

EXHIBIT D

BYLAWS

OF

Citation Pointe Condominium Council of Co-Owners, Inc.

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BYLAWS

OF

Citation Pointe Condominium Council of Co-Owners, Inc.

1. CORPORATE INFORMATION

- 1.1 **Name.** The name of the corporation is Citation Pointe Condominium Council of Co-Owners, Inc. (the "Council").
- 1.2 **Principal Office.** The principal office of the Council is located at 4901 Hunt Road, Suite 300, Cincinnati, Ohio 45242, but meetings of Members and of the Board of Directors may be held at such places within the State of Ohio or the Commonwealth of Kentucky as may be designated by the Board.
- 1.3 **Definitions.** The words used in these Bylaws shall be given their normal, commonly understood definitions. Unless the context indicates otherwise, all capitalized terms used but not defined herein have the meanings ascribed to them in the Declaration of Master Deed for Citation Pointe Condominium (the "Master Deed") which has been or will be executed and filed with the Office of the Clerk of Fayette County, Kentucky.

2. MEMBERSHIP AND VOTING RIGHTS

- 2.1 **Membership.** Membership in the Council is a right appurtenant to and inseparable from an Owner's fee simple title to a Unit. Such membership terminates upon the sale or other disposition of such Unit, at which time the new Owner automatically becomes a Member of the Council. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest or mortgage does not terminate an Owner's membership. There is only one membership per Unit. If the Owner of a Unit consists of more than one person, then such persons have one membership in the Council in common.
- 2.2 **Voting Rights.** The Council has one class of voting membership. Only Owners in good standing are entitled to vote. An Owner in "good standing" is one who has paid all Assessments then due and is not in default in the performance of any other obligations as an Owner. If a Unit is owned by more than one person, then the vote for such Unit shall be exercised, either fractionally or as an undivided vote, as the Owners themselves determine unanimously and advise the Secretary of the Council in writing by notice as herein provided. In the absence of such notice, the vote attributable to such Unit shall be suspended. Such determination may be revoked or amended by written notice to the Secretary of the Council from all the Owners of such Unit. If the Council owns any Unit, the vote for such Unit shall be suspended until such time as the Council no longer owns the Unit. There are no additional voting rights associated with the ownership of a Garage.

2.3 **Control by Developer.** Until the Owners' assumption of control of the Council: (i) Citation Pointe, LLC ("Developer") may appoint and remove members of the Board and officers of the Council and exercise the powers and responsibilities otherwise assigned to the Council or the Board by law, the Master Deed, or these Bylaws, and (ii) except as provided in Section 4.1 hereof, voting rights of the Members shall be exercised by Developer, or its representatives, and not by the Members.

3. **MEETINGS OF MEMBERS**

3.1 **Annual Meetings.** The annual meeting of the Members shall be held within the first calendar quarter of each year, at the time and place set by the Board.

3.2 **Special Meetings.** Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote 25% of the votes.

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 sending a copy of such notice, at least seven but no more than 35 days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Council, or supplied by such Member to the Council for the purpose of notice including any address provided by such Member for transmissions by electronic communications equipment (including telecopy number or email address). Such notice shall specify the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Such notice may be sent by personal delivery, telegram, telecopy, electronic mail transmission, or by U.S. mail, express mail, or courier service, with postage or fees prepaid. Notice may be waived by any Member in writing filed with the Council records. Attendance by a Member at a meeting without protest shall be deemed a waiver of the notice requirements.

3.4 **Quorum.** The Members present in person, by mail, or by proxy, at any meeting of Members constitutes a quorum for such meeting. A majority of the Members present in person at a meeting may adjourn such meeting from time to time. If any meeting is so adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

3.5 **Conduct of Meetings.** The President shall preside over all meetings of the Members, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

3.6 **Voting Power.** Unless otherwise required by law, the Master Deed, or these Bylaws, the affirmative vote of a majority of the voting power of the Members

voting on any matter at a duly called meeting is sufficient to determine such matter.

