

**THE OAKS CONDOMINIUMS OF LEXINGTON, INC.  
A PRIVATE CONDOMINIUM COMMUNITY BYLAWS**

**Amended, Restated and Substituted Bylaws**

**Approved December 1, 2020**

ARTICLE I

Plan Of Ownership

A. Condominium Submission. The Condominium Project known as “The Oaks Condominiums of Lexington, Inc.” (hereinafter called the “Condominium”), a Private Condominium Community located in Lexington, Fayette County, Kentucky, has been declared and constituted a Horizontal Property Regime by the Master Deed and Declaration of Horizontal Property Regime (hereinafter referred to as the “Master Deed”), of record in Deed Book 1107, Page 117, and Condominium Deed Book 1, Page 1, in the Fayette County Clerk’s Office, and shall be governed by the said Master Deed and these Bylaws.

B. Bylaws Applicability. The provisions of these Bylaws are applicable to the Property described in the Master Deed, including the land, buildings, and all improvements and structures thereon, as well as all easements, rights of way and appurtenances thereunto belonging, and the use, occupancy, sale, lease, or other transfer thereof. All owners of any fee or leasehold interest, all occupants or users of the premises, and the guests, agents, and servants of any of them, are subject to the provisions of the Master Deed, these Bylaws and the applicable laws of the Commonwealth of Kentucky.

C. Personal Application. All present and future Co-Owners, tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the facilities of the Condominium, shall be subject to these Bylaws and to the Rules and Regulations issued by the Council of Co-Owners (hereinafter referred to as the “Council”) or by its

Board of Directors (hereinafter referred to as the “Board”). Acquisition, rental or occupancy of any of the Condominium Units (hereinafter referred to as “Units”) in the Condominium shall constitute an acknowledgement that the said Co-Owner, tenant, or occupant has accepted and ratified these Bylaws, provisions of the Master Deed and the Rules and Regulations of the Council and will comply with them.

## ARTICLE II

### COUNCIL OF CO-OWNERS

A. Constitution. There is hereby constituted the Council of Co-Owners of the Condominium.

The Council shall be comprised of every person, firm, corporation, limited liability company, partnership, trust, estate, or other legal entity, or any combination thereof, which owns any Unit in the Condominium.

B. Voting. At all meetings of the Council, each Co-Owner having the right to vote shall be entitled to vote either in person or by mail-in ballot. Proxies are not permitted. Voting at all meetings of the Council shall be on a percentage basis with the Co-Owner of each Unit being entitled to vote the individual percentage interest allocated to that Unit in paragraph FOURTH of the Master Deed. In the event a Unit is owned by more than one person, all of the Co-Owners thereof shall be collectively entitled to the vote assigned to such Unit and such Co-Owners shall, in writing to the Board Secretary, designate one such Co-Owner who shall be entitled to cast the vote or votes on behalf of the Co-Owners of such Unit of which each is a part owner until such authorization shall have been changed in writing. This vote can be cast in person or by mail in ballot. No Co-Owner shall be eligible to vote at any meeting or be elected to the Board if such Co-Owner is more than sixty (60) days delinquent in payment of assessments for common expenses or other debts, charges, or obligations to the Council.

C. Majority of Co-Owners. “Majority of Co-Owners” means Co-Owners representing more than fifty (50%) percent of the total individual percentage interests of the Condominium.

D. Duties. The Council shall be responsible for the overall policy and administration of the Condominium, except as otherwise provided in these Bylaws or by applicable statutes. The Council shall act by and through its elected Board. The Council shall conduct such business as may properly come before it at its annual meetings or at such special meetings as may be properly called, either by the Council or by the Board.

E. Place of Meetings. Meetings of the Council shall be held at such place as shall be designated by the Board and stated in the notice of the meeting.

F. Annual Meeting.

1. Date. The Annual Meeting of the Council shall be held on the first Tuesday of December.
2. Notice. Written notice of the Annual Meeting shall be mailed to each Co-Owner entitled to vote thereat at least fifteen (15) days but not more than sixty (60) days prior to the meeting. Such mailing is to be considered notice served.
3. Business. The order of business at the Annual Meeting of the Council shall be as follows: (1) roll call (2) proof of notice of meeting or waiver of notice (3) reading of minutes of previous meeting (4) reports of officers (5) reports of committees (6) selection of election inspectors, if applicable (7) election of directors to the Board (8) adoption of annual budget or budgets (9) unfinished business and (10) new business.

