

BY-LAWS
OF
COUNCIL of CO-OWNERS
INDEPENDENCE SQUARE AT PLAINVIEW

ARTICLE I

GENERAL

1.1 These By-laws authorized by virtue of authority set out in Master Deed and Declaration of Condominium Property recorded in Jefferson County Court Clerk's office, Jefferson County, Kentucky, in Deed Book 5191, Page 323, paragraphs "H", "I", "J", "K", "L", "M", "N", "O", "P", "R", "S", "T", and "U" of that document, and the laws of the Commonwealth of Kentucky, as they now, and may in the future, pertain to condominium property established under Sections 381.805 through Sections 381.910 of the Kentucky Revised Statutes.

1.2 Applicability of By-Laws. The administration of the Condominium Property shall be vested in its Council of Co-owners, consisting of all the Unit owners in accordance with the By-laws of the Council. The owner of any Unit, upon acquiring title, shall automatically become a member of the Council and shall remain a member until such time as his ownership of such Unit ceases for any reason, at which time his membership in the Council shall automatically cease.

1.3 Application. All present and future owners, mortgages, lessees, and occupants of units and their employees, and any other persons who may use the facilities of the Property in any manner

are subject to these By-laws, and the Rules and Regulations made in accordance therewith.

1.4 After October 23, 1984, the Council of Co-owners shall at all times manage and operate the Regime, and have such powers and duties as may be necessary or proper therefor, including, without limitation, authority to delegate certain powers to a Board of Managers.

1.5. The authority granted with appropriate minutes to designate a Board of Managers to act in the Council's place and stead, on all matters enumerated in paragraph 2.2, the only limitation being the Board of Managers cannot expend a sum or sums of money that exceeds the annual budget approved by the Council of Co-owners.

1.6. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a unit shall constitute an agreement that these By-laws and the Rules and Regulations made in accordance therewith as they may be amended from time to time, are accepted, ratified, and will be complied with.

1.7 Quorum of Council of Co-owners. The total number of votes of all the members of the Council of Co-owners shall be 100, apportioned as in paragraph 1.8 next. The presence of a majority of the Council of Co-owners shall constitute a quorum. If at any meeting of the Council of Co-owners there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any subsequent meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called and adjourned, may be transacted without further notice.

1.8 Voting. The owner or owners of each unit, or some person designated by such owner or owners to act as proxy on his or their

behalf and who need not be an owner, shall be entitled to cast a number of votes, at all meetings of the Council of Co-owners, equal to the percentage of interest in the common elements applicable to the unit or units, owned by the unit owner. The designation of any such proxy shall be made in writing to the Secretary by the owner or owners so designating.

1.9 Majority of Council of Co-owners. As used in these By-laws the term "Majority of the Council of Co-owners" shall mean those unit owners having 50% or more of the total authorized votes of all unit owners present, in person or by proxy, and voting at any meeting of the Council of Co-owners determined in accordance with the provisions of paragraph 1.8.

1.10 Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where these By-laws or by law, a higher percentage vote is required.

1.11 Order of Business. The order of business at all meetings of the Council of Co-owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting
- (d) Reports of Board of Managers
- (e) Reports of Committees
- (f) Election of new members of the Board of Managers (when so required).
- (g) Unfinished business
- (h) New business

ARTICLE II

BOARD OF MANAGERS

2.1 Number and Qualification. The Board of Managers shall be composed of a President, Vice-President/Treasurer and Secretary elected by the Council of Co-owners, pursuant to paragraph 1.4 of these By-laws. All such members of the Council of Co-owners and/or Board of Managers shall be unit owners or spouses of unit owners, or in the case of partnership owners, members of such partnership, or in the case of corporate owners, officers, stockholders or employees of such corporation, or in the case of fiduciary owners, fiduciaries or officers or employees of such fiduciary. Any Council or Board member who ceases to be associated in one of the enumerated capacities shall be deemed to have resigned as of the date such association is severed.