3.7 **Proxies.** At all meetings of Members, each Member may vote in person or by proxy; provided that all proxies must be in writing and filed with the Secretary. Every proxy is revocable and automatically terminates upon conveyance by the Member of the Member's Unit. The person designated as proxy need not be an Owner. If a first mortgagee has been designated as proxy under the terms of a first mortgage covering a Unit, then the presentation to the Board of a copy of the mortgage containing the proxy designation is notice of that designation, and, if the mortgage so states, of the irrevocability of that designation. Written notice to the Board or in a meeting of the revocation of a proxy designation does not affect any vote or act previously taken.

3.8 **Voting by Mail or Electronic Communications Equipment.** A Member may vote by mail, telecopy, or electronic mail on any matter voted on at any meeting of Members, by written vote sent or personally delivered to the Secretary of the Council at least seven days before the date of the meeting, which vote shall be filed with the records of the Council.

3.9 **Order of Business.** The order of business at all meetings of Members shall be as follows:

1. Calling of meeting to order.
2. Roll-call; determination of whether there is a quorum.
3. Proof of notice of meeting or waiver of notice.
4. Reading of minutes of preceding meeting.
5. Reports of officers.
6. Reports of committees.
7. Election of Directors (when appropriate).
8. Unfinished or old business.
9. New business.
10. Adjournment.

3.10 **Action Without a Meeting.** Any action which may be taken at a meeting of Members may be taken without a meeting by unanimous written consent signed by all Members in good standing. A Member may transmit written consent by electronic communications equipment (including telecopy or electronic mail) from which it can be determined that the transmission was authorized by, and accurately reflects the intention of, the Member involved. Any action approved by unanimous written consent has the same effect as though approved at a meeting of the Members. Such consents shall be dated, signed within 60 days after the earliest dated consent, delivered to the Council at its principal place of

business, and filed with the minutes of the Council. A consent transmitted by electronic means shall be deemed to be dated on the date the transmission is sent.

4. **BOARD OF DIRECTORS**

4.1 **Number.** The rights, powers, and duties conferred upon the Council by the Master Deed, these Bylaws, and by Kentucky law, shall be exercised and carried out by a Board of Directors and officers of the Council. At all times, there shall be at least three, but not more than seven, Directors.

4.1.1 The initial Board consists of three persons appointed by Developer who are either principals, members, officers, or employees of Developer. Such appointees shall serve as Directors until the special meeting of the Members as described in Section 4.1.2.

4.1.2 Not later than 90 days after the earlier to occur of: (i) seven years after the date the Master Deed is filed in the Office of the Clerk of Fayette County, Kentucky, or (ii) the sale of 90 Units (such number being 75% of the maximum number of Units that may be constructed pursuant to the Master Deed), the President of the Council shall call a special meeting of the Members wherein all Members (including Developer) shall elect a new Board, consisting of five Directors. This election is referred to as "the Owners' assumption of control of the Council." All persons so elected shall either be an Owner or the spouse of an Owner (or, if an Owner is not an individual, that Owner may nominate any principal, member of a limited liability company, partner, director, officer, or employee of that Owner), shall take office at the end of such meeting and shall, as soon as reasonably practicable thereafter, appoint officers. Notwithstanding the foregoing, if the special meeting of Members described in this Section would be scheduled to occur within 90 days prior to the next regular annual meeting of Members, then at Developer's option such meeting and election of the Board by the Members may be postponed until the next regular annual meeting of Members.

4.1.3 During the period when Directors are appointed by Developer, Developer may but is not obligated to allow one or more Owners appointed by Developer or elected by Owners other than Developer to serve in an advisory, nonvoting capacity to the Board and as a liaison to the Owners.

4.2 **Term of Office.** At the first annual meeting after the Owners assume control of the Council, the Members shall elect at least five, but no more than seven, Directors (which may but need not be the same Directors elected at the election described in Section 4.1.2), as follows: (i) two Directors for a term of one year, and (ii) three Directors for a term of two years (or if more than five Directors, in such staggering terms as are roughly proportional to the foregoing). At each annual meeting thereafter, the Members shall elect Directors for terms of two

years each to replace those Directors whose terms have expired. All persons so elected shall take office at the end of such meeting and shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms.