G. Special Meetings.

1. A Special Meeting of the Council for any purpose or purposes may be called by the President of the Council or shall be called by the President if so directed either by resolution of the Board or upon a petition signed by Co-Owners representing thirty (30%) percent or more of the total individual percentage interests of the Condominium and presented to the Secretary of the Council.
2. Written notice of a Special Meeting, stating the time, place, purpose or purposes of such a meeting, and the specific action to be taken thereat, shall be mailed to each Co-Owner

entitled to vote thereat at least fifteen (15) days but not more than (60) days prior to the meeting. Such mailing is to be considered notice served

H. Quorum. Except for purposes specified by law to require a greater representation for the taking of any particular action at any meeting of the Council, more than fifty (50%) percent of the total individual percentage interest of the Condominium shall constitute a quorum and once a quorum is established, departure of any Co-Owner or Co-Owners from the meeting shall not affect the right of the remaining Co-Owners to conclude the conduct of any business which might regularly come before the meeting for consideration. If, however, such quorum shall not be present or represented at any meeting, the Co-Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. Upon such an adjourned meeting being reconvened at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

I. Council Action. When a quorum is secured for any meeting, the vote, whether present or by mail, of the majority of the total individual percentage interest of the Condominium shall decide any question brought before such meeting, unless the question is one upon which by express provision of these Bylaws, the Master Deed, or the Kentucky Revised Statutes, a different vote is required, in which case, such express provision shall govern and control the decision of such question.

J. Dispensing With Meeting. Whenever the vote of the Council at a meeting is required or permitted to be taken by any provision of these Bylaws, the Master Deed, or the Kentucky Revised Statutes, the meeting of the Council may be dispensed with if more than fifty (50%) percent of the total individual percentage interest of the Condominium, who would have been entitled to vote upon the action had such meeting been held, shall consent in writing to such action being taken.

## ARTICLE III

### BOARD OF DIRECTORS

A. Number of Directors. The number of Directors on the Board who shall constitute the whole Board shall be seven (7). Board membership shall be limited to Co-Owners in good standing.

B. Qualifications. A Director must be a Co-Owner or the spouse of a Co-Owner. In the case of a Unit owned by a corporation, any officer is eligible for election to the Board; if a Unit is owned by a partnership, any partner is eligible for election to the Board; if a Unit is owned by a limited liability company, any member is eligible for election to the Board, and if a Unit is held in trust, the trustee, grantor, or seller of the trust, or any one of the beneficial owners is eligible for election to the board. No unit may be represented by more than one Co-Owner.

C. Election.

1. Directors shall be elected at the Annual Meeting of the Council.
2. Directors shall be elected in alternate years as follows: three (3) Directors shall be elected in even-numbered years and four (4) Directors shall be elected in odd-numbered years.
3. In the event a quorum of the Council is not reached for an election, the current Board will serve until the adjourned Annual Meeting is reconvened (see Article II, Section H).

D. Term of Office.

1. The term of office of a Director shall be for two (2) years.
2. No Director shall serve more than two consecutive two-year terms although a Director may serve again after a one-year break in service.
3. Any Director who has been selected to fill a vacancy on the Board (see paragraph 6 below) may, if elected to do so, serve two consecutive two-year terms in addition to the time served filling a Board vacancy.

4. Directors shall hold office until their successors have been elected and have held their first meeting.
5. The term of any Director who is absent three (3) or more consecutive meetings without Board consent or who becomes more than sixty (60) days delinquent in payment of any assessments or charges due the Council shall be automatically terminated, so notified, and the remaining Directors shall appoint that Director's successor as provided in this Article.
6. If the office of any Director becomes vacant, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor to fill the remaining unexpired term. In the event that all Directors' offices become vacant at the same time, the Council shall hold a special election to fill the vacancies.
7. At the Annual Meeting or any Special Meeting of the Council duly called, any Director may be removed with or without cause by the affirmative vote of the majority of Co-Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at such meeting.