2.2 Powers and Duties. The Board of Managers shall have the powers and duties necessary for administration of the affairs of the Condominium and may do all such acts and things except as by law or by these By-laws may not be delegated to the Board of Managers by the Council of Co-owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common elements.
- (b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, operations and maintenance of the Property and preparation of annual budget.
- (c) Collection of the common charges from the unit owners.
- (d) Employment and dismissal of the personnel necessary

for the maintenance and operation of the common elements.

(e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property.

(f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all unit owners, units offered for sale or lease or surrendered by their owners to the Board of Managers.

(h) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all unit owners.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to, or otherwise dealing with units acquired by, and subleasing units leased by, the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners.

(j) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of units on behalf of all unit owners.

(k) Obtaining insurance for the Property.

(l) Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(m) Levying fines against unit owners for violation of the Rules and Regulations established by it or to govern the conduct of the unit owners, however, that no fine may be levied in an amount

in excess of \$25 for any one violation. But for each day a violation continues after notice, it shall be considered a separate violation.

2.3 President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Council of Co-owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president, including but not limited to the power to appoint committees from among the unit owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

2.4 Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

2.5 Secretary. The Secretary shall keep the minutes of all meetings of the unit owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of secretary.

2.6 Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the

deposit of all monies and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer.

2.7 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers or by such other person or persons as may be designated by the Board of Managers.

2.8 Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

2.9 Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to, the duties listed in subdivisions (a), (c), (d), (k), and (l) of Section 2 of this Article II.

2.10 Designation and Term of Office. At each annual meeting of the Council of Co-owners, the unit owners shall nominate and elect the members of the Board of Managers. The members of the Board of Managers shall hold office for a term of one year and until their respective successors shall have been designated, provided, however, that a Board member shall be deemed to have resigned whenever such member, his spouse, or firm, corporation or other entity he is associated with, sells the unit which qualified such individual to become a member of Council of Co-owners.

2.11 Removal of Members of the Board of Managers. At any regular or special meeting of unit owners, any one or more of the

members of the Board of Managers may be removed for cause by a majority of the unit owners and a successor may then and there or thereafter be elected by the unit owners.

2.12 Vacancies. Any vacancy in the Board of Managers shall be filled forthwith by appointment of the Board of Managers for the unexpired time.

2.13 Meetings. Meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least three (3) business days prior to the day named for such meeting, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Council of Co-owners or the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of any member of the Council of Co-owners.

2.14 Waiver of Notice. Any member of the Council of Co-owners or the Board of Managers may, at any time waive notice of any meeting in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of Council at any meeting of the Council, or the Board, shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.15 Fidelity Bonds. The Board of Managers may obtain fidelity bonds for all officers and employees of the Condominium and its

managing agent, if any, handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense.

2.16 Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of these By-laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium.

ARTICLE III

OPERATION OF THE PROPERTY

3.1 Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 3.2 of the Article III and the fees and disbursements of the Insurance Trustee. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, for payment of accounting, counsel, architectural or other professional or service fees, an amount for working capital of the Condominium, for a general operating deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all unit owners, of any unit whose owner has elected to sell or lease such unit or of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all unit owners, promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish

copies of each budget on which such common charges are based, to all unit owners.

A copy of the annual budget shall be sent to mortgagees holding liens on two or more units within 10 days of adoption of the same.

3.2 Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements insuring the entire Building (including all of the units but not including machinery, fixtures, furniture, furnishings, or other personal property supplied or installed by unit owners), together with all air conditioning equipment if any used in common and other service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all unit owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building, without deduction for depreciation; each of said policies shall contain a standard mortgage clause in favor of each mortgagee of a unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interests may appear.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance with respect to liability claims arising out of the common elements, in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year.

3.3 Repair or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Building is destroyed or substantially damaged and 75% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged units, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures, or equipment installed by unit owners in their units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense, and the Board of Managers may assess all the unit owners for such deficit as part of the common charges.