- 4.3 **Nomination.** Except for those Directors appointed by Developer, nomination for election to the Board shall be made by a nominating committee. When Owners are entitled to elect Directors to the Board, nominations may also be made from the floor at the meeting. The nominating committee consists of a chair who shall be a Director, and two or more Members who need not be Directors. The nominating committee shall be appointed by the Board 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 as it in its discretion determines, but not less than the number of vacancies that are to be filled.
- 4.4 **Election.** Election to the Board shall be by secret written ballot. At such election, Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Deed and these Bylaws. The nominees receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
- 4.5 **Removal.** Any Director appointed by Developer may be removed at any time with or without cause. Any Director elected by the Members may be removed from the Board, with or without cause, by a majority vote of the Members. Notwithstanding the foregoing, the Board may declare the office of a Director to be vacant if such Director is absent from three consecutive regular meetings of the Board.
- 4.6 **Vacancies.** Vacancies in the Board in a position occupied by a person elected by the Members shall be filled by election of a new person either at a special meeting called for that purpose or at the next annual meeting. Vacancies in the Board in a position occupied by a person appointed by Developer shall be filled by Developer.
- 4.7 **Compensation.** No Director shall receive compensation for any services rendered to the Council; provided, however, that Directors may be reimbursed for actual expenses incurred in the performance of their duties. Nothing herein shall prohibit the Council from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Council in a capacity other than as a Director pursuant to a contract or agreement with the Council, provided that (i) such Director's interest was made known to the Board prior to entering into such contract; (ii) such contract was approved by a majority of the Board, excluding the interested Director; and (iii) such compensation is reasonable and not at a price in excess of that normally charged by disinterested third parties.

5. **MEETINGS OF BOARD OF DIRECTORS**

- 5.1 **Organizational Meetings.** The first meeting of the Board following each annual meeting of the Members shall be held within 10 days thereafter at such time and place as the Board determines.
- 5.2 **Regular Meetings.** Unless waived by the Board, regular meetings of the Board shall be held at least quarterly, at such place and time as the Board determines.
- 5.3 **Special Meetings.** Special meetings of the Board shall be held when called by the President of the Council or by any two Directors after not less than three days' notice to each Director. Such notice shall specify the place, date, time, and purpose of the meeting. Notice may be waived by any Director in writing filed with the Council records. Attendance by a Director at a meeting without protest shall be deemed a waiver of the notice requirements.
- 5.4 **Conduct of Meetings.** Meetings may be held in person or through any communications equipment if all persons participating can contemporaneously communicate with each other, and participation in such meeting constitutes presence at such meeting. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.
- 5.5 **Quorum.** A majority of the total number of Directors constitutes a quorum for the transaction of business by the Board. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If, however, such quorum is not present or represented at any meeting, then the Directors entitled to vote thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.
- 5.6 **Voting Power.** Unless otherwise required by law, the Master Deed, or these Bylaws, the affirmative vote of a majority of the Directors voting on any matter at a duly called meeting is sufficient to determine such matter, provided that the quorum requirement is met.
- 5.7 **Open Meetings.** Subject to the provisions of Section 5.8, meetings of the Board are open to all Members, but a Member other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on a Member's behalf by a Director. In such case, the President may limit the time any Member may speak. Notwithstanding the foregoing, the President may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature such as pending or threatened litigation, personnel matters, etc. Notice of all meetings shall be posted conspicuously on the Condominium Property at least 48 hours in advance of the meetings, except in cases of emergency.

5.8 **Action Without a Meeting.** Any action which may be taken at a meeting of Directors may be taken without a meeting by a unanimous written consent signed by all of the Directors. A Director may transmit written consent by electronic communications equipment (including telecopy or electronic mail) from which it can be determined that the transmission was authorized by, and accurately reflects the intention of, the Director involved. Any action approved by unanimous written consent has the same effect as though approved at a meeting of the Directors. Such consent shall be dated, delivered to the Council at its principal place of business, and filed with the minutes of the Council.