E. Meetings.

1. The organization meeting of a newly elected Board shall be held within ten (10) days of election at such place and time as shall fixed by such Board at the meeting at which such Board was elected, and no formal notice shall be necessary to the newly-elected Board, providing a majority of such Board shall be present.
2. Meetings of the Board shall be held at such place and time as shall be determined, from time to time, by a majority of the Board, but at least ten (10) such meetings in separate months shall be held during each year. Notice of the meetings of the Board shall be given to each Director, personally or by mail, telephone, or electronic transmission, at least three (3)

days prior to the day named for such meeting.

3. Special meetings of the Board may be called by the President or by a majority of the Directors. Notice of such special meeting shall be given personally, or by mail, telephone, or electronic transmission, and such notice shall state the time, place, and purpose of the meeting.
4. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by that person of the time and place thereof. If all the Board is present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.
5. At all meetings of the Board, a majority of the Board shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. Directors may participate in any meeting of the Board by a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at the meeting. Directors may not vote or participate by proxy at Board meetings. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. Upon such adjourned meeting being reconvened, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

F. Fidelity Bonds. All officers, agents, and employees of the Council handling or responsible for Condominium funds shall be covered by adequate fidelity bonds. The premiums on such bonds shall be paid by the Council.

G. Powers and Duties. The affairs and business of the Condominium

shall be managed by the Board which may exercise such powers and perform such duties and lawful acts as are not required by these Bylaws, the Master Deed, or the Kentucky Revised Statutes, to be performed by the Council or others. The Board shall have the power and authority to enforce all Bylaws and to adopt and enforce rules and regulations for administration of the affairs of the Condominium and the enjoyment of its Co-Owners, provided that no rule or regulation shall be in conflict with these Bylaws, the Master Deed, or the Kentucky Revised Statutes and provided, further, that no rule or regulation shall be construed as to impair in any manner the lien of any mortgagee or holder of a note secured by a mortgage, deed of trust or other security interest if said rule or regulation is enacted after execution of mortgage, deed of trust or other security interest.

H. Responsibilities of the Board. It shall be the responsibility of the Board to:

1. provide for the management, care, upkeep, protection, maintenance, and improvement of the General and Limited Common Elements (hereinafter referred to as Common Elements) of the Condominium and, in connection therewith, to enter into service, employment, and other contracts incident thereto, and to employ, set wages & benefits, supervise, evaluate and dismiss employees, agents, contractors, vendors, and attorneys required therefore. No Co-Owner or resident of the Condominium shall serve as manager or managing agent for the Condominium.
2. prepare the budget (hereinafter referred to as the "Operating Budget") for the next calendar year for submission at the Annual Meeting of the Council, said budget to contain the amount to be assessed against the Co-Owners and the expenditures there-from.
3. obtain insurance as hereinafter provided.
4. enforce the provisions of the Master Deed, these Bylaws and amendments thereto, and such rules and regulations as the Board may issue from time to time, including the right to sue on behalf of the Council and the Condominium.
5. establish an account (hereinafter referred to as "Replacement Reserve Fund") for the



repair and/or replacement of the Common Elements, and for emergencies and unforeseen contingencies The Replacement Reserve Fund shall be totally restricted for repair and/or replacement of those items either identified in the Reserve Computation which reflects the various assets' projected life and estimated cost of future replacement or identified by the Board, including but not limited to, roofs, paving, and other major repairs and/or replacements.

a. The Replacement Reserve Fund shall be funded by a percentage of the assessed fees in an amount not less than three (3%) percent nor more than eight (8%) percent of the total annual assessments until such time that the Replacement Reserve Fund reaches or exceeds 70% of the total annual assessments. At that time, the Board can use those funds for other budgeted expenses or improvements. The funds in the Replacement Reserve Fund shall be banked and/or invested separately from all other funds of The Oaks. If invested, the funds must be invested in instruments either guaranteed by the United States government (Treasury bills, Treasury notes, or Treasury bonds) or insured by the F.D.I.C. and with a maturity not to exceed five (5) years.

b. The funds in the Replacement Reserve Fund may be spent only after approval of the Council except in emergency situations. "Emergency" is defined as a condition which places the Condominium in an unforeseen, immediate, and inoperative position.

c. The Replacement Reserve Fund is to be separately identified in the financial statements of the Condominium and the Co-Owners are to be timely advised of all expenditures from the fund.

