

**BY-LAWS**  
**of**  
**LITTLE SPRING FARM**  
**COMMUNITY ASSOCIATION, INC.**

**ARTICLE I**  
**NAME AND LOCATION**

The name of the corporation is Little Spring Farm Community Association, Inc. The principal office of the corporation shall be located at 2424 Eagles Eyrie Court, Louisville, Kentucky 40206, but meetings of Members may be held at such places as may be designated by the Board of Directors.

**ARTICLE II**  
**DEFINITIONS**

2.1 "Association" shall mean and refer to Little Spring Farm Community Association, Inc., its successors and assigns.

2.2 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

2.3 "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions, as amended from time to time, affecting the residential subdivision known as Little Spring Farm Subdivision.

2.4 "Developer" shall mean and refer to Brown, Noltemeyer & Mattingly, LLC, a limited liability company, and shall include any person, company, or association to which it may expressly assign its rights, or any of them, under the Articles of Incorporation.

2.5 "Member" shall mean and refer to those persons who are Members in the Association as provided for in the Declaration.

2.6 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Residential Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.7 "Properties" shall mean and refer to that certain real property described in the Declaration and such additions thereto as may be brought within the jurisdiction of the Association.

2.8 "Residential Unit" shall mean each single family residential lot or similar property, the owner of which is a Member of the Association pursuant to the Declaration.

**ARTICLE III  
MEETINGS OF MEMBERS**

3.1 Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same month of each year thereafter, at the hour set by the Board of Directors. If the day for the meeting is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday, or such other day as set by the Board of Directors.

3.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the issued and outstanding voting certificates.

3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association for the purpose of notice or by hand delivery to each residential dwelling created on any lot which has a mail box or similar receptacle to receive or hold the notice. Such notice shall specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

3.4 Quorum. The presence at the meeting of Members entitled to cast, whether in person or by proxy, one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have power to adjourn the meeting without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Residential Unit.

3.6 Voting.

(a) Subject to the Declaration and Section 6 of the Association's Articles of Incorporation, each Member in good standing is entitled to one (1) vote for each Residential Unit owned by such Member; provided, however, that where a Residential Unit is owned jointly by two or more persons, corporations, or other entities who are Class A Members, there shall only be allowed one (1) vote for such Residential Unit. Splitting of votes or cumulative voting is prohibited.

(b) The Developer shall be the sole Class B Member and shall be entitled to one (1) vote for each Residential Unit owned by the Developer. Class B membership shall cease as provided in the Declaration and the Articles of Incorporation; provided, however, such termination

shall occur only upon the conditions specified in the Declaration and Articles. The transfer or assignment by the Developer of all or any of its rights under the Declaration shall not cause the Class B membership to terminate.

#### **ARTICLE IV BOARD OF DIRECTORS**

4.1 Number. The affairs of this Association shall be managed by a Board of at least four (4) directors or such greater number as may be designated from time to time, who need not be Members of the Association.

4.2 Term of Office. At the first annual meeting, and each annual meeting thereafter, the Members entitled to vote shall elect the directors for a term of one (1) year. A director may succeed himself provided he has not been removed by a vote of the Members. The number and term of office of the directors may, from time to time, be increased or decreased (but not less than three directors) at any properly called meeting of the Members upon an affirmative vote of a majority of the Members present and entitled to vote, whether in person or by proxy.

4.3 Removal. Any director may be removed from the Board, with or without cause, by a majority of vote of the Members entitled to vote. In the event of death or incapacity, resignation, or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

4.4 Compensation. No director shall receive compensation for any service rendered to the Association in such person's capacity as a director. However, any director may be reimbursed for expenses incurred in the performance of the director's duties.

4.5 Action without a meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors. Any action so taken shall have the same effect as though taken at a meeting of the directors.

#### **ARTICLE V NOMINATION AND ELECTION OF DIRECTORS**

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of directors to be elected. Such nominations may be made from among Members or non-Members.

5.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each director to be elected, as many votes as they are entitled to exercise under the Declaration or the Association's Articles of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is prohibited.

## **ARTICLE VI MEETINGS OF DIRECTORS**

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

6.3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting shall be regarded as the act of the Board.

## **ARTICLE VII POWERS AND DUTIES OF THE BOARD**

7.1 Powers. The Board of Directors shall have the following powers:

(a) To take any and all actions necessary to assess, levy, secure, collect or foreclose a lien against the Residential Unit of any Member who fails to timely pay any assessment against such property;

(b) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Member and their guests thereon, and to establish penalties for the infraction thereof;

(c) Suspend the voting rights and right of use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(d) Set policies and procedures whereby Members may challenge an assessment or a suspension of rights or other penalty imposed by the Board.

(e) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board without just cause; and

(f) Employ managers, independent accountants, architects, engineers, attorneys, or other agents or employees as they deem necessary and to prescribe their duties.

7.2 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by twenty-five percent (25%) of the Members entitled to vote;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) To set an annual assessment period and to provide, upon request, a written statement containing the dates marking the beginning and end of such period and the date by which the assessment must be paid;

(d) To fix the amount of the annual or special assessment against each Residential Unit at least thirty (30) days in advance of each annual assessment period.

(e) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the date by which the assessment must be paid.

(f) To issue, or to cause an appropriate officer to issue, upon request, a certificate stating whether or not an assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(g) To procure and maintain adequate liability and hazard insurance on all property owned by the Association;

(h) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(i) To cause the Common Area to be maintained.

## **ARTICLE VIII OFFICERS AND THEIR DUTIES**

8.1 Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of the Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

8.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time establish.

8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

8.8 Duties. The duties of the officers as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as are required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; if directed by the Board, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual

budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

**ARTICLE IX  
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

9.1 The Association shall indemnify every director or officer, his heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reason of such person being or having been a director or officer of the Association, excepting in matters as to which he shall be finally adjudged to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of such person's duties as a director or officer in connection with the matter involved. All liability, loss, damage, costs and expense incurred or suffered by the Association shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any Member or Owner who is or has been a director or officer of the Association with respect to any duties or obligations incurred by such person under and by virtue of such person's being a Member of the Association or an owner of a Residential Unit.

**ARTICLE X  
COMMITTEES**

10.1 The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as deemed necessary or appropriate in carrying out its purposes.

**ARTICLE XI  
BOOKS AND RECORDS**

11.1 The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE XII  
ASSESSMENTS**

12.1 As initially provided in the Declaration, and as the Board may establish thereafter, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment which is not paid when due shall be delinquent. If such assessment is not paid within five (5) days after such due date, the Treasurer may send, by United States certified mail, a statement to the record Owner of such property a notice of delinquency and the amount due. If the assessment

is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the statutory rate of interest applicable to judgments, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Residential Unit.

### **ARTICLE XIII CORPORATE SEAL**

13.1 The Association may have a seal in circular form having within its circumference the words: "Little Spring Farm Community Association, Inc."

### **ARTICLE XIV AMENDMENTS**

14.1 These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy and entitled to vote, or by the Board acting by a two-thirds (2/3's) majority.

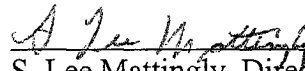
14.2 In the case of conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

### **ARTICLE XV FISCAL YEAR OF THE ASSOCIATION**

15.1 The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.



**N WITNESS WHEREOF**, the undersigned Director and Vice President of Little Spring Farm Community Association, Inc. hereby certifies that the foregoing bylaws were adopted by the corporation's board of directors on this \_\_\_\_ day of \_\_\_\_\_, 2003.

  
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S. Lee Mattingly, Director & Vice President