3.4 Payment of Common Charges. All unit owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 3.1 of this Article III at such time or times as the Board of Managers shall determine.

3.5 Default in Payment of Common Charges. In the event of default by any unit owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers

shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees.

3.6 Abatement and Enjoinment of Violations by Unit Owners.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-laws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the default unit owner, any structure, thing or condition that may exist therein contrary to the intent and mean of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

3.7 Maintenance and Repair. (a) All maintenance of and repairs to any unit, structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any common elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such unit), shall be made by the owner of such own^y unit; each unit owner shall be responsible for all damages to any and all other units and/or to the common elements, that his failure so to do may engender.

3.8 Additions, Alterations or Improvements by Board of Managers.

Whenever in the judgement of the Board of Managers the common elements shall require additions, alterations or improvement costing in excess of \$5,000.00, of accrued amounts, and the making of such additions,

alterations or improvements shall have been approved by a majority of the unit owners and by those mortgagees holding mortgages constituting liens upon two or more units, the Board of Managers shall proceed with such additions or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations or improvements costing \$5,000 or less in excess of accrued amounts may be made by the Board of Managers without approval of the unit owners or any mortgagees of units and the cost thereof shall constitute part of the common expenses.

3.9 Additions, Alterations or Improvements by Unit Owners.

No unit owner shall make any structural addition, alteration or improvement in or to his unit, without the prior written consent thereto of the Board of Managers, which consent shall not be unreasonably withheld. The Board of Managers shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's unit, within thirty (30) days after such request, and failure to do so within such time, shall be construed as approval to proceed with the proposed addition, alteration or improvement.

No unit owner shall construct any additions to the exterior of his unit, make structural changes to any of the common elements, or excavate or otherwise alter common elements, whether such common elements be located in, under or adjacent to the Building.

3.10 Use of Common Elements and Facilities. (a) A unit owner shall not place or cause to be placed in the lobbies, vestibules, public halls, stairways, elevators or other common areas or common facilities, other than an area to which such unit owner has sole access, and other than the areas designated as storage areas, any

furniture, packages, raw materials, finished products or objects of any kind.

3.11 Rules of Conduct. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each unit owner prior to the time when the same shall become effective.

3.12 Water Charges and Sewer Rents. Water shall be supplied to all of the units and the common elements through one or more building meters and the Board of Managers shall pay, as a common expense, all charges for water consumed on the Property, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a unit by the owner thereof, the Board of Managers, on request of the selling unit owner shall execute and deliver to the purchaser of such unit or to the purchaser's title insurance company, a letter agreeing to pay all water charges and sewer rents affecting the Property as of the date of closing of title to such unit, promptly after such charges shall have been billed by the City Collector.

ARTICLE IV

MORTGAGES

4.1 Notice to Board of Managers. A unit owner who mortgages his unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

4.2 Notice of Unpaid Common Charges. The Board of Managers, whenever so requested in writing by a mortgage of a unit, shall promptly report any then unpaid common charges due from, or any other default by, the owner of the mortgaged unit.

4.3. Notice of Default. The Board of Managers, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Managers.

ARTICLE V

RECORDS

5.1 Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the unit owners and financial records and books of accounts of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board of Managers to all unit owners at least quarter-annually. Council has right to request a certified audit upon that finding. In addition, an annual report of the receipts and expenditures of the Condominium, reviewed by an independent certified public accountant, shall be rendered by the Board of Managers to all unit owners and to all mortgagees of units who have requested the same, within 4 months after the end of each calendar or fiscal year.

ARTICLE IV

MISCELLANEOUS

6.1 Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the managing agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all unit owners and to all mortgagees of units. All notices to any unit owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers, All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Independence Square at Plainview
(A Condominium Association)
P.O. Box 24612
Louisville, KY 40224

BY: _____
John Watkins, President

BY: _____
Ronald Zolkiewicz, V.P./Treasurer

BY: _____
Nancy Bronner, Secretary

DATED: December 5, 1984