6. **POWERS AND DUTIES OF BOARD OF DIRECTORS**

6.1 **Powers.** The Board has all of the powers necessary for the administration of the Council's affairs and for performing all responsibilities and exercising all rights of the Council as set forth in the Master Deed, these Bylaws, the Articles, and as provided by applicable law. The Board may do or cause to be done all acts and things as are not by the Master Deed, these Bylaws, the Articles, or Kentucky law directed to be done and exercised exclusively by the Members. Such powers include without limitation:

- 6.1.1 Hiring, supervising, and firing managing agents, attorneys, accountants, and other independent contractors and employees that the Board determines are necessary or desirable in the management of the Condominium Property and the Council, and prescribing the duties of such persons; provided that the Board may not delegate any policymaking authority.
- 6.1.2 Delegating to one Director the authority to act on behalf of the Board on matters relating to the duties of any managing agent which might arise between meetings of the Board.
- 6.1.3 Commencing, defending, intervening in, settling, or compromising any civil, criminal, or administrative action or proceeding that is in the name of, or threatened against, the Council, the Board of Directors, or the Condominium Property, or that involves two or more Owners and relates to matters affecting the Condominium Property.
- 6.1.4 Entering into contracts and incurring liabilities relating to the operation of the Condominium Property.
- 6.1.5 Regulating the use, maintenance, repair, replacement, modification, and appearance of the Condominium Property.
- 6.1.6 Adopting Rules consistent with the Master Deed that regulate the use or occupancy of Units or Garages, the maintenance, repair, replacement, modification, and appearance of Units, Garages, or Common Elements including Limited Common Elements, when the actions regulated by those Rules affect Common Elements or other Units or Garages.

- 6.1.7 Causing additional improvements to be made as part of the Common Elements.
- 6.1.8 Purchasing, encumbering, or conveying Units or Garages, and, subject to any restrictions in the Master Deed or these Bylaws, acquiring an interest in other real property and encumbering or conveying that interest. All expenses incurred in connection with the acquisition, encumbrance, use, and operation of Units, Garages, or interests in other real property by the Council are Common Expenses.
- 6.1.9 Acquiring, encumbering, and conveying or otherwise transferring personal property; provided that any transaction costing the Council more than \$50,000 in any calendar year must be authorized in advance by a vote of the Owners exercising a majority of the voting power of the Council.
- 6.1.10 Holding in the name of the Council any real property or personal property acquired by the Council.
- 6.1.11 Granting easements, leases, licenses, and concessions through, over, under, or across the Common Elements deemed to be reasonably necessary, useful, or desirable.
- 6.1.12 Imposing and collecting fees or other charges for the use, rental, or operation of the Common Elements or for services provided to Owners.
- 6.1.13 Imposing interest and late charges for the late payment of Assessments; and imposing returned check charges.
- 6.1.14 Subject to Section 6.4 hereof, imposing reasonable enforcement fines or sanctions for violations of the Master Deed, these Bylaws, or any Rules of the Council, and reasonable charges for damage to the Common Elements or other property.
- 6.1.15 Adopting and amending Rules that regulate the collection of delinquent Assessments and the application of payments of delinquent Assessments.
- 6.1.16 Imposing reasonable charges for preparing, recording, or copying documents.
- 6.1.17 Entering any Unit, Garage, or Limited Common Elements for bona fide purposes when conditions exist that the Board reasonably believes may involve an imminent risk of damage or harm to Common Elements, another Unit or Garage, or to the health or safety of the Occupants of that Unit or another Unit.

