

BYLAWS OF THE COUNCIL OF UNIT OWNERS OF  
PROMENADE COURT TOWNHOMES, A CONDOMINIUM  
AND OF  
PROMENADE COURT TOWNHOMES OWNERS ASSOCIATION, INC.

The following Bylaws shall constitute the Bylaws of the Council of Unit Owners of Promenade Court Townhomes, a Condominium, ("Regime") and the Bylaws of Promenade Court Townhomes Owners Association, Inc., a Kentucky non-profit, non-stock corporation, which is the corporation of the Council of Co-owners with reference to the administration of the Regime. In this regard, "Promenade Court Townhomes Owners Association; Inc." may be read interchangeably with "Council" in these By-Laws. The Regime was created by Master Deed and Declaration of Condominium Property Regime for Promenade Court Townhomes, a Condominium (herein called the "Master Deed") recorded in Deed Book \_\_\_\_\_, Pages \_\_\_\_\_ through \_\_\_\_\_, in the office of the Clerk of Jefferson County, Kentucky at Louisville, Kentucky. These Bylaws apply also to all present and future owners, tenants and occupants of any Units of the Regime and all other persons who shall at any time use the Regime.

1. Membership

1.1 Qualification. All owners of Units of the Regime 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 1.7 hereof.

1.2 Place of Meetings. Meetings of the Council shall be held in the Regime or such other suitable place convenient to the Unit Owners as may be designated by the Board of Administration (herein sometimes called "Board"), or by the Berkley Partners 1989-1 ("Developer") as to the first meeting.

1.3 Annual Meetings. Annual meetings of the Council (except its first meeting) shall be held on the last Monday of September of each year at a time and place set by the Board (see Article 2). The first annual meeting of the Council shall occur within ten (10) days preceding Developer's transfer of control to the Board (as defined in Section 15 of the Master Deed).

"Developer's transfer of Control" as used in these Bylaws has the same meaning as in the Master Deed. All official action taken by the Council at its first meeting shall become effective immediately after Developer's transfer of control. The Developer shall set the place, date, and time of the first meeting of the Council.

1.4 Special Meetings. Special meetings of the Council may be held at any time upon the call of the President of the Board, or by a majority of the Board, or a petition signed by at least twenty-five percent (25%) of the Unit Owners and presented to the Secretary of the Board following Developer's transfer of control.

1.5 Notice of Meetings. Developer, as to the first Council meeting, shall give written or printed notice of annual

and special meetings to every Unit Owner according to the Council's or Developer's record of ownership at least ten (10) days before the date set for such meeting, stating whether it is the first meeting, an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting and the purpose therefor, in any of the following ways: (a) by delivering it to him or her personally, or (b) by leaving it at his or her Unit in the Regime or at his or her usual residence or place of business, or (c) by mailing it, postage prepaid, addressed to Unit Owner's address as it appears on the Developer's or Council's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any Unit Owner to receive actual notice of any meeting shall in no way invalidate such meeting or any actions taken. The presence of any Unit Owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner.

1.6 Quorum. The presence at any Council meeting in person or by proxy of Unit Owners owning at least 51% of the floor space of the Regime shall constitute a quorum. The votes or acts of Unit Owners owning at least 51% of the floor area of the Regime represented at a quorum meeting shall be the votes or acts of the Council, except as may be otherwise provided herein or in the Master Deed.

1.7 Voting. Each Unit Owner (as defined in Section 1.6 of the Master Deed), shall be entitled to one vote. 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 (if a successor to right of a Unit Owner) may vote in person or by proxy at any meeting of the Council for any Unit owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in 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.

1.8 Informal Action By Unit Owners. Any action required or permitted to be taken at any meeting of the Unit Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Designated Voters entitled to vote with respect to the subject matter thereof.

1.9 Proxies and Pledges. The authority given by any Unit Owner to another person to represent him at meetings of the Council shall be in writing, signed by such owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such Owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale or lease of any Unit or interest therein, a true copy of which is filed with the Board through the Secretary, 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.

