

BY-LAWS OF THE COUNCIL OF CO-OWNERS  
OF  
WASHINGTON SQUARE II  
A CONDOMINIUM PROPERTY REGIME

The following By-laws shall apply to the above-named condominium property regime (herein called the "Property") located at 3310, 3312 and 3314 Washington Square, Louisville, Kentucky, as described in and created by Master Deed and Declaration of Condominium Property Regime (herein 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 Property and all other persons who shall at any time use the Property:

ARTICLE I

Membership

Section 1. Qualification. All owners of units of the Property 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. Voting shall be on a percentage of common interest basis as expressed in Section 7 hereof.

Section 2. Place of Meetings. Meetings of the Council shall be held at the Property or such other suitable place convenient to the unit owners as may be designated by the Board of Administration.

Section 3. Annual Meetings. The first annual meeting of the Council shall be held as soon as practicable after recording of the Master Deed upon the call of at least twenty-five percent (25%) of the unit owners. Thereafter the annual meetings of the Council shall be held within three months after the end of each accounting year.

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 twenty-five percent (25%) of the unit owners and presented to the Secretary.

Section 5. Notice of Meeting. 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 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 thereof, in any of the following ways: (a) by delivering it to him personally, or (b) by leaving it at his unit in the property 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 proceedings thereat. 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 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 fifty-one percent(51%) of the floor area of units comprising the Property and any other specified percentage of the unit owners contained in these by-laws means the owners of such percentage of the floor area of units comprising the Property.

Section 7. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each unit is entitled shall be the percentage of common interest assigned to such unit in the Master Deed. Votes may be cast in person or by proxy by the respective unit owners as shown in the record of ownership of the Council. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Council the percentage of vote 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.

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 trans-

ferred or pledged by mortgage, deed of trust or agreement of sale 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 be 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 Property shall be governed by a Board of Administration composed of three persons, none of whom need own any interest in any unit. The Board members shall serve without compensation.

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 therefor 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. Election of Board members shall be cumulative voting by secret ballot at each annual meeting and any

special meeting called for the purpose. Directors shall hold office for a period of three years and until their respective successors have been elected, subject to removal as herein provided, except that at the first annual meeting one-third of the directors shall be elected for one year, one-third for two years and one-third for three years.

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 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 Meetings. 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 director, personally or by mail, telephone or 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 hours' notice to each director, 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 directors.

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

Section 10. Quorum of Board. At all meetings of the Board of Administration a majority of the total number of directors established by these by-laws 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.

### ARTICLE III

#### Officers

Section 1. Designation. The principal officers of the Council shall be a President, a Secretary and a Treasurer, who shall be elected by, and in the case of the President, from 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 officers as in its judgment may be necessary.

Section 2. Election and Term. The officers of the Council 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. The President shall be the chief executive officer of Council and shall preside at all meetings of the Council and of 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 as may be provided by these by-laws or assigned to him from time to time by the Board.

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, 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 its funds and securities.

Section 7. Auditor. The Council 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 Property and have such powers and duties as



may be necessary or proper therefor, including without limitation the following:

- (a) Supervision of the immediate maintenance and operation of the Project;
- (b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto;
- (c) Purchase, maintenance and replacement of any equipment and provide 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 60 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 in effect of all policies of hazard and liability insurance for the Property required by the Master Deed and such other insurance and bonds as may be required or authorized by the Master Deed or the Council or the Board;
- (i) Notification of all persons having any interest in any unit according to the Council's record of ownership of delinquency exceeding 60 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 and charges in regard thereto;

(k) Supervision of the use of the common elements.

Section 2. Managing Agent. The Board of Administration may employ from time to time a responsible Managing Agent to manage and control the Property 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 action, suit, hearing or other proceeding concerning the Council, the common elements or more than one unit and on its or their behalf may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings without prejudice to the rights of any unit owners individually to appear, sue or be sued. Service of process in any such action, suit or proceeding may be made on the President or Managing Agent.

