent proxy or certificate or until a change in the record ownership of the unit concerned. A proxy or certificate designating the person entitled to cast the vote of a unit may be revoked by any owner of that unit. If such certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum or for any other purpose.

II.7 Proxies. Votes may be cast in person or proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the secretary within 48 hours prior to the meeting.

II.8 Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

II.9 Order of Business. The order of business at annual Members' meetings, and as far as practical at other Members' meetings, shall be:

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and approval of any unapproved minutes;
- (d) Reports of Officers;
- (e) Reports of Committees;
- (f) Election of Directors; (g) Unfinished business; (h) New business; (i) adjournment.

The President of the Board shall be the Chairman of the meeting. If the President is not able to attend; the Vice-President shall Chair the meeting.

ARTICLE III BOARD OF DIRECTORS

III.1 Management of Affairs. The affairs of the Council shall be managed by a Board of Directors. The Board of Directors shall be determined by the Council and the initial Board shall consist of three (3), five (5), or seven (7) directors. The number of Directors may be changed by vote of a majority of the Council at any annual or special meeting; provided, however, that any increase or decrease in the number of directors shall not become effective until the next annual meeting of the Council after such increase or decrease is voted. Each director shall be a unit owner or the spouse of a unit owner or shall be a member of a partnership or officer or director of a corporation or trustee or beneficiary of a trust that is a unit owner.

III.2 Election of Directors. Election of Directors shall be held at the annual meeting of the Council. The Board of Directors, through its designated representative (its management company or its attorney), shall send out correspondence to the Members, soliciting interest from Members who would like to seek election to a position on the Board of Directors. In order to be considered, the Board of Directors or its designated representative (its management company or its attorney) must receive written confirmation of the interest of a Member who would like to seek election to a position on the Board of Directors days prior to the date of the next annual meeting. Based upon the written confirmations received from Members interested in seeking election to a position on the Board of Directors, the Board of Directors or its designated representative (its management company or its attorney) shall determine whether the interested Member is eligible to serve as a director. Thereafter, if eligible, said Member shall have their names placed on both the ballots for the election of vacant Board positions at the annual meeting, as well as on the Absentee Ballots sent to all Members with regard to the election of vacant Board positions to be conducted at the annual meeting.

The elections shall be by written ballot (unless dispensed by unanimous consent) and by a plurality votes cast, each person voting being entitled to cast his votes for as many nominees as there are vacancies to be filled. There shall be no cumulative voting. The Nominating Committee will be responsible for selecting persons to compile, count the votes, and report the results of the votes to the Board and the Council. The appointees to consist of one Board member and two Council members.

The names receiving the largest number of votes shall be elected. Should the election of Directors result in a tie, a majority vote by the Board of Directors shall determine the deciding vote.

Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of the Council shall be filled by vote of a majority of the remaining Directors, whether or not such a majority constitutes a legal quorum of the Board. If such Directors are unable to agree, such vacancy shall be filled by vote of the Council at a special meeting. A Director elected under the terms of this paragraph will serve the remainder of the vacated Director's term.

III.3 Removal of Directors. Any director may be removed by concurrence of two thirds of the votes of the entire Council at a special meeting called for that purpose. The vacancy in the Board of Directors so created shall be filled by vote of a majority of the Council at the same meeting.

III.4 Term of Directors. The term of Directors shall be for a term of three (3) years. Term of Directors shall be staggered so that, if the Board consists of (3) directors, only one (1) position shall be elected in any one year (unless a Director resigns or is removed according to **III.3**, above, or if such Director is no longer a unit owner); if the Board consists of five (5) directors, only one (1) or two (2) positions shall be elected in any one year (unless a Director resigns or is removed according to **III.3**, above, or if such Director is no longer a unit owner); and if the Board consists of seven (7) directors, only two (2) or three (3) positions shall be elected in any one year (unless a Director resigns or is removed according to **III.3**, above, or if such Director is no longer a unit owner).

III.5 Organizational Meeting. The meeting of the newly elected Board of Directors shall be held immediately following their election, at the place the Council's meeting occurred, for the election of officers and the transaction of other business.

III.6 Regular Meetings. Regular meetings of the Board of Directors are normally held on the fourth Thursday of each month at 4:00 PM Eastern Time, at Hurstbourne Springs Condominium clubhouse. However, the time and location of regular meetings may be changed by vote of the majority of Directors. Notice of regular meetings shall be given to each Director by the President of the Board, or in his absence the Vice President, personally or by telephone or by email at least three (3) days prior to the day for such meeting.