6. establish, from time to time, such other accounts as it deems necessary to address capital needs or for other purposes as identified by the Board, i.e., loan repayments. Such accounts shall remain separate from the Operating Budget although these accounts may receive funds from time to time from the Operating Budget.

7. borrow funds, when necessary,
  - a. from lending institutions upon approval from the Council.
  - b. from the Condominium's Replacement Reserve Fund, without Council approval, such loan not to exceed two and one-half (2 1/2%) percent of the then-current Operating Budget with a repayment schedule not to exceed two (2) years.
8. be able to purchase or lease, on behalf of the Council, any Unit in the Condominium whose Co-Owner has elected to sell or lease such Unit or any Unit which is to be sold at foreclosure or other judicial sale.
9. adhere to the specific items and amounts of the current annual Operating Budget and any other budgets approved by the Council.
10. present, at each Annual Meeting of the Council, and at any special meetings of the Council, a full and clear statement on the business and financial condition of the Condominium.
11. appoint from time to time such standing or temporary committees as the Board or the President deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. A committee which advises the Board on budgets, or a committee which has authority to take action on behalf of the Board, shall be subject to the notice provisions of these Bylaws. All other committees shall not be subject to the notice provisions of these Bylaws.
12. secure and keep confidential any and all personal information, both from Co-Owners and employees, that may be required from time to time by the Board or its designee.

- I. Validity of Contracts. No contracts or other transactions between the

Board and any other legal entity, nor any other actions of the Board, shall in any way be affected or invalidated by virtue of the fact that any of the officers or Directors have a financial interest in, or are

directors or officers of, such other legal entity.

J. Reimbursement of Expenses. Directors may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their duties upon approval by the Board.

K. Emergency Powers. In the event of an "emergency" as defined below, the Board may exercise the emergency powers described in this Section, and any other emergency powers authorized by the Kentucky Revised Statutes, as amended from time to time.

1. The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of emergency, to accommodate the incapacity of any officer of the Condominium.
2. The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.
3. During an emergency, the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication, television, or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.
4. Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Condominium shall bind the Condominium and shall have the rebuttable presumption of being reasonable and necessary.
5. Any officer, Director, or employee of the Condominium acting with a reasonable belief that his or her actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

6. These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.
7. For purposes of this Section only, an “emergency” exists only during a period of time that the Condominium, or the immediate geographic area in which the Condominium is located, is subject to:
  - a. a state of emergency declared by local civil or law enforcement authorities;
  - b. a partial or complete evacuation order;
  - c. federal or state “disaster area” status; or
  - d. a catastrophic occurrence, whether natural or man-made, which seriously damages or threatens to seriously damage the physical existence of the Condominium, such as an earthquake, fire, hurricane, tornado, war, civil unrest, or act of terrorism.
  - e. An “emergency” also exists for purposes of this Section during the time when a quorum of the Board cannot readily be assembled because of the occurrence of a catastrophic event, such as an earthquake, fire, epidemic, hurricane, tornado, war, civil unrest, act of terrorism, or other similar event. A determination by any two (2) Directors, or by the President, that an “emergency” exists shall have presumptive validity.

#### ARTICLE IV

##### OFFICERS

A. Designation. The principal officers of the Condominium shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board from its members. The Board may appoint such other officers as, in its judgment, may be necessary. Two or more offices may be held by the same person, with the exception of the President, who shall not hold any other

office.

B. Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting of each new Board and they shall hold office at the pleasure of the Board.

C. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify. Any officer elected or appointed by the Board may be removed from office at any time by the affirmative vote of a majority of the whole Board. If any office becomes vacant for any reason, the vacancy shall be filled by majority vote of the Board.

D. President. The President shall be the chief executive officer, shall preside at meetings of the Council and the Board, shall be an ex-officio member of all committees, shall have general and active management of the business of the Condominium, and shall see that all resolutions of the Board and/or Council are carried into effect.

E. Vice-President. The Vice-President shall, in the absence, disability, or disqualification of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe. If neither the President nor the Vice-President is able to act, the Board shall appoint a member of the Board to do so on an interim basis.