- 6.1.18 Subject to the Master Deed, assigning the Council's rights to Assessments, or other future income, to a lender as security for a loan to the Council.
 - 6.1.19 Suspending the voting privileges and use of any recreational facilities for an Owner who is delinquent in the payment of Assessments for more than 30 days or who is otherwise in violation of the Master Deed, these Bylaws, or any Rule of the Council.
 - 6.1.20 Investing excess funds in investments that meet standards for fiduciary investments under Kentucky law.
 - 6.1.21 Exercising powers that are (i) conferred by the Master Deed or these Bylaws; (ii) permitted to be exercised in Kentucky by a nonprofit corporation; or (iii) necessary and proper for the governance and operation of the Council including taking all actions deemed necessary to comply with the requirements of applicable laws.
- 6.2 **Duties.** The duties of the Board include, without limitation:
- 6.2.1 Causing to be kept a complete record of all acts and affairs of the Council including minutes of meetings and books with detailed accounts of the receipts and expenditures of the Council, and up-to-date lists of Owners, Occupants, their Unit, Garage, and parking space designations, and notice addresses and contact information.
 - 6.2.2 Electing the officers of the Council and supervising such officers in the performance of their duties.
 - 6.2.3 Providing for the operation, care, upkeep, and maintenance of the Common Elements in accordance with the Master Deed.
 - 6.2.4 Procuring and maintaining property and liability insurance and fidelity bonds in amounts deemed adequate, as provided in the Master Deed, paying the cost thereof, and filing and adjusting claims, as appropriate.
 - 6.2.5 Preparing, adopting, and if necessary amending annual budgets for revenues, expenditures, and reserves in an amount adequate to repair and replace major capital items in the normal course of operations without the necessity of Special Assessments; and establishing each Owner's share of such budgets and providing written notice thereof to each Owner.
 - 6.2.6 Levying and collecting assessments from Owners to fund the Common Expenses including reserves.
 - 6.2.7 Opening bank accounts on behalf of the Council and designating the signatories required.

- 6.2.8 Depositing all funds received on behalf of the Council in a bank depository which the Board approves, and using such funds to operate the Council and pay the Common Expenses out of such funds; provided that excess funds may be placed in investments that meet standards for fiduciary investments under Kentucky law.
 - 6.2.9 Causing all officers or employees having fiscal responsibilities to be bonded.
 - 6.2.10 Enforcing by legal means the provisions of the Master Deed, these Bylaws, and any Rules of the Council, and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Council including without limitation foreclosing the Council's lien against any Unit or Garage for which Assessments are not paid within 60 days after their due date or bringing an action at law against the Owner personally obligated to pay such Assessments.
 - 6.2.11 Issuing, or causing an appropriate officer to issue, upon written request by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an Assessment has been paid, then such certificate is conclusive evidence of such payment.
 - 6.2.12 Indemnifying a Director, officer, or committee member, or former director, officer, or committee member of the Council in accordance with Kentucky law, and in accordance with the Articles, these Bylaws, and the Master Deed.
 - 6.2.13 Making available to prospective purchasers of Units, any Owner, or the holders, insurers, or guarantors of first mortgages on Units, current copies of the Master Deed, the Articles, these Bylaws, amendments to any of the foregoing, and any Rules of the Council then in effect, for which a reasonable fee may be charged to cover copying expenses.
- 6.3 **Accounts and Reports.** The following standards of performance shall be followed unless the Board by resolution specifically determines otherwise:
- 6.3.1 Accrual accounting, as defined by generally accepted accounting principles, shall be employed.
 - 6.3.2 Accounting and controls shall conform to generally accepted accounting principles.
 - 6.3.3 Cash accounts of the Council shall not be commingled with any other accounts.

- 6.3.4 No remuneration shall be accepted by any managing agent, Director, or officer from vendors, independent contractors, or others providing goods or services to the Council, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Council.
- 6.3.5 Any financial or other interest which a managing agent, Director, or officer may have in any firm providing goods or services to the Council shall be disclosed promptly to the Board.
- 6.3.6 Beginning no later than the end of the calendar quarter in which Assessments are first levied on Units and no less frequently than the end of each calendar quarter thereafter, financial reports shall be prepared for the Council containing:
 - 6.3.6.1 An income statement reflecting all income and expense activity for the preceding period.
 - 6.3.6.2 A statement reflecting all cash receipts and disbursements for the preceding period.
 - 6.3.6.3 A variance report reflecting the status of all accounts in an "actual" versus "budgeted" format.
 - 6.3.6.4 A balance sheet as of the last day of the preceding period.

