

AMENDED AND RE-STATED BYLAWS

FOR

THE COUNCIL OF CO-OWNERS OF GARDENS OF HUNTERS RIDGE, INC.

The following bylaws (the "Bylaws") shall apply to the condominium project undertaken by GHR Developers, LLC, a Kentucky limited liability company (the "Developer") known as "Gardens of Hunters Ridge" (hereinafter called the "Project") located in Prospect, Oldham County, Kentucky, as described in and created by the Master Deed for Gardens of Hunters Ridge (hereinafter called the "Master Deed"), recorded in the office of the County Clerk of Oldham County, Kentucky; 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 & Meetings

1. **Qualification.** All owners of units in the Project (the "Unit Owners") shall constitute The Council of Co-Owners of Gardens of Hunters Ridge, Inc. (the "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.

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 Directors (as hereinafter defined in Article II, Section 1).

3. **Annual Meetings.** Annual meetings of the Council shall be held on the first Monday of June of each year at a time set by the Board of Directors or such other date as may be determined by the Board with notice to the membership. The first such meeting for Unit Owners (the "Initial Meeting") shall occur no later than thirty (30) days prior to Turnover (as hereinafter defined in Article II, Section 1).

4. **Special Meetings.** Special meetings of the Council may be held at any time upon the call of the President or, following Turnover, a petition signed by at least twenty-five percent (25%) of the Unit Owners and presented to the Secretary.

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 therefor in any of the following ways: (a) by delivering it to him personally, (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 Unit 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.

6. Quorum. The presence at any meeting in person or by proxy of Unit Owners owning thirty-three percent (33%) or more of the percentage of common interest in the Project 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 or in the Master Deed. "Majority" shall mean the Unit Owners owning fifty percent (50%) or more of the percentage of common interest in the Project of those Unit Owners present at a meeting where there is a quorum.

7. Voting. The owner of each unit shall be entitled to one (1) vote per unit, and the weight of each Unit Owner's one vote shall be based upon his percentage of common interest in the Project. 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. If a unit has more than one owner, the one vote for that unit shall not be affected, and the vote for such unit will be exercised by one person or alternative persons as the Unit Owners of such unit among themselves determine. Where the joint owners or common owners of a unit disagree on a vote and such disagreement is made known to the Board of Directors prior to a vote, then such owners shall each be permitted to cast a fractional vote corresponding to their respective ownership interest in the unit. In the event that a unit is owned in joint tenancy or tenancy by the entirety and in the event that the joint tenants disagree as to the manner of their vote and such disagreement is made known to the Board of Directors prior to a vote, then the joint owners shall each be permitted to cast a one-half fractional vote.

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 and dated by such Unit Owner and filed with the Secretary, and unless limited by its terms or revoked in writing shall continue for six (6) months from its date or until the death or incapacity of such Unit 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 or Manager (as hereinafter defined in Article IV, Section 2), 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.

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 in person or by proxy whether or not a quorum is present without notice other than the announcement at such meeting. At any reconvening of 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 Directors

1. **Number and Qualifications.** Prior to Turnover (as hereinafter defined), the affairs of the Council and the Project shall be governed by an initial board of directors composed of not less than three (3) nor more than five (5) persons (the "Initial Board"). Developer shall appoint the members of the Initial Board, which may include individuals who are not Unit Owners. After Turnover, the affairs of the Council and the Project shall be governed by a board of directors composed of not less than five (5) persons, all of whom shall be Unit Owners (the "Board of Directors" or "Board"); provided, however, that in the event a Unit Owner is a legal entity other than an individual, any officer, director, shareholder, partner, beneficiary or trustee of such entity shall be eligible to serve as a Board member. The Board members shall serve without compensation unless otherwise authorized by the Council. "Turnover" means the point at which Developer relinquishes control of the Council and turns over such control to the Unit Owners, and it shall occur upon the earliest of (a) sixty (60) days after all forty-three (43) Units contemplated under the Master Deed have been sold, unless Developer determines, in its sole discretion, not to construct all 43 Units, in which event, it shall be sixty (60) days after the final sale of all constructed Units; (b) until seven (7) years after the date of recording of this Master Deed; or (c) until the Developer, within its sole discretion, voluntarily elects to surrender this power to the Unit owners. Other than as used in Sections 1 and 2 of this Article II, all references to the Board of Directors or the Board in these By-Laws shall also be deemed to include the Initial Board.