If a manager or managing agent is employed by the Board pursuant to Section IV.8 hereof, such manager or managing agent shall receive notice of all meetings in the same manner as Directors and shall be entitled to attend such meetings or to designate a representative to attend such meetings on his behalf.

III.7 Special Meeting of Directors. A special meeting of the Directors may be called by the President of the Board, or by the Vice President, and must be called by Secretary at the written request of one-third of the Directors. Notice of special meetings

shall be given to each Director by the President, Vice President or Secretary, personally or by telephone or by email at least three (3) days prior to the named meeting, which notice shall state the time, place, and purpose of the meeting.

III.8 Waiver of Notice of Directors' Meeting. Any Director may waive notice of a meeting in writing before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

III.9 Quorum of Directors. A quorum at a Directors' meeting shall consist of a majority of the Directors then in office. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Master Deed or by these Bylaws.

III.10 Meetings by Consent. A meeting of the Board of Directors may be held at any time and place without notice, by unanimous written consent of all directors or with the presence and participation of all directors. Any notice required by these Bylaws may be waived by the person entitled to the notice.

III.11 Adjourned Meetings of the Directors. If, at any meeting of the Board of Directors, there should be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present.

III.12 Presiding Officer at Directors' Meeting. The presiding officer of a Directors' meeting shall be the President of the Board or in his absence the Vice President shall preside. In the absence of the President and the Vice President, a majority of the Directors present shall designate one of their members to reside.

III.13 Order of Business at Directors' Meetings. The order of business at Directors' meetings shall be:

- (a) Calling of roll;
- (b) Proof of due notice of meeting;
- (c) Reading and disposal of any unapproved minutes;
- (d) Reports of officers and committees;
- (e) Election of officers;
- (f) Unfinished business; (g) New business; (h) Adjournment.

III.14 Directors' Fees. No Directors shall receive a fee, or any other form of compensation, for services rendered as a member of the Board. Directors may be reimbursed for reasonable expenses incurred on behalf of the Council, if such expenses are approved in advance by the Board.

III.15 Liability of Board of Directors. The members of the Board of Directors shall not be liable to the unit owners for any mistake of judgement, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the condominium project.

The liability of any unit owner arising out of the indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total disability thereunder as his interest in the common elements bears to the interest of all the unit owners in the common elements.

Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the condominium project shall provide that the members of the Board of Directors, or the managing agent, or the manager, as the case may be are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all unit owners in the common elements.

All members of the Board of Directors shall follow and comply with any and all applicable state statutes dealing with general standards of Directors and the handling of conflicts of interest transactions including, but not limited to KRS 273.215 and KRS 273.219.

ARTICLE IV POWERS AND DUTIES OF THE BOARD OF DIRECTORS

IV.1 Powers and Duties. All of the powers and duties of the Council existing under the Act, the Master deed, and these Bylaws shall be exercised exclusively by the Board of Directors, its agent, contractors or employees, subject only to approval by unit owners when such is specifically required.

IV.2 Assessments. The Board of Directors shall make and collect assessments against members to defray the costs and expenses of the project in the manner provided by the Master Deed.

IV.3 Disbursements. The Board of Directors shall use the proceeds of assessments in the exercise of its powers and duties in the manner provided by the Master deed.

IV.4 Maintenance. The Board of Directors shall maintain, repair, replace and operate the condominium project in the manner provided by the Master Deed.

IV.5 Insurance. the Board of Directors shall purchase insurance upon the condominium project and insurance for the protection of the Council of Co-Owners and for the Board of Directors, in the manner provided by the Master Deed.

IV.6 Reconstruction and Improvements. The Board of Directors shall reconstruct improvements after casualty and further improve the condominium project in the manner provided by the Master Deed.

IV.7 Rules and Regulations. The Board of Directors shall make reasonable rules and regulations respecting the use of the condominium project in the manner provided in the Master Deed. Rules and Regulations of the Council, until amended, shall be as set forth in the Master Deed and in the Rules and Regulations and made a part of these Bylaws.