F. Secretary. The Secretary is responsible for the maintenance and accuracy of a list of the Co-Owners showing their last known mailing address, based upon information supplied by the Co-Owners. This list is to be maintained at the principal office of the Condominium and is to be available to all Co-Owners. The Secretary shall also give, or cause to be given, notice of all meetings of the Council and Board and shall ensure that minutes of the Annual Meeting and any Special Meetings of the Council and of all sessions of the Board, including resolutions adopted at such meetings, are maintained, in a book or books to be kept for such purposes, at the principal office of the Condominium. Minutes of Executive Meetings of the Board dealing with personnel matters shall be maintained in a

separate secure location.

G. Treasurer. The Treasurer shall be responsible for Condominium funds and securities, the keeping of complete and accurate records of receipts and disbursements and shall ensure that all monies and other valuable effects are deposited as directed by the Board. The Treasurer shall also oversee disbursement of funds as specified in the Annual Budget and/or approved by the Board as necessary, keeping proper vouchers for such disbursements, and shall render to the President and the Board, at the regular meetings of the Board or whenever they require it, an accounting of all transactions as Treasurer and of the financial condition of the Condominium.

H. Annual Accounting. All books and records shall be kept in accordance with sound accounting practices on a calendar-year basis in accordance with the applicable provisions of the Horizontal Property Law and the Kentucky Condominium Act of the Kentucky Revised Statutes and shall be made available to the Council.

I. Indemnification. Every Director and every officer of the Condominium shall be indemnified by the Condominium against all reasonable expenses and liabilities including the fee of an approved counsel reasonably incurred by or imposed upon such Director or officer in connection with any proceeding to which such Director or officer may be a party, or in which such Director or officer may become involved, by reason of being or having been a Director or officer of the Condominium or any settlement thereof, whether or not such person is a Director or officer at the time such expenses incurred, except in such cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of duties; provided that, in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Condominium. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which each Director or officer may be entitled.

J. Records. All official records of the Condominium shall be kept at the principal office of the Condominium.

ARTICLE V

OPERATION OF THE PROPERTY

A. Common Expenses. Common Expenses, as provided in the current annual Operating Budget, shall include, but not be limited to, the cost of operation, maintenance, repair, replacement and insurance of the Common Elements, electricity, water, sewer, utility service to the Common Elements, and the expenses of operating the Condominium, administration and management, including but not limited to, management fees, casualty and liability insurance premiums, service contracts, and employee salaries. The Common Expenses shall also include water and sewer service to the Units, and such other items as may be provided for in the current annual Operating Budget or as otherwise approved by the Council.

B. Determination of Common Expenses and Fixing of Common Charges. At each Annual Meeting, the Council shall fix and determine the amount deemed necessary to provide the costs of the Common Expenses in the next budget year, and shall assess said amount against all Units in the Condominium in accordance with their individual percentage interest as set forth in paragraph FOURTH of the Master Deed. To assist the Council in determining such amount, the notice of the annual meeting served on Co-Owners shall include a proposed annual Operating Budget prepared by the Board.

C. Notification of Common Charges. The Board shall advise all Co-Owners promptly, in writing, of the amount of common charges payable by each of them, respectively, and shall furnish copies of each budget or reason for expenditure (if not budgeted) on which such charges are based to all Co-Owners.

D. Lien for Common Expenses.

1. Each Co-Owner is liable for all assessments and charges levied and assessed against such Unit for payment of such assessments and charges, and such amounts shall constitute a lien (hereinafter referred to as "Lien") against said Unit from the day of assessment until the date of full

payment.

2. The Lien hereinabove set forth shall be inferior only to general and special assessments for real estate taxes and mortgages or other encumbrances recorded prior to the date of assessment of said Lien, or recorded after receipt of a written statement from the Board that the payments on said Lien were current as of the recordation date of such mortgage or other encumbrance.

3. In the event of default in payment, the Board also is empowered to direct the "Lessee" of a Unit where payment is in arrears that the "Lessee" is to pay directly to the Board the full amount of the rent and delinquent charges for any amount the Co-Owner is in arrears to the Condominium.