2. **Election and Terms of Office.** The Initial Board shall be appointed by Developer and shall serve until election of the Board members at the Initial Meeting or until removed and replaced by Developer. At the Initial Meeting, the five (5) members of the first Board of Directors shall be elected by the Unit Owners and shall serve staggered terms of office such that two (2) members serve a two (2) year term and three (3) members serve only a one (1) year term, with the length of terms of the first members of the Board of Directors being determined by lot at the first meeting of the Board. Thereafter, Board members shall be elected at the first-occurring annual meeting of each year except in the event the first Board shall have served for less than 90 days prior to the next succeeding June 1, in which event the Board members serving one (1) year terms shall serve at least until the next annual meeting and the Board members serving two (2) year terms shall serve until the next succeeding annual meeting. Thereafter, Board members shall serve until his or her term expires and until his or her successor shall have been elected and shall have assumed office, or until his or her death, resignation or removal, whichever occurs first. Unit Owners may nominate other Unit Owners to be members of the Board. Nominations may be made (i) from the floor at all annual meetings by agreement from Unit Owners of at least two (2) units or (ii) in advance by agreement from Unit Owners of at least two (2) units given to the Secretary at least ten (10) days before such election.

3. **Removal and Resignation.** Any member of the Board of Directors may (i) resign or (ii) be removed by unanimous decision of the remaining members of the Board of Directors at any time whenever in the Board's judgment the best interests of the Council would be served thereby. Election or appointment of a member of the Board shall not of itself create contract rights.

4. **Vacancies.** A vacancy on the Board may be filled for the unexpired portion of the term by vote of the remaining members of the Board of Directors.

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

6. Organizational Meeting. An organizational meeting of the Board of Directors 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 to validly 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.

7. Regular Meetings. Regular meetings of the Board of Directors 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 semi-annually. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone, or fax, at least three (3) days prior to the date of such meeting.

8. Special Meetings, Emergency Action. Special meetings of the Board of Directors may be called by the President on at least three (3) days notice to each Board member, given personally or by telephone or fax, 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. In the event of an emergency situation requiring immediate action, the Board may take action without a meeting so long as the Board of Directors consent in writing to such action.

9. Attendance by Telephone or Other Communication Device. Board members may participate in any meeting of the Board by means of conference telephone or similar communications equipment, provided all persons participating in the meeting can hear and speak to each other at the same time. Participation of a Board member by means of conference telephone or similar communications equipment shall constitute presence of the Board member in person at the meeting.

10. Waiver of Notice. Before or at any meeting of the Board of Directors, 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.

11. Quorum of Board. At all meetings of the Board of Directors, 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.

12. Fidelity Bonds. The Board of Directors shall 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 in accordance with the Master Deed.

13. Other Duties. The Board shall, if so requested in writing, 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 Council;
- d. any proposed action that requires the consent of eligible mortgage holders; and
- e. any other matter as required or contemplated by HUD regulations pertaining to Home Mortgage Insurance for condominium units.

ARTICLE III

Officers of the Board of Directors

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 Directors. No person may serve in more than one capacity except that 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 officers as in its judgment may be necessary.

2. Election and Term. The officers of the Board shall be elected annually by the Board of Directors at its first annual meeting each year and shall hold office at the pleasure of the Board.

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

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 Directors. 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. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or the President.

5. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Council and of the Board of Directors, 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.

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.

7. Audits and Auditor. All books and financial records of the Council shall be audited at least once a year by an auditor who shall not be an officer of the Council nor own any interest in any unit and who must be unaffiliated with Developer. The Board may appoint annually a different accountant or accounting firm as auditor.

ARTICLE IV

Administration

1. Management. The Board of Directors shall at all times manage and operate the Project and have such powers and duties as may be necessary or proper therefor 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 and adoption at least sixty (60) days before each fiscal year of an annual budget and schedule of assessments for such year;
- (g) Collection of all installments of assessments levied to defray costs and Common Expenses authorized by the Board, and establishment of the means and methods of collecting such assessments;
- (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, and adjust and settle any claims thereunder;
- (i) Notification of all persons having any interest in any unit, according to the Council's records of ownership, of any delinquency exceeding thirty (30) days in the payment of any assessment against such unit;
- (j) Supervision of the use of the Common Elements, including use of Limited Common Elements, which includes adoption and enforcement of the Rules and Regulations for the Project and enforcement of the provisions of the Master Deed and these By-Laws.
- (k) The right to establish monetary fines for the purpose of enforcing the Rules and Regulations for the Project, the Master Deed, and these Bylaws of the Council. Fines shall become enforceable upon thirty (30) days written notice to the offending owner.