IV.8 Management Contract. The Board of Directors may employ, to operate the condominium project, a professional managing agent at a compensation to be established by the Board of Directors and may delegate to such managing agent all powers and duties of the Board of Directors except such as are specifically required by the Master Deed and these Bylaws to have approval of the Board of Directors or the Council or the owners of a particular building or unit.

Any management agreement must be terminable by the Council upon ninety (90) days' written notice, and the term of any such agreement must not exceed three (3) years in duration.

IV.9 Enforcement. The Board of Directors shall enforce by legal means the provisions of the Act, the Master Deed, the Bylaws and the Rules and Regulations for the Condominium Association.

IV.10 Purchase of Units. The Board of Directors, on behalf of the Council, may purchase units in the condominium project, subject to the provisions of the Master Deed.

ARTICLE V OFFICERS

V.1 Designation. The principal officers of the Council shall be the President, the Vice President, the Secretary, and the Treasurer, and of whom shall be elected by vote of the Board of Directors. The Board may appoint such other officers as in the judgment of the Board of Directors may be necessary or desirable to assist in managing the affairs of the Council. The President and the Vice President, but no other officers, shall be required to be directors. A director may hold more than one office except the offices of President and Secretary.

V.2 Election of Officers. The officers of the Council shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors.

V.3 Removal of Officers. Upon the affirmative vote of a majority of the directors, any officer may be removed, either with or without cause, and his successor may be

appointed at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

V.4 President. The president shall be the chief executive officer of the Council. He shall have all of the powers and duties usually vested in the office of president of a non-stock, non-profit corporation, including but not limited to, the power to appoint committees from among the members from time to time, as he, in his discretion may determine appropriate, to assist in the conduct of the affairs of the Council.

V.5 Vice President. The vice president, in the absence or disability of the president, shall take the place of the president and perform his duties. If neither the president or the vice president is able to act, the board of directors shall appoint some other director to act in the place of the president, on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

V.6 Secretary. The secretary shall keep the minutes of all proceedings of the Directors and the Council. He shall attend to the giving and serving of all notices to the Council and the Directors and other notices required by law. He shall keep records of the Council, except those of the treasurer, and shall perform all other duties incident to the office of secretary of a Council and as he may be required by the Directors or the president.

V.7 Treasurer. The treasurer shall have custody of all property of the Council, including funds, securities and evidences of indebtedness. He shall keep the books of the Council in accordance with good accounting practices, including a "Book of Accounts" as required by and defined in KRS 381.865; and he shall perform all other duties incident to the office of treasurer.

V.8 Compensation. The compensation, if any, of all officers and employees of the Council shall be set by the Board of Directors.

ARTICLE VI FISCAL MANAGEMENT

VI.1 General. The Board of Directors shall from time to time, and at least once each year, prepare a budget for the condominium project, determine the amount of the common expenses for the operation and maintenance of the property, including the payment for insurance, accounting, legal, architectural, and other professional services; an amount for working capital for a general operating reserve; for a reserve fund for replacements; for a reserve fund for capital expenditures consistent with maintaining the property value of Hurstbourne Springs Condominiums.

The Board of Directors shall also determine the amount of the common charges payable by unit owners and allocate and assess such charges among the unit owners in the same proportion as their respective ownership as set forth in the Master Deed.

The Board of Directors shall transmit to each member of the Council of CoOwners the annual budget and proposed assessments at least thirty (30) days preceding the fiscal year for which such budget has been made, and if the budget is subsequently amended, a copy of the amended budget shall be furnished to each member. If the budget presented by the Board of Directors is not approved by the Council, the Board shall use the most recent budget approved by the Council.

VI.2 Assessments and Special Assessments. Assessments against the unit owners for their share of the items of the budget shall be made for each fiscal year. Such assessments shall be due in twelve (12) equal payments on the first day of each month of said fiscal year.

If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment.

Should the annual assessment prove to be insufficient to meet current expenses or the cost of deferred or capital expenditures, the budget assessments may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year during which the special assessment is made shall be due upon the date on which the regular assessment is due, and the special assessment shall be paid in equal payments on the payment dates of the annual assessment during the remainder of the calendar year.

The first payment of a monthly installment by a unit owner shall be due on the date of delivery of his deed and shall be equal to that proportion of the installment payment for the month in which delivery of his deed and the last day of that month bears to the number of days in that month. The next payment of a monthly installment shall be due on the first monthly installment payment date falling after the date of delivery of his deed. The Council may levy late charges of \$35.00 for each payment not received by the 15th day of that month and for each subsequent month that installment is not paid.

