

BY-LAWS
OF
CO-OWNERS OF TROON HOMEOWNERS ASSOCIATION, INC.

The following By-Laws shall apply to the above-named condominium project (hereinafter called the "Project"), located on South English Station Road in Jefferson County, Kentucky, as described in and created by Master Deed and Declaration of Condominium Property Regime of Troon at Landis Lakes (hereinafter called the "Master Deed"), recorded in the office of the County Clerk of Jefferson County, Kentucky, at Louisville, and to all present and future owners, tenants, and occupants of any units of the Project and all other persons who shall at any time use the Project.

ARTICLE I

Membership

Section 1. Qualification. All owners of units of the Troon at Landis Lakes Project shall constitute the Council of Co-Owners (herein called "Council"). The owner of any unit upon acquiring title thereto shall automatically become a member of the Council and shall remain a member thereof until such time as his ownership of such unit ceases for any reason at which time his membership in the Council shall automatically cease.

Section 2. Place of Meetings. Meetings of the Council shall be held in the Project or such other suitable place convenient to the Unit Owners as may be designated by the Board of Administration.

Section 3. Annual Meetings. Annual meetings of the Council shall be held on the last Monday of March of each year at a time set by the Board of Administration or such other date as may be determined by the Board with notice to the membership. The first such meeting for Unit Owners shall occur following surrender by the Developer of control of the Council and Board of Administration as provided in the aforesaid Master Deed.

Section 4. Special Meetings. Special meetings of the Council may be held at any time upon the call of the President or a petition signed by at least 25% of the Unit Owners and presented to the Secretary following surrender of Developer's control.

Section 5. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to every Unit Owner according to the Council's record of ownership at least five (5) days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting, and the purpose therefore in any of the following ways: (a) by delivering

it to him personally or (b) by leaving it at his unit in the Project or at his usual residence or place of business or (c) by mailing it, postage prepaid, addressed to him at his address as it appears on the Council's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any Unit Owner to receive actual notice of any meeting shall in no way invalidate such meeting or any actions taken. The presence of any Unit Owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of a majority of the Unit Owners shall constitute a quorum and the acts of a majority of the Unit Owners present, in person or by proxy, at any meeting at which a quorum is present shall be the acts of the Council except as otherwise provided herein. The term "majority of Unit Owners" in these By-Laws means the owners of units of more than 50% of the units in Troon at Landis Lakes.

Section 7. Voting. The owner of each unit shall be entitled to one (1) vote per unit. Votes may be cast in person or by proxy by the respective Unit Owners as shown in the record of ownership of the Council. Any executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Council for any unit owned or controlled by him in such capacity whether or not the same shall have been transferred to his name in the Council's record of ownership provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such unit in such capacity.

Section 8. Proxies and Pledges. The authority given by any Unit Owner to another person to represent him at meetings of the Council shall be in writing, signed by such owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by writing, filed with the Secretary or by the death or incapacity of such owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale or lease of any unit or interest therein, a true copy of which is filed with the Board through the Secretary, Administrator or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board in like manner.

Section 9. Adjournment. Any meeting of the Council may be adjourned from time to time to such place and time as may be determined by majority vote of the Unit Owners present whether or not a quorum is present without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE II

Board of Administration

Section 1. Number and Qualifications. The affairs of the Council and the Project shall be governed by a Board of Administration composed of at least three (3) persons, all of whom shall be owners. The Board members shall serve without compensation unless otherwise authorized by the Council of Co-Owners.

Section 2. Powers. The Board of Administration shall have all powers necessary for the administration of the affairs of the Council and may do all such acts and things therefore as are not by law, the Master Deed or these By-Laws directed to be exercised or done only by the Unit Owners.

Section 3. Election and Term.

(a) Interim Directors. Interim Directors shall be elected to work with the Board of Administration during the period the Board remains under the direct control of the Developers.

Within sixty (60) days after conveyance and closing of thirty-five percent (35%) of the maximum number of units which Developer may create on Phase I of the Development at least one (1) Director and not less than twenty percent (20%) of the Directors of the Board shall be elected by Unit Owners other than Developer.