E. Payment of Lien after Transfer. Upon the voluntary sale or conveyance of a Unit, there shall be paid, or provided from the sales proceeds, or by the selling Co-Owner, an amount sufficient to satisfy any unpaid portion of assessments and charges due and payable as of the date of the conveyance. Any purchaser or lender in connection with such sale or conveyance shall be entitled to a statement furnished by the Condominium setting forth in detail the amount of any unpaid assessments and charges owed by the Co-Owner. Whenever title to a Unit is transferred for any reason, the new Co-Owner is jointly and severally liable with the previous Co-Owner for all assessments and charges, including, but not limited to, interest, late fees, attorneys' fees, costs, and other charges which came due prior to the transfer and remain unpaid, without prejudice to any right the new Co-Owner may have to recover from the previous Co-Owner any amounts paid by the new Co-Owner.

F. Late Payment or Default in Payment of Lien.

1. In the event of default in the payment of any one or more installments of the assessments and charges established for the payment of Common Expenses, the Board may declare any unpaid balance of said Lien immediately due and payable together with any penalties and interest



from the due date.

2. The Board shall take all appropriate actions to collect any assessments and charges which shall remain unpaid for a period of more than thirty (30) days from the due date thereof. The Board may institute a suit in the name of the Condominium to recover a money judgment for the same, together with interest thereon at the highest rate of interest allowed by law and reasonable expenses of collection, including, but not limited to, attorneys' fees, without foreclosing or waiving the Lien hereinabove provided.

3. Upon any delay in excess of ten (10) days in payment of charges levied on a Co-Owner's Unit for payment of Common Expenses or other default, such amount shall be subject to a service charge fixed by the Board, and it shall have the same status as any other charge for Common Expense.

G. Lien Enforcement. The Lien for any and all unpaid assessments and charges may be enforced and foreclosed in such manner as may from time to time be provided by the laws of the Commonwealth of Kentucky for the foreclosure of mortgages. In any action brought by the Board, in the name of the Condominium, to foreclose a Lien on a Unit because of unpaid charges, the Co-Owner shall be required to pay a reasonable rental for the use of such Unit, and the Board, as plaintiff in such foreclosure action, shall be entitled to the appointment of a receiver to collect the same.

H. Restrictions on Use of Units and Common Elements. To assist the Condominium in providing congenial occupancy and the protection of the value of other Units, it is necessary that the Board have the right and authority to exercise reasonable controls over the use of the Units. Therefore, all Units and Common Elements are subject to the following:

1. No Co-Owner, Co-Owner's agent, or other residents or occupants of the Condominium shall place any advertisements, signs, or posters of any kind in or about the Condominium, except this restriction shall not apply to advertisements, signs, or posters placed off-site

of the Condominium by the Co-Owner, or Co-Owner's agents in the selling of Units.

2. Units shall be used only for private residential purposes.
3. The number of unrelated persons living in a Unit is limited to two (2) per Eaton Unit and three (3) per Transylvania, Carlton or Mansfield Units.
4. No clothing, laundry, rugs or wash shall be hung from or spread upon or from any patio, window, or exterior portion of a Unit or in or upon any Common Element.
5. The keeping of pets is a privilege, not a right. No animal, other than common household pets, shall be kept or maintained in any Unit. "Common household pets" refers specifically to dogs (excluding pit bulldogs), cats, birds, and fish. Common household pets shall not be kept, bred, or maintained for commercial purposes in any Unit. In the interest of the health and welfare of residents of the Condominium, the Board may limit the number of pets permitted in any Unit. No pets, leashed or unleashed, shall be permitted in the pool area.
6. Any Co-Owner, tenant, resident, or occupant who keeps or maintains a pet shall, in exchange for and in consideration of the privilege to keep or maintain the pet, hereby indemnifies and holds harmless the Condominium and each Co-Owner from any loss, claim, or liability of any kind or character of whatever nature arising from or related to the keeping or maintaining of such pet.
7. Co-Owners, residents and guests shall exercise extreme care to avoid unnecessary noise including, but not limited to, musical instruments, radios, televisions, and amplifiers that may disturb other Co-Owners.
8. No Co-Owner or resident shall install, including but not limited to, electrical or telephone equipment, television antennae, HVAC units, or satellite dishes which protrude through the walls of the building or are otherwise visible on the exterior of the building except as authorized by the Board.
9. Installation and placement of satellite dishes shall not take place without the prior

written approval of the Board or its designee.