In addition, an annual report consisting of at least the following shall be made available to all Members as soon as possible after the close of each fiscal year: (i) a balance sheet; (ii) an income statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided that, upon written request of any holder, guarantor or insurer of any first mortgage on a Unit, the Council shall provide an audited financial statement.

6.4 Enforcement.

- 6.4.1 Prior to imposing a charge for damages or an enforcement fine or sanction pursuant to Section 6.1.14, the Board shall give an Owner written notice that includes all of the following: (i) a description of the property damage or violation; (ii) the amount of the proposed charge or fine, or sanction; (iii) a statement that the Owner has a right to a hearing before the Board to contest the proposed charge, fine, or sanction; (iv) a statement setting forth the procedures to request a hearing pursuant to these Bylaws; and (v) a reasonable date by which the Owner must cure the violation to avoid the proposed charge, fine, or sanction.

- 6.4.2 To request a hearing, the Owner must deliver a written notice to the Board no later than 10 days after receiving the notice from the Board required by Section 6.4.1. If the Owner fails to make a timely request for a hearing, the right to that hearing is waived, and the Board may immediately impose a charge for damages or an enforcement fine or sanction pursuant to Section 6.1.14.
- 6.4.3 If an Owner requests a hearing, then at least seven days prior to the hearing the Board shall provide the Owner with a written notice that includes the date, time, and location of the hearing, and the Board shall not levy a charge for damages or an enforcement fine or sanction before holding such hearing.
- 6.4.4 Within 30 days following a hearing at which the Board imposes a charge for damages or an enforcement fine or sanction, the Council shall deliver a written notice of the charge for damages or an enforcement fine or sanction to the Owner.
- 6.4.5 Any notice that this Section 6.4 requires shall be delivered to the Owner or any Occupant of the Unit by personal delivery, by certified mail, return receipt requested, by regular mail, by overnight courier service, or by transmittal through electronic communications equipment (including telecopy or electronic mail).
- 6.5 **No Obligation to Sue Developer.** Notwithstanding anything herein to the contrary, neither the Board nor the Council has any fiduciary duty or obligation to bring an action against Developer for alleged construction defects.
- 6.6 **Standard for Directors.** Directors are required to exercise their reasonable business judgment when performing their duties.

7. **OFFICERS AND THEIR DUTIES**

- 7.1 **Enumeration of Officers.** The officers of the Council are a President (who shall at all times be a Director), a Vice President (who shall at all times be a Director), a Secretary, and a Treasurer, and such other officers as the Board may from time to time create by resolution. The same person may simultaneously hold more than one office, except that the same person may not simultaneously hold the offices of President and Secretary or the offices of President and Vice President.
- 7.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.
- 7.3 **Term.** The officers of the Council shall be elected annually by the Board and shall hold office until their successors are duly elected, unless an officer sooner resigns or is removed, or otherwise becomes disqualified. Officers may be elected to serve any number of consecutive terms.

- 7.4 **Special Appointment.** The Board may elect such other officers as the affairs of the Council may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.
- 7.5 **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. 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 is not necessary to make it effective.
- 7.6 **Vacancies.** Vacancies in any office shall be filled by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer whom the appointee is replacing.
- 7.7 **Duties.** The duties of the officers are as follows:
- 7.7.1 **President** – The President is the chief executive officer of the Council, presides at all meetings of the Board and of the Members; sees that orders and resolutions of the Board are carried out; signs all contracts, leases, mortgages, deeds, promissory notes, and other written instruments of the Council.
- 7.7.2 **Vice President** – The Vice President acts in the place and stead of the President in the event of the President's absence, inability, or refusal to act; and exercises and discharges such other duties as may be required by the Board.
- 7.7.3 **Secretary** – The Secretary records the votes and keeps the minutes of all meetings and proceedings of the Board and of the Members; serves notice of meetings of the Board and of the Members; keeps appropriate current records showing the Members of the Council together with their addresses and contact information; and performs such other duties as are required by the Board.
- 7.7.4 **Treasurer** -- The Treasurer receives and deposits in appropriate bank accounts all monies of the Council and disburses such funds as directed by resolution of the Board; signs all checks and promissory notes of the Council; keeps proper books of account; causes an annual audit or review of the Council's books to be made by a certified public accountant at the end of each fiscal year; prepares an annual budget and financial statements of the Council (preparation of which may be delegated wholly or partially to a finance committee, management agent, or both); and performs such other duties as are required by the Board.