Within sixty (60) days after conveyance and closing of seventy percent (70%) of said maximum number of units to Unit Owners other than Developer, not less than forty percent (40%) of the Directors of the Board shall be elected by Unit Owners other than Developer.

After conveyance and closing of ninety percent (90%) of the maximum number of units which the Developer may create, the Unit Owners shall be entitled to take control of the Board of Administration. Within sixty (60) days after the Unit Owners other than Developer are entitled to elect Directors, or sooner if Developer has elected to accelerate such event, the Association shall call and give not less than ten (10) days nor more than fifty (50) days notice of a meeting of the Unit Owners to elect Directors of the Board. In accordance with the provisions of subsection (b) hereunder, the meeting may be called and notice given by any Unit Owner if the Association fails to do so.

(b) Election and Term. Election of Board members shall be by ballot with one vote per office cast at each election at each annual meeting and any special meeting called for that purpose. The selection of directors may be done by a written ballot mailed to every owner of record and returned by a date certain as determined by the Board. Directors shall hold office for a period of two (2) years and until their respective successors

have been elected, subject to removal as herein provided. Provided, however, at the annual meeting of the Council of Co-Owners in the year 2004, three (3) directors shall be chosen by ballot with the two (2) directors receiving the largest number of votes to serve a term of two (2) years and the next succeeding director in terms of the number of ballots cast shall serve a term of one (1) year. Subsequent elections after 2004 shall serve a term of two (2) years except for the filling of vacancies in an unexpired term.

The size of the Board may be increased or decreased from time to time upon the affirmative vote of three-fourths (3/4) of all Unit Owners provided that said Board shall not be less than three (3) in number.

Each director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

Section 4. Vacancies. Vacancies in the Board of Administration caused by any reason other than removal of a director by the Council shall be filled by vote of a majority of the remaining directors even though they may constitute less than a quorum, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Council. Death, incapacity or resignation of any director or his continuous absence from the State of Kentucky for more than six (6) months shall cause his office to become vacant.

Section 5. Removal of Board Members. At any regular or special meeting of the Council duly called, any one or more of the directors may be removed with or without cause by vote of a majority of Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at such meeting.

Section 6. Annual Meeting. An organizational meeting of the Board of Administration shall be held at the place of and immediately following each annual meeting of the Council, and no notice shall be necessary to any Board members in order validly to constitute such meeting provided that a majority of the whole Board shall be present. At such meeting, the Board shall elect the officers of the Council for the ensuing year.

Section 7. Regular Meeting. Regular meetings of the Board of Administration may be held at such time and place as shall be determined from time to time by a majority of the Board members, but at least one such meeting shall be held during each calendar quarter of every year. ~~Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone, telegraph, at least one day prior to the date of such meeting.~~

Section 8. Special Meetings. Special meetings of the Board of Administration may be called by the President on at least eight (8) hours' notice to each Board member, given

personally or by telephone or telegraph, which notice shall state the time, place, and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two Board members.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Administration any Board member may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting shall be waiver of notice to him of such meeting. If all the Board members are present at any meeting of the Board, no notice thereof shall be required.

Section 10. Quorum of Board. At all meetings of the Board of Administration, a majority of the total number of members of the Board shall constitute a quorum for the transaction of business, and the acts of a majority present at any meeting at which a quorum is present shall be the acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds. The Board of Administration may require that all officers, employees, and agents of the Council handling or responsible for its funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Council.

Section 12. Other Duties. The Board shall give timely notice to the holder, insurer or guarantor of a mortgage on any unit of:

- a. any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
- b. any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage;
- c. a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the owners, association; and,
- d. any proposed action that requires the consent of eligible mortgage holders.

ARTICLE III

Officers

Section 1. Designation. The principal officers of the Board shall be a President, a Vice-President, a Secretary, and a Treasurer who shall be elected by the Board of Administration. The offices of Secretary and Treasurer may be combined in one person. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officer as in its judgment may be necessary.