1.10 Adjournment. Any meeting of the Council may be adjourned from time to time to such place and time as may be

determined by majority vote of the Unit Owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

## 2. Board of Administration

2.1 Number and Qualifications. The affairs of the Council and the Regime shall be governed by a Board of Administration ("Board") composed of not less than three (3) nor more than seven (7) persons, each of whom must be, after Developer's transfer of control, a Unit Owner. The number of Board Members (within said limitations) shall be set by the Unit Owners at the meeting of Unit Owners at which the Board is elected. The Board shall be elected by Unit Owners. The Board members shall serve without compensation unless otherwise authorized by the Council.

2.2 Powers. The Board shall have all powers necessary for the administration of the affairs of the Council and Regime and may do all such acts and things therefor as are not by law, the Master Deed or these Bylaws directed to be exercised or done only by the Council. The Board shall have such other powers as are granted to it herein and in the Master Deed.

2.3 Election and Term. Election of Board members shall be by cumulative voting by secret ballot at each annual meeting and any special meeting called for the purpose, such voting shall be according to the number of Unit Owners and not according to

floor space owned. Board Members shall hold office for a period of one year or until their respective successors have been elected, subject to removal as herein provided.

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

2.5 Removal of Board Members. At any regular or special meeting of the Council duly called, any one or more of the Board members may be removed with or without cause by vote of two-thirds of the 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.

2.6 Annual Meeting. An organizational meeting of the Board shall be held at the place of and immediately following each annual meeting of the Council, and the first 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.

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

2.8 Special Meetings. Special meetings of the Board may be called by the President on at least eight hours' notice to each Board member, given personally or by telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least two Board members. In the event of emergency no specified advance notice is required for a Board meeting.

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

2.10 Quorum of Board. At all meetings of the Board a majority of the total number of Board members shall constitute a quorum for the transaction of business, and the acts of a

majority of the number of Board members 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.

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

2.12 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board, or any action which may be taken at a meeting of the Board, may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the members of the Board. Such consent shall have the same effect as a unanimous vote.

### 3. Officers

3.1 Designation. The principal officers of the Council shall be a President, a Secretary and a Treasurer, who shall be elected by, and from the Board. 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.



3.2 Election and Term. The officers of the Board shall be elected annually by the Board at its first meeting and at its annual meetings thereafter, and shall hold office at the pleasure of the Board.

3.3. Removal. Any officer may be removed either with or without cause by vote of a majority of the members of the Board. His or her successor may be elected at any regular meeting of the Board, or at any special meeting.

3.4 President. The President shall be the chief executive officer of the Board and shall preside at all meetings of the Council and the Board. 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 and Board. He shall also have such other powers and duties as may be provided by these Bylaws or assigned to him from time to time by the Board.

3.5 Secretary. The Secretary shall attend and keep the minutes of all meetings of the Council and of the Board, 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 and Board as the Board may direct.

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

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

#### 4. Administration

4.1 Management. The Board 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 the following:

4.1.1 Supervision of the immediate management and operation of the Regime;

4.1.2 Maintenance, repair, replacement and restoration of the Common Elements and any additions and alterations thereto;

4.1.3 Purchase, maintenance and replacement of any equipment and provide for all water and utility services required for the General and Limited Common Elements;

4.1.4 Provisions at each Unit for 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;

4.1.5 Employment, supervision and dismissal of such personnel as may be necessary for the maintenance and operation of the Project;

4.1.6 Preparation of a proposed budget and schedule of assessments for such year, as provided herein.

4.1.7 Collection of all installments of assessments levied and payment of all common expenses authorized by the Board;

4.1.8 Purchase and maintenance in effect of all policies of hazard and liability insurance for the Regime required by the Master Deed and such other insurance bonds as may be required or authorized by the Master Deed or the Board;

4.1.9 Notification of all Unit Owners, according to the Council's record of ownership, of delinquency exceeding 15 days in the payment of any assessment against such Units;

4.1.10 Supervision of the use of the General Common Elements, including use of Limited Common Elements which includes adoption and enforcement of the provisions of the Master Deed and these By-Laws.

4.1.11 Such other duties, rights, and responsibilities as the Board has under the Master Deed, or any other governing document, or as it has on behalf of the Council under the Master Deed or any other governing document.