- 7.8 **Compensation.** No officer shall receive compensation for any services rendered to the Council; provided, however, that officers may be reimbursed for actual expenses incurred in the performance of their duties.
- 7.9 **Standard for Officers.** Officers are required to exercise their reasonable business judgment when performing their duties.
- 7.10 **Execution of Documents.** All agreements, contracts, deeds, leases, checks above a threshold amount to be determined by the Board, and other instruments of the Council shall be executed by at least two officers (one of which shall be the President, if available) or, alternatively, by such other person or persons as may be designated by resolution of the Board.

8. **COMMITTEES**

- 8.1 **Appointment of Committees.** The Board shall appoint a nominating committee as provided in these Bylaws. In addition, the Board may appoint such other committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution.
- 8.2 **Duties.** Each committee shall operate in accordance with the terms of such resolution. Each committee shall keep reports and accounts of its proceedings and transactions. Any action by a committee shall be reported to the Board at its next meeting and shall be subject to review and approval by the Board.

9. **BOOKS AND RECORDS**

- 9.1 **Information from Members.** Within 30 days after an Owner acquires an interest in a Unit or Garage, the Owner shall provide all of the following information in writing to the Council: (i) the home address, home and business mailing addresses, and the home and business telephone numbers of the Owner and all Occupants of the Unit; and (ii) the designation of the Garage purchased; and (iii) the name, business address, and business telephone number of any person who manages the Owner's Unit or Garage as an agent of the Owner. Within 30 days after a change in any of the foregoing information, an Owner shall notify the Council in writing of the change. Whenever the Board requests, an Owner shall verify or update the information.
- 9.2 **Inspection by Members and Mortgagees.** Subject to Section 9.4, the Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing for a purpose reasonably related to such person's interest in a Unit the following: the Master Deed, these Bylaws, the Articles, any amendments to the foregoing, any Rules of the Council, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees.

- 9.3 **Rules for Inspection.** The Board shall establish reasonable Rules with respect to notice to be given to the custodian of the records, hours and days of the week when such an inspection may be made, and payment of the cost of reproducing copies of documents requested. The Board shall provide for such inspection to take place at the office of the Council or at such other place as the Board designates.
- 9.4 **Records Not Subject to Inspection.** The Board is not required to permit the inspection and copying any of the following:
- 9.4.1 Information that pertains to personnel matters related to the Condominium Property.
 - 9.4.2 Communications with legal counsel or attorney work product pertaining to pending litigation or other matters related to the Condominium Property.
 - 9.4.3 Information that pertains to contracts or transactions currently under negotiation, or information that is contained in a contract or other agreement containing confidentiality requirements and that is subject to those requirements.
 - 9.4.4 Information that relates to the enforcement of the Master Deed, these Bylaws, or any Rules of the Council against Owners.
 - 9.4.5 Information the disclosure of which is prohibited by state or federal law.
- 9.5 **Inspection by Directors.** Notwithstanding Section 9.4 to the contrary, every Director has the absolute right at any reasonable time to inspect all books, records, and documents of the Council and the physical properties owned or controlled by the Council. The right of inspection by a Director includes the right to make a copy of relevant documents at the expense of the Council.