VI.3 Accelerations of Assessment Installments Upon Default, Interest. If a unit owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the unit owner, and then the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the unit owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first. Interest on the remaining installments of the assessment due shall be established by the Board.

VI.4 Liens for Unpaid Assessments and Fines. The Council shall have a lien on a unit for any unpaid assessment levied against a unit or fine imposed against its owner from the time the assessment or fine becomes due. If the assessment is payable

in installments, the lien shall be for the full amount of the assessment at the time the first installment becomes due. The Council's lien may be foreclosed in like manner as a mortgage on real estate. Fees, charges, late charges, reasonable collection costs, attorney fees, fines and interest charged shall be secured by the lien and enforceable as assessments.

A lien under this section shall take priority over all other liens and encumbrances on a unit, except:

- (a) Liens and encumbrances recorded before the recordation of the Master Deed;
- (b) A mortgage on the unit recorded before the date on which the assessment sought to be enforced became delinquent; and
- (c) Liens for real estate taxes and other governmental assessments or charges against the unit.
- (d) Recording of the Master Deed constitutes record notice and perfection of the lien. No further recordation of any claim or lien for assessment shall be required. (e) the Council may bring actions or suits to recover sums for such liens and the Council may take a deed in lieu of foreclosure.

VI.5 Depository. The depository of the Council shall be such bank or banks or other federally-insured financial institution as shall be designated from time to time by the Board of Directors and in which the moneys of the Council shall be deposited. Withdrawals of moneys from such accounts shall be only by checks or other withdrawal orders signed by such persons as are authorized by the Board of Directors.

VI.6 Audit/Review. A financial report of the Council shall be prepared annually in accordance with the provisions of KRS 381.9197, and same shall be available for examination by any unit owner, or, upon request, a copy of the report shall be provided to any unit owner, in accordance with the provisions of KRS 381.9197.

VI.7 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Council funds, including any outside firm (such as a managing company). The amount of such bonds may be determined by the Directors. The premium of such bonds shall be paid by the Council.

VI.8 Rights of Mortgagees. The holder of first mortgages on any units shall have the right to examine the books and records and may request the Council to furnish them with annual reports and other financial data.

ARTICLE VII PARLIAMENTARY RULES

Roberts Rules of Order (latest addition) shall govern the conduct of the Council and Board of Director meetings when not in conflict with the Master Deed or these Bylaws.

ARTICLE VIII AMENDMENTS

VIII.1 Amendments These Amended and Reinstated Bylaws may be further altered, amended or repealed in the following manner: The power to alter, amend or repeal, or adopt new Bylaws shall be vested in the Board of Directors, but shall be subject to change or repeal by the Members. In order to change or repeal Bylaws altered, amended, repealed or adopted by the Board of Directors, a Special Meeting must be called, and such change or repeal must be approved by a majority vote of the Members of the Association entitled to vote.

VIII.2 Conflicts In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Master Deed and these Bylaws, the Master Deed shall control.

ARTICLE IX DISSOLUTION

IX.1 Vote by Membership. The Council may dissolve and wind up the affairs at any time upon the appropriate action by the Board of Directors and the members in the manner provided in Chapter 273 and Chapter 381 of the Kentucky Revised Statutes, as amended.

ARTICLE X MISCELLANEOUS

X.1 Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws.

X.2 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

X.3 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.


X.4 Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neutral genders, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

X.5 Notices. Except as otherwise required herein, all notices to the Council and the Board of Directors shall be delivered personally or sent by U.S. mail, registered or certified mail in care of the manager or managing agent; all notices to any unit owner shall be delivered personally or by U.S. Mail, first-class or certified mail to the unit or to such other address as may have been designated by him in writing from time to time to the Board of Directors; and all notices to mortgagees of units shall be delivered personally or by U.S. Mail, first-class or certified mail to their respective addresses as designated by them in writing from time to time to the Board of Directors. All notices sent by mail, whether shall be deemed to have been given when mailed.

It is hereby attested that the foregoing Bylaws were adopted as the Amended and Restated Bylaws of **Hurstbourne Springs Condominiums Council of Co-Owners, Inc.**

By  _____

Charles Miller, President

By  _____

Becky Parris, Secretary

Date: 4/25/19