2. Manager. The Board of Directors may employ a responsible manager or management company (the "Manager") to manage and control the Project, subject at all times to direction by the Board,

with all the administrative functions set forth specifically in the preceding Section 1 and such other powers and duties and at such compensation as the Board may establish.

3. Representation. The President, subject to the direction of the Board of Directors, shall represent the Council in any proceeding affecting the Council or the Common Elements, and may participate in such proceedings without limiting the rights of any Unit Owners to participate individually.

4. Additional Powers of Board for Administration. To provide for the administration of the Council, the Board shall also have the power to:

- (a) open bank accounts and designate signatories;
- (b) deposit the proceeds of assessment collections;
- (c) borrow money;
- (d) acquire units in the Project; and
- (e) grant and accept easements and licenses over the Common Elements or for the benefit of the Council.

5. Execution of Instruments. 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 Directors, or in the absence of any such resolution of the Board of Directors, or in the absence of any such resolution applicable to such instrument, by the President or the Treasurer; provided, however, that any instrument involving more than twenty percent (20%) of the Council's annual budget shall require the signature of such two (2) persons as shall be provided by general or special resolution of the Board of Directors.

ARTICLE V

Obligations of the Unit Owners

1. Assessments. All Unit Owners shall pay to the Board of Directors or the Manager, if any, as so determined by the Board, an annual assessment, payable in installments, against their respective units for Common Expenses, or Limited Common Expenses, if any, of the Project in accordance with the Master Deed. The annual assessment is due in advance on the first day of each month or such other day as designated by the Board, and such assessment is delinquent if not received on or before such date 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 ten (10) days, a late charge of fifteen percent (15%) 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 Council is not subject to credit or set-off unless authorized in writing by the Board of Directors.

2. Maintenance of Units. Every Unit Owner shall at his own expense and at all times repair, maintain, and keep his unit, 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 diligently, and in case of such failure after

reasonable notice to perform shall reimburse the Council promptly on demand for all expenses incurred by it in performing any such work authorized by the Board of Directors or the Manager, if any. In addition, each Unit Owner shall keep clean all interior and exterior windows, even though such items are a part of the Common Elements 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 Unit 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 Directors or Manager of any loss or damage or other defect in the Project when discovered.

3. Project Rules. The Board of Directors may adopt, amend or repeal any rules and regulations (the "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.

4. 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 therefor or enforcing any provisions of the Master Deed, these Bylaws and the Rules and Regulations of the Project, including the imposition of any fine imposed under Article V, Section 1, against such Unit Owner or any Occupant of such unit.

5. 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 Directors, and the Secretary shall maintain all such information in the record of ownership of the Council.

6. Mortgage. Any Unit Owner who mortgages his unit, or any interest therein, shall notify the Board of Directors 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 Directors or Manager, if any, 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

1. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Master Deed by vote of fifty-one percent (51%) of the Unit Owners.

2. Definitions. Except as otherwise defined herein, any capitalized terms shall have the meanings specified for such terms in the Master Deed or, if not defined in the Master Deed, in the Kentucky Horizontal Property Law, KRS §§ 381.05-.910.

3. 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

4. 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 Directors to conduct or engage in any active business for profit on behalf of any or all of the Unit Owners.

5. Gender. Where the context of these Bylaws require, masculine, feminine and/or neuter terminology shall include the neuter, feminine, and/or masculine.

6. Enforcement. Violation of the provisions of the Master Deed, these Bylaws or any Rules and Regulations of the Project may be remedied in any court of law or equity having jurisdiction thereof by the Board of Directors with any and all remedies available to the Board, including without limitation damages, restraining order, injunction, accounting, lien enforcement, and specific performance or any combination thereof.

7. Developer's Rights. Prior to Turnover by the Developer, it shall have the sole right to enforce the provisions of the Master Deed, By-Laws, and Rules and Regulations of the Project.

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Certificate of Adoption

The undersigned Secretary of the Council hereby adopts the foregoing as the By-Laws of THE COUNCIL OF CO-OWNERS OF GARDENS OF HUNTERS RIDGE, INC. as of the 29th day of June, 2009.

**THE COUNCIL OF CO-OWNERS OF GARDENS OF
HUNTERS RIDGE, INC.,**
a Kentucky non-profit corporation

By: _____

Name: Matt Willinger

Title: Secretary

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