Section 2. Election and Term. The officers of the Board shall be elected annually by the Board of Administration at its annual meeting and shall hold office at the pleasure of the Board.

Section 3. Removal. Any officer may be removed either with or without cause by vote of a majority of the members of the Board of Administration and his successor elected at any regular meeting of the Board or any special meeting.

Section 4. President and Vice-President. The President of the Board shall be the Chief Executive Officer of the Council and shall preside at all meetings of the Council and the Board of Administration. Subject to the control of the Board he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Council. He shall also have such other powers and duties from time to time as deemed necessary by the Board. The Vice-President shall so serve in the absence of the President.

Section 5. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Council and of the Board of Administration, give all notices thereof as provided by these By-Laws, maintain and keep a continuous and accurate record of ownership of all units, and have charge of such books, documents, and records of the Council as the Board may direct.

Section 6. Treasurer. The Treasurer shall maintain and keep the financial records and books of account of the Council, prepare regular reports thereof, and be responsible for the proper deposit and custody in the name of the Council of all funds and securities.

Section 7. Auditor. The Board may appoint annually an accountant or accounting firm as auditor who may not be an officer of the Council nor own any interest in any unit to audit the books and financial records of the Council.

ARTICLE IV

Administration

Section 1. Management. The Board of Administration shall at all times manage and operate the Project and have such powers and duties as may be necessary or proper therefore including, without limitation, the following:

- (a) Supervision of the immediate management and operation of the Project;
- (b) Inspection, maintenance, repair, replacement, and restoration of the common elements and any additions and alterations thereto;
- (c) Purchase, maintenance, and replacement of any equipment provided for all water and utility services required for the common elements;
- (d) Provision at each unit of all water, sewer, electricity, and such other utility services and utilities as the Board shall deem necessary either at the expense of such unit or as a common expense as determined by the Board;
- (e) Employment, supervision, and dismissal of such personnel as may be necessary for the maintenance and operation of the Project;
- (f) Preparation at least sixty (6) days before each fiscal year of a proposed budget and schedule of assessments for such year;
- (g) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board;
- (h) Purchase and maintenance of all policies of hazard and liability insurance for the Project required by the Master Deed and such other insurance and bonds as may be required or authorized by the Master Deed, the Council or the Board;
- (i) Notification of all persons having any interest in any unit according to the Council's records of ownership of delinquency exceeding thirty (30) days in the payment of any assessment against such unit;

- (j) Assignment and supervision of motor vehicle parking including the authority to make reasonable rules, fines, and charges in regard thereto;
- (k) Supervision of the use of the common elements including use of Limited Common Elements which includes adoption and enforcement of Project Rules and enforcement of the provisions of the Master Deed and these By-Laws.
- (l) The right to establish monetary fines for the purpose of enforcing the Project Rules, the Master Deed, and the By-Laws of the Association. Fines shall become enforceable upon thirty (30) days written notice to the offending owner.

Section 2. Managing Agent. The Board of Administration may employ from time to time a responsible Managing Agent or Administrator to manage and control the Project subject at all times to direction by the Board with all the administrative functions set forth specifically in preceding Section 1 and such other powers and duties and at such compensation as the Board may establish.

Section 3. Representation. The President or Managing Agent, subject to the direction of the Board of Administration, shall represent the Council or any two or more Unit Owners similarly situated as a class in any proceeding affecting the Council, the common elements or more than one unit, and may participate in such proceedings without limiting the rights of any Unit Owners to participate individually.

Section 4. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts, and other instruments shall be signed on behalf of the Council by such person or persons as shall be provided by general or special resolution of the Board of Administration, or in the absence of any such resolution of the Board of Administration, or in the absence of any such resolution applicable to such instrument, by the President or the Treasurer.