10. No truck, trailer, boat, camper, bus, mobile home, RV, ATV, or similar vehicle or any other equipment designated by the Board shall be parked or permitted to remain upon any part of the Common Elements. Small pickup trucks and small vans regularly used for residential transport are exempted from the above restriction.

11. All vehicles must have current license/registration, be insured and in good working order or will be subject to towing.

12. Any above described vehicle or equipment that is parked in violation of the above restrictions may be towed or booted whether it is on property owned by the Condominium or on the Common Elements appurtenant to a Unit. No prior notice is required. All costs and expenses shall be borne by the owner of the vehicle. Such costs and expenses shall not be considered a fine or suspension of the right to use the common facilities and do not preclude the Condominium or Council from pursuing those remedies instead of or in addition to towing or booting a vehicle. The Condominium is not liable for any damage to a vehicle that is towed or booted by a licensed and insured contractor. Unit Co-Owners and Lessees are responsible to see that all occupants of their Units, as well as guests, visitors, and invitees, comply with the parking restrictions. Unit Co-Owners shall indemnify, defend, and hold the Condominium and Council harmless from all claims against the Condominium and Council on account of towing or booting a vehicle, including claims against the Condominium and Council asserted by any occupant of the Unit as well as any guests, visitors, and invitees to a Unit, excepting only if it has been judicially determined that the Condominium or Council is guilty of gross negligence or a higher degree of culpability.

13. No elements of the Condominium may be used for any unlawful, immoral, or improper purpose.

14. No nuisances shall be allowed on the Condominium property, nor shall any use

or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Condominium by its residents.

15. Common Elements:

a. The common porches shared by more than one Unit are for entrance to and egress from the Units. For safety purposes, they shall remain unobstructed at all times except for such items as may be authorized by the Board from time to time in the rules and regulations of the Condominium.

b. In the use of the Common Elements of the Condominium, Co-Owners, tenants, occupants and guests shall obey and abide by all laws, ordinances, zoning, and other governmental regulations affecting the same and all applicable rules and regulations adopted from time to time by the Board

c. A Co-Owner shall grant a right of access to his/her Unit to any person authorized by the Board for the purpose of making inspections or for the purpose of correcting any condition originating in such Unit and threatening another Unit or Common Element or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services of other Common Elements in such Unit or elsewhere in the buildings, or to correct any condition which violates the provisions of any deed of trust or mortgage covering another Unit. Requests for entry shall be made in advance and for a time reasonably convenient to the Co-Owner. In case of emergency, such right of entry shall be immediate whether the Co-Owner is present at the time or not.

I. Maintenance and Repair:

1. Each Co-Owner shall be responsible for the care, upkeep, protection and maintenance of his/her Unit except to the extent that the obligation therefore is imposed on the Board by Article III, Section B, 1. The Co-Owner's responsibility shall include, but not be limited to, the following: the interior walls, floors and ceilings, kitchen and bathroom fixtures, appliances and

equipment, refrigerator and range, fireplaces, and those parts of the plumbing, lighting, heating and air-conditioning systems which are either wholly contained within such Unit or which serve only that Unit and no other. Every Co-Owner must perform promptly all maintenance and repair work within his/her Unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to another Co-Owner or other Co-Owners. Every Co-Owner shall be expressly responsible for any damages and liabilities suffered by other Co-Owners or by the Condominium resulting from or caused by said Co-Owner's failure to maintain or repair as herein provided. Each Co-Owner shall perform such maintenance and repair so as not to disturb or interfere with the other Co-Owners.

2. The Co-Owner of any Unit shall, at his/her own expense, clean and maintain the interior and exterior surfaces of all windows of such Unit and shall, at his/her own expense, clean and maintain the glass surfaces of all glass entry doors of the Unit including the interior and exterior surfaces of any door leading to any balcony, deck, terrace, or patio pertinent to such Unit.

3. Each Co-Owner shall promptly report to the manager any defect or need for repairs which are the Condominium's responsibility.

4. A Co-Owner shall promptly reimburse the Condominium for any expenditures incurred in repairing or replacing any Common Elements damaged through his/her own or his/her guest's fault or negligence.