4.1.12 Such powers given to the Board under Kentucky Revised Statutes Sections 381.805 through 381.910 ("Act").

4.1.13 Such other powers and duties which are necessary or convenient to the proper operation of the Regime.

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

4.3 Representation. The President or Managing Agent, subject to the direction of the Board, 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 Owner 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.

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

5. Assessments, Budget, and Duties of Board

5.1 Assessments And Provisions Pertaining Thereto. All Unit Owners, except Developer, shall pay to the Board, in advance, on the first day of each month the assessments against their respective Units for Common Expenses and other appropriate charges in accordance with the Master Deed and these Bylaws. Each year, after Developer's transfer of control, on or before December 1st of the preceding year, the Board shall estimate the annual budget of common expenses (the "annual budget") including, but not limited to, the total amount required for the cost of wages, materials, insurance, services, management fees and supplies which will be required during the ensuing calendar year

for all common expenses, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements. The Board shall on or before each December 15th of the year the annual budget was estimated notify each Unit Owner in writing as to the amount of such estimate with reasonable itemization thereof. Said annual budget shall be assessed to the owners according to each owner's percentage of ownership in the Common Elements. All sums so assessed shall be deemed common expenses. On or before January 1st of each year, and the first of each and every month of each year, each Unit Owner shall be obligated to pay to the Board, or as it may direct, one twelfth (1/12) of the assessment made pursuant to this paragraph. The Board shall build up and maintain a reasonable reserve for contingencies and replacements chargeable as common expenses. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserve.

If assessments or reserves prove inadequate for any reason, including nonpayment of any owner's assessment, the Board may at any time levy a special assessment, which shall be assessed to the Unit Owners according to each owner's percentage of ownership in the Common Elements. The Board shall serve notice of such special assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such special assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after

the delivery or mailing of such notice of special assessment. The Board shall collect all such assessments and any other assessments herein provided for. Any sums from assessments not expended, shall remain under control of the Board for future common expenses or for a credit against future budgeted expenses.

5.2 When the Board elected hereunder takes office (after Developer's transfer of control), it shall determine the estimated budget, as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31st of the calendar year in which said election occurs. Assessments shall be levied against the Unit Owners during said period and other periods as provided herein.

5.3 The failure or delay of the Board to prepare or serve the annual or adjusted budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owner's obligation to pay the assessments for Common Expenses and other costs and necessary reserves, as herein provided, whenever and however the same shall be determined by the Board, and in the absence of any annual budget or adjusted budget, the Unit Owners shall continue to pay the monthly assessment for Common Expenses and other charges at the then-existing monthly rate established for the previous period until the monthly assessment payment is changed by the Board, such change to be effective the first day of the month following notice from Board to Unit Owners, said notice to be given at least ten (10) days in advance of the change.

5.4 In the event of action for the foreclosure of a lien for unpaid common expenses or for the foreclosure of a mortgage, the Unit Owner who is the Defendant in such proceedings shall be required to pay a reasonable rental for such Unit after title to the Unit is transferred to the party plaintiff in the foreclosure.

5.5 The Board shall keep full and correct books of account and the same shall be open for inspection by any Unit Owner or any representative of a Unit Owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the Owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein and in the Master Deed, and, except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments, shall be deemed to be held for the benefit, use, and account of all the Unit Owners in the same percentage as the respective percentage of interests in the Common Elements.

5.6 In addition to any remedies or liens provided by law, if any Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Board may bring suit for and on behalf of itself and as representative of all Unit Owners, to enforce collection thereof or to foreclose the lien hereafter provided; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorney fees to be fixed by the

Court. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements, or by abandonment of his or her Unit. The unpaid common expenses as well as parking charges assessed to a Unit Owner shall constitute a lien against the Unit of such owner and against such owner's interest in the property prior to all other liens, except only for liens for taxes and assessments and first mortgages, as now provided in the Act.

5.7 An assessment is delinquent if not received on or before the first day of the month that it is due. In the event any Unit Owner is delinquent in the payment of any assessment for a period in excess of fifteen days, a penalty of ten percent of the delinquent assessment shall be payable for each month of delinquency beginning with the initial month, without waiving any other rights of the Council or Board.