10. **AMENDMENTS**

- 10.1 **Recording of Amendment.** Any amendment of these Bylaws affirmed pursuant hereto shall be effective upon recording the same in the Office of the Clerk of Fayette County, Kentucky, or at such later date as specified in the amendment.
- 10.2 **By Members Generally.** These Bylaws may be amended only by the affirmative vote, written consent, or combination thereof, of Members representing at least 67% of the voting power of the Council, provided that the meeting notice or written consent contains a complete statement of the proposed amendment.
- 10.3 **By the Board.** Without a vote of the Members, the Board may amend these Bylaws in any manner necessary for the following purposes:

- 10.3.1 To meet the requirements of institutional mortgagees, guarantors, and insurers of first mortgage loans, including FNMA, FHLMC, FHA, VA, and similar institutions.
 - 10.3.2 To meet the requirements of insurance underwriters.
 - 10.3.3 To bring these Bylaws into compliance with the Condominium Law.
 - 10.3.4 To correct typographical errors or obvious factual errors in these Bylaws.
- 10.4 **Rights of Developer and Eligible Mortgagees.** No amendment shall have any effect on the rights of Developer, so long as it owns at least one Unit, if in Developer's sole judgment Developer's rights under these Bylaws would be adversely affected by such amendment. No amendment shall be binding upon any Eligible Mortgagee unless the requisite consent of Eligible Mortgagees is obtained. If Developer refuses to consent to an amendment to these Bylaws or the Master Deed, or if less than the requisite number of Eligible Mortgagees consent to such amendment, such amendment shall nevertheless be valid as among the Owners, provided that the rights of Developer or a non-consenting Eligible Mortgagee shall not be derogated. No provision of these Bylaws or the Master Deed may be modified or rescinded if the modification or rescission would conflict with the provisions of the Condominium Law.
- 10.5 **Appeal.** Any Owner who is aggrieved by an amendment to these Bylaws that the Board makes pursuant to Section 10.3 may commence a declaratory judgment action to have the amendment declared invalid as violative of Section 10.3. Such action must be filed in the Fayette County Circuit Court within one year from the date of recordation of the amendment, or be forever barred.

11. **MISCELLANEOUS**

- 11.1 **Fiscal Year.** The fiscal year of the Council shall be the calendar year, except that the first fiscal year shall begin on the date the Council is incorporated.
- 11.2 **Parliamentary Rules.** Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Council proceedings when not in conflict with Kentucky law, the Articles, the Master Deed, or these Bylaws.
- 11.3 **Conflicts.** If there are conflicts between the provisions of Kentucky law, the Articles, the Master Deed, and these Bylaws, the provisions of Kentucky law, the Master Deed, the Articles, and these Bylaws (in that order) shall control.
- 11.4 **Liability and Indemnification.** Directors, officers, or committee members shall not be liable to the Owners for mistake of judgment, negligence, or otherwise, except for their own individual gross negligence or willful misconduct. Directors and officers shall have no personal liability with respect to contracts entered into on behalf of the Council. The Council shall indemnify its Directors, officers, and

committee members to the full extent permitted by Kentucky law. The Council may, to such extent and in such manner as is determined by the Board of Directors, but in no event to an extent greater than is permitted by Kentucky law, indemnify any employees or agents of the Council permitted to be indemnified under Kentucky law.

- 11.5 **Severability.** If any article, section, paragraph, sentence, clause, or word in these Bylaws is held by a court of competent jurisdiction to be in conflict with any law of the Commonwealth of Kentucky, then the requirements of such law shall prevail and the conflicting provision or language shall be deemed void in such circumstance; provided that the remaining provisions or language of these Bylaws shall continue in full force and effect.
- 11.6 **Enforcement; Waiver.** Failure of Developer, the Council, or any Owner to enforce such provisions in any manner does not constitute a waiver of any right to enforce any violation of such provisions.
- 11.7 **Captions.** The caption of each article and section of these Bylaws is inserted only as a matter of reference and does not define or limit the scope or intent of the provisions of these Bylaws.
- 11.8 **Notices.** Subject to any other requirement in these Bylaws, written notices and requests are deemed given when delivered in person or by overnight courier or mailed by regular mail, postage prepaid, or transmitted through electronic communications equipment (including telecopy or electronic mail), properly addressed. If notice is to the Board or the Council, it shall be addressed to the Secretary and, if the notice is to an Owner it shall be addressed to the last address for such Owner appearing on the Council's records.