ARTICLE V

Obligations of the Unit Owners

Section 1. Assessments. All Unit Owners shall pay to the Board of Administration, or if a Managing Agent is appointed, to the Managing Agent, the initial deposit equal to two (2) months assessments at the rate then in effect due at closing as an initial contribution (not as a credit to future payments) to the common expenses assessed by the Homeowner's Association and for the purpose of purchasing common area furnishings, equipment, supplies and other approved Association expenditures; and, in advance, on the first day of each and every month the monthly assessments against their respective

units for common expenses of the Project in accordance with the Master Deed. The assessment is delinquent if not received on or before the first day of the month that it is due. In the event any Unit Owner is delinquent in the payment of any monthly assessment for a period in excess of fifteen (15) days, a penalty of 10% of the delinquent assessment shall be payable for each month of delinquency beginning with the initial month. Without exception, the assessment levied hereunder for the benefit of the Association is not subject to credit or set-off unless authorized by the Council of Co-Owners. In addition, the Board may from time to time post in a conspicuous place upon the common elements the names of such delinquent Unit Owners and the delinquent amounts.

Section 2. Maintenance of Units. Every Unit Owner shall at his own expense and at all times repair, maintain, and keep his unit including, without limitation, all garages and patio areas along with all internal installations therein such as water, electricity, telephone, sewer, sanitation, air conditioning, lights, and all other fixtures and accessories belonging to such unit, and the interior decorated or finished surfaces of all walls, floors, and ceilings of such unit in good order and condition except as otherwise provided by law or the Master Deed, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work, and in case of such failure after reasonable notice to perform shall reimburse to the Council promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Administration or the Managing Agent. In addition, each Unit Owner shall keep clean all interior and exterior windows and patio areas even though such items are a part of the general or limited common elements. Every Unit Owner and occupant shall reimburse the Council promptly on demand for all expenses incurred by the Council in repairing or replacing any loss or damage to the common elements where caused by such owner or occupant or by their guests or members of their households or incurred for cleaning or repairing appurtenant limited common elements. They shall give prompt notice to the Board of Administration or Managing Agent of any loss or damage or other defect in the Project when discovered.

Section 3. Use of Project.

- (a) All units of the Project shall be used only for one-family residential unit purposes.
- (b) All common elements of the Project shall be used only for their respective purposes as designed.
- (c) No Unit Owner or occupant shall place, store or maintain in the common element any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements or permit said elements to be unsightly or disorderly.
- (d) Every Unit Owner and occupant shall at all time keep his unit and any limited common element appurtenant thereto (including all windows, garages, and patio areas) in a strictly clean and sanitary condition and observe and perform all laws, ordinances,

rules, and regulations now or hereafter made by any governmental authority, the Council or the Board of Administration applicable to the Project.

(e) No Unit Owner or occupant shall make or suffer any waste or unlawful, improper or offensive use of his unit or the Project nor alter or remove any furniture, furnishings or equipment of the common elements.

(f) No Unit Owner or occupant shall erect or place in the Project any structure including fences, walls, and patios or make any additions or alterations to any common elements (including limited common elements) of the Project except as may be permitted in the Master Deed and except in accordance with plans and specifications including a detailed plot plan prepared by a licensed architect, if required by the Board, unless approved by the Board of Administration, which approval may be given with accompanying restrictions as to the Unit Owner's duties of maintenance, repair, and replacement of such improvements and any common elements affected thereby.

(g) No signs, posters or bills may be placed or maintained in the Project unless approved by a majority of Unit Owners except that an owner may place and maintain a "FOR SALE" or "FOR RENT" or similar type sign not more than five (5) feet in front of his unit for a reasonable time not to exceed 3 feet by 2 feet in size.

(h) No Unit Owner or occupant shall decorate or landscape any entrance or other planting area adjacent to his unit except in accordance with standards therefore established by the Board of Administration or specific plans approved in writing by the Board which standards or approval may be given with accompanying restrictions as to the Unit Owner's duties of maintenance, repair, and replacement of such decorating or landscaping and any common elements affected thereby. A Unit Owner may garden and landscape his patio area only after obtaining Board approval provided that the Council shall not be responsible for any damage thereof resulting from its lawn maintenance.

(i) All occupants shall exercise extreme care about making noises and in the use of musical instruments, radios, televisions, and amplifiers that may disturb other occupants.

(j) No garments, rugs or other objects shall be hung from windows or facades of the Project or in other areas.