#### 6. Maintenance of Units.

6.1 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, 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, and the Limited Common Elements, 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 Board on behalf of the Council promptly on demand all expenses incurred by it in performing any such work authorized by the Board or the Managing Agent. In addition, each Unit Owner shall keep clean all patio areas and the interior and exterior windows, even though such items are a part of the General or Limited Common Elements. Every Unit Owner and occupant shall reimburse the Council promptly on demand for all expenses incurred by the Council in repairing or replacing any loss or damage to the Common Elements, where caused by such owner or occupant or by their guests or members of their households. They shall give prompt notice to the Board or Managing Agent of any such loss or damage or other defect in the Regime when discovered.

7. Use of Regime.

7.1 All Units of the Regime shall be used only for one-family residential Unit purposes;

7.2 All Common Elements of the Project shall be used only for their respective purposes as designed.

7.3 No Unit Owner or occupant shall place, store or maintain in the Common Elements 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.

7.4 Every Unit Owner and occupant shall at all times keep his Unit and any Limited Common Element appurtenant thereto (including all windows) in a strictly clean and sanitary

condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority, the Council or the Board of Administration applicable to the Project.

7.5 No Unit Owner or occupant shall make or suffer any waste or unlawful, improper, or offensive use of his Unit or the Project nor alter or remove any furniture, furnishings or equipment of the Common Elements.

7.6 No Unit Owner or occupant shall erect or place on the Property any structure including fences and walls, nor make any additions or alterations to any Common Elements (including Limited Common Elements) of the Regime, except as may be permitted in the Master Deed and 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 the Board of Administration, which approval may be given with accompanying restrictions as to the Unit Owner's duties of maintenance, repair and replacement of such improvements and any Common Elements affected thereby.

7.7 No signs, posters or bills may be placed or maintained on the Property.

7.8 No Unit Owner or occupant shall decorate or landscape any entrance or other planting area adjacent to his Unit except in accordance with standards therefor established by the Board of Administration or specific plans approved in writing by the Board, which standards or approval may be given with accompanying restrictions as to the Unit Owner's duties of

maintenance, repair and replacement of such decorating or landscaping and any Common Elements affected thereby.

7.9 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.

7.10 No garments, rugs or other objects shall be hung from windows or facades of the Project or in other areas within view of other occupants.

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

7.12 No refuse, garbage or trash of any kind shall be thrown, placed or kept on any Common Elements of the Project except in the areas provided for such purpose.

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

7.14 No Unit Owner or occupant shall without the written approval of the Board 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 Project or protruding through the walls, windows or roof thereof.

7.15 Nothing shall be allowed, done or kept in any Units or Common Elements of the Project which would overload or

impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates of the cancellation or invalidation of any insurance thereof maintained by or for the Council.

7.16 Overnight parking shall not be allowed except in an assigned parking space or stall; provided that overnight guests of a Unit Owner may park overnight in guest parking area for not more than two weeks per year in the aggregate.

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

7.18 The use of the Regime shall further be controlled as set forth in the Master Deed. The Master Deed and these Bylaws shall be construed together so as to augment each other.

#### 8. Expenses of Enforcement.

8.1 Every Unit Owner shall pay to the Council promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Council in collecting any delinquent assessments against such Unit, foreclosing its lien therefor or enforcing any provisions of the Master Deed, these Bylaws and Project Rules against such owner or any occupant of such Unit.

#### 9. Record Ownership.

9.1 Every Unit Owner shall promptly cause to be duly recorded the deed, assignment or other conveyance to him of such Unit, or other evidence of his title thereto, and shall file a

copy of same with the Board and the Secretary shall maintain all such information in the record of ownership of the Council.

10. Mortgages.

10.1 Any Unit Owner who mortgages his Unit, or any interest therein, shall notify the Board 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 or Managing Agent at the request of any mortgagee or prospective purchaser of any Unit, or interest therein, shall report to such person the amount of any assessment against such Unit then due and unpaid.

11. Miscellaneous

11.1 Amendment. These Bylaws may be amended in any respect not inconsistent with provisions of law or the Master Deed by vote of the Unit Owners owning at least a majority vote of the Council at any meeting of the Council duly called for such purpose. Specifically, but without limitation, these Bylaws cannot be amended to impair or adversely affect Developer's rights as contained herein or in the Master Deed, without Developer's written consent.