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 applicable to such instrument, by the President or the Treasurer.

ARTICLE V

Obligations of 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, in advance on the first day of each and every month the monthly installments of assessments against their respective units for common expenses of the Project in accordance with the Master Deed, a monthly sum determined by the Board of Administration to be sufficient to accumulate and pay when due all expenses, taxes, assessments and other charges of maintenance and operation payable by the owner of such unit. In the event any unit owner is delinquent in the payment of any monthly assessment for a period in excess of thirty days, the Board of Administration may at its discretion sever or disconnect all utility connections to his unit after five days' written notice.

Section 2. Maintenance of Apartments. Every unit owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his unit including without limitation all internal installations therein, such as water, electricity, gas, 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 with all necessary reparations and amendments whatsoever 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 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. Every unit owner and occupant shall reimburse the Council promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the common elements or any furniture, furnishings and equipment thereof caused by such owner or occupant or any person under either of them and shall give prompt notice to the Board of Administration or Managing Agent of any such loss or damage or other defect in the Property when discovered.

Section 3. Use of Property.

(a) All units of the Property shall be used only for one-family residential dwelling purposes.

(b) All common elements of the Property shall be used only for their respective purposes as designed.

(c) No unit owner or occupant shall place, store or maintain in the halls, lobbies, stairways, walk-ways, grounds or other common elements of similar nature 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 times keep his unit and any entry or yard appurtenant thereto 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 or the Council for the time being applicable to the use of the Property.

- (e) No unit owner or occupant shall make or suffer any waste or unlawful, improper or offensive use of his unit or the Property 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 Property any building or structure including fences and walls, nor make any additions or alterations to any common elements of the Property, except in accordance with plans and specifications, including detailed plot plan, prepared by a licensed architect, if so required by the Board, unless approved by a majority of unit owners (or such larger percentage required by law or the Master Deed) including all owners of units there- by directly affected.
- (g) No signs, posters or bills may be placed or maintained in the Property unless approved by a majority of unit owners, except that an owner may place and maintain "FOR SALE" or "FOR RENT" or similar type sign in front of the Property building for a reasonable time, not to exceed 3 feet by 2 feet in size.
- (h) No unit owner shall decorate or landscape any entrance, hallway or planting area appurtenant to his unit except in accordance with standards therefor established by the Board of Administration or specific plans approved in writing by the Board.
- (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 the windows or facades of the Property.

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

(l) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Property outside of the disposal facilities provided for such purpose.

(m) No livestock, poultry, rabbits or other such animals shall be allowed or kept in any part of the Property. Household pets, such as dogs and cats, shall be allowed, subject to regulation by the Board.

(n) No unit owner or occupant shall without the written approval of the Board of Administration install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Property 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 Property which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Council.

(p) Washington Square Apartments, Inc., or its agent, shall have the right to maintain and show units, including the maintenance and showing of a model unit, until all the units in the Property have been sold originally. Thereafter, 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.

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Section 4. House Rules. The Board of Administration may adopt, amend or repeal any rules and regulations governing details of the operation and use of the Property not inconsistent with any provision 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 therefor or enforcing any provisions of the Master Deed or these by-laws against such owner or any occupant of such unit.

Section 6. Record of Ownership. Every unit owner shall promptly cause to be duly recorded the deed, lease, 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. Mortgages. Any unit owner who mortgages his unit, or any interest therein, shall notify the Board of Administration through the Managing Agent 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 assessments against such unit then due and unpaid.

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 a majority of the Council.

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 director or officer of the Council, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct; 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 not 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. Whenever the



context so requires, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Certificate of Adoption

The undersigned Owner of all units of the Property hereby adopts the foregoing as the By-laws of the Council of Co-Owners of the Property this 17 day of July, 1971.

WASHINGTON SQUARE APARTMENTS, INC.

By: [Signature]  
President

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