(k) No rugs or other objects shall be dusted or shaken from windows of the Project or cleaned by beating or sweeping on any exterior part of the Project.

(l) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project except in the areas provided for such purpose.

(m) No livestock, poultry, rabbits, snakes or other such animals shall be allowed or kept in any part of the Project. Dogs, cats, and caged animals or birds shall be allowed subject to regulation by the Board including regulations as to the number thereof.

(n) No Unit Owner or occupant shall without the written approval of the Board of Administration install any wiring for electrical or telephone installations, machines or air conditioning units or other equipment or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows or roof thereof.

(o) Nothing shall be allowed, done or kept in any units or common elements of the Project which would overload or impair the floors, walls or roof thereof or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance maintained by or for the Council.

(p) The Developer of the Project or its agent shall have the right to maintain and show units including the maintenance and showing of model units. A Unit Owner or his agent shall have the right to show his unit at reasonable times of the day for the purpose of sale or lease.

Section 4. Project Rules. The Board of Administration may adopt, amend or repeal any rules and regulations governing details of the operation and use of the Project not inconsistent with any provisions of law, the Master Deed or these By-Laws.

Section 5. Expenses of Enforcement. Every Unit Owner shall pay to the Council promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Council in collecting any delinquent assessments against such unit, foreclosing its lien therefore or enforcing any provisions of the Master Deed, these By-Laws and Project Rules, including the imposition of any fine imposed under Article V, Sub-Paragraph (l), against such owner or any occupant of such unit.

Section 6. Record Ownership. Every Unit Owner shall promptly cause to be duly recorded the deed, assignment or other conveyance to him of such unit or other evidence of his title thereto, and shall file a copy of same with the Board of Administration, and the Secretary shall maintain all such information in the record of ownership of the Council.

Section 7. Mortgage. Any Unit Owner who mortgages his unit, or any interest therein, shall notify the Board of Administration of the name and address of his mortgagee, and also of the release of such mortgage, and the Secretary shall maintain all such information in the record of ownership of the Council. The Board of Administration or Managing Agent at the request of any mortgagee or prospective purchaser of any unit or interest therein shall report to such person the amount of any assessment against such unit then due and payable.

ARTICLE VI

Miscellaneous

Section 1. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Master Deed by vote of 60% of the Unit Owners (as defined in the Master Deed) at any meeting of the Council duly called for such purpose.

Section 2. Indemnification. The Council shall indemnify every Board member and officer, and his executors and administrators, against all expenses reasonably incurred by or imposed on him in connection with any action, suit or proceeding to which he may be made a party by reason of being or having been a Board member except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for fraud or bad faith in his conduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Council is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall be exclusive of any other rights to which such person may be entitled.

Section 3. Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Council or Board of Administration to conduct or engage in any active business for profit on behalf of any or all of the Unit Owners.

Section 4. Inter-Council Association. By action of the Board of Administration; the Council of Co-Owners of Troon at Landis Lakes may participate in and contract with other such boards and councils of condominium regimes for the purposes of efficiency and economy in the operation and maintenance of the condominium regimes participating therein.

Section 5. Enforcement. Violation of the provisions of the Master Deed, these By-Laws or any Project Rules may be remedied in any court of law or equity having jurisdiction thereof by the Council of Co-Owners, its Board of Administration or Managing Agent or administrator, or any Unit Owner or owners entitled to relief with the remedies available to such person or persons including damages, restraining order, injunction, accounting, lien enforcement, and specific performance or any combination thereof.

Section 6. Developer's Rights. During the period of control of the Project by the Developer, it shall have the right to enforce the provisions of the Master Deed, By-Laws, and Project Rules as set out immediately above and in Article V, Section 5 of these By-Laws.

Certificate of Adoption

The undersigned Developer and Owner of all units of the Project hereby adopts the foregoing as the By-Laws of the Council of Co-Owners of Troon at Landis Lakes on this 1st day of MARCH, 2002.

WKB LOUISVILLE, LLC

BY: William F. Koch, Jr.
WILLIAM F. KOCH, JR., Managing Member

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