11.2 Indemnification. The Council shall indemnify every Board member and officer, and his executors and administrators, against all expenses reasonably incurred by or imposed on him in connection with any action, suit or proceeding to which he may be made a party by reason of being or having been a Board member, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to

be liable for fraud or bad faith, and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Board 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.

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

11.4 Headings in these Bylaws are for convenience only and are of no substantive effect.

11.5 Pronouns shall be read interchangeably in masculine and feminine, singular and plural as appropriate.

12. Inter-Council Association and Expansion of Regime

12.1 By action of the Board, the Council of Co-Owners of Promenade Court Townhomes may participate in and contract with other such boards and councils of other condominium regimes for the purposes of efficiency and economy in the operation and maintenance of the condominium regimes participating therein.

12.2 If the Regime is expanded pursuant to Section 5 of the Master Deed, whereby future Phases become part of the Regime, these Bylaws pertain to such future Phases, and there shall be

only one Board for all Phases, and there shall be only one Council for all Phases.

13. Enforcement.

13.1 Violation of the provisions of the Master Deed, these Bylaws or any Project rules may be remedied in any court of law or equity having jurisdiction thereof by the Council of Co-owners, its Board of Administration, or managing agent or administrator, or any Unit Owner or owners entitled to relief with the remedies available to such person or persons including damages, restraining order, injunction, accounting, lien enforcement and specific performance, or any combination thereof.

14. Developer's Rights and Exclusions.

14.1 Developer's "transfer of control" as used herein has the same definition as that term is defined in the Master Deed.

14.2 Until Developer's transfer of control, it shall have the right to enforce the provisions of the Master Deed, Bylaws, and Regime Rules, and Developer shall have the right to amend, repeal or add to or suspend the effectiveness of these Bylaws, and the Regime Rules without consent of Unit Owners, or any of them, or any other party. Developer shall not have any liability as a Unit Owner under these Bylaws. Until Developer transfers control, Developer is not required to pay any assessments referred to herein, nor shall Units owned by Developer be subject to any lien by the Regime or Council, but Developer shall have maintenance obligations in lieu of such assessment as set forth

in the Master Deed. Until Developer's transfer of control, it shall, exclusively, have all rights and powers of the Council, Board and officers as contained in these Bylaws and Master Deed, exercisable or non-exercisable to any extent and in any manner as solely determined by Developer. Any non-exercise of said rights or powers by Developer shall not be any waiver to any future exercise of said rights or powers. Until Developer's transfer of control, the terms "Board" and "Council" and any designation of an officer, shall be construed to be read as "Developer" in all respects and for all purposes under these Bylaws.

The provisions of this Section 15 are controlling, notwithstanding anything to the contrary elsewhere contained in these Bylaws.

15. Procedural Irregularity, Notice,

Application to Master Deed and Severability.

Section 15.1 Any defect, omission, delay or irregularity in connection with the administrative matters of the Board or Council, including, but not limited to, any defect or irregularity in any election, shall not be a defense excuse or reason for any Unit Owner delaying withholding payment of any funds or assessments due and payable to the Council or Board. Any such defect, omission, delay or irregularity may be corrected by Council or Board at any time, and as to payments justly due or which would be due if not for error of the Board or Council, may be made retroactive.



15.2 Notice to Unit Owners, as referred to in these Bylaws, means written notice, dated and mailed or delivered to a Unit Owner, or delivered to the Unit.

15.3 These Bylaws shall not invalidate, alter, or diminish any provisions of the Master Deed.

15.4 Each section and provision of these Bylaws is severable, and if any section or provision is held to be invalid or unenforceable by any court, the remaining sections or provisions remain in full force and effect.

Certificate of Adoption

The undersigned Developer and Owner of all Units of the Regime hereby adopts the foregoing as the Bylaws of the Council of Unit Owners of Promenade Court Townhomes, a Condominium Regime, on this \_\_\_\_\_, 19\_\_.

BERKLEY PARTNERS 1989-1, a  
Kentucky General Partnership

By: \_\_\_\_\_  
A General Partner

2661J  
5/15/90