5. Each Co-Owner shall be responsible for keeping all portions of the Limited Common Elements, restricted for the use of that particular Unit (including, without limitation, any balcony, covered parking space, terrace, or patio pertinent to such Unit) free and clear of litter, in good order and appearance.

J. Alterations, Additions, and Improvements.

1. Whenever, in the judgment of the Board, the Common Elements shall require alterations, additions, or improvements costing in excess of two and one-half (2 ½%) percent of the

then-current Operating Budget, the making of such alterations, additions, or improvements must be approved by a majority of Co-Owners. The Board shall then proceed with such alterations, additions, or improvements the cost of which shall constitute either a special assessment or become a part of the Common Expenses. Any alterations, additions, or improvements costing two and one-half (2 ½%) percent or less of the then- current Operating Budget may be made by the Board without approval of the Co-Owners and the cost thereof shall constitute a part of the Common Expenses.

2. No Co-Owner shall make any alterations, additions, or improvements to any portion of the Common Elements, nor remove any part or portion thereof, nor do anything that might jeopardize the safety or soundness of the Common Elements.

3. Any and all plans for renovations, installations, modifications, alterations, or additions to a Unit and appurtenant Limited Common Elements must be pre-approved in writing by the Board. The Board may refuse to approve a proposed plan of renovation, installation, modification, alteration or addition for any reasonable cause, including, but not limited to, safety concerns, without the necessity of obtaining professional opinions to support such concerns. No Unit Co-Owner may alter the landscaping in any way without prior Board approval. If a Unit Co-Owner makes any approved renovations, installations, modifications, alterations, or additions to his/her Unit or the Limited Common Elements, the Unit Co-Owner and his/her successors in title shall be financially responsible for the maintenance, repair, and upkeep of the renovations, installations, modifications, alterations, or additions, as well as the cost of repairing any damage to the Common Elements or other Units resulting from the same; and the Unit Co-Owner is also responsible to provide casualty insurance on such renovations, installations, modifications, alterations, or additions, even if the Condominium would otherwise be required to provide casualty insurance by statute or under the governing documents. The Unit Co-Owner and his/her successor in title shall also be responsible for the costs of removing, replacing, or reinstalling such renovations, installations, modifications, alterations, or additions if their removal by the Condominium or Council becomes necessary in order to maintain, repair, replace or

protect other parts of the Condominium property.

4. The Board shall answer any written request by a Co-Owner for approval of a proposed renovation, installation, modification, alteration, or addition to such Co-Owner's Unit within thirty (30) days after receiving such a request. Failure to do so within such thirty (30) day period shall constitute consent by the Board to the proposed renovation, installation, modification, alteration, or addition.

K. Use of Licensed and Insured Contractors. Whenever a Unit Co-Owner contracts for maintenance, repair, replacement, alteration, addition, or improvement of any portion of the Unit or Limited Common Elements, whether with or without Board approval, such Co-Owner shall be deemed to have warranted to the Condominium and its members that his/her contractor(s) are properly licensed and fully insured and that the Co-Owner will be financially responsible for any resulting damage to persons or property. The Unit Co-Owner also agrees to indemnify the Condominium and its members from any Liens which may attach to the Common Elements and which are attributable to work performed by or for the benefit of the Unit Co-Owner. The Board may establish rules regarding contractor access to the Condominium property, including rules regarding work hours, the placement, size, and duration of any dumpster in connection therewith, and may require a Unit Co-Owner to post damage/cleaning deposit in advance of commencing any work.

L. Enforcement of Maintenance. If after reasonable notice, the Unit Co-Owner fails to maintain the Unit or its appurtenant Limited Common Elements as required, the Condominium shall have the right to institute legal proceedings to enforce compliance, or may take any and all lawful actions to remedy such violation, including, but not limited to, entering the Unit, with or without notice to or consent of the tenant or Co-Owner, to repair, replace, and maintain any item which in the reasonable judgment of the Board may constitute a health or safety hazard to other property or residents or which has a material adverse effect on the appearance of the Condominium. Any expenses incurred by the Condominium/Council in performing work within the Unit as authorized, shall be charged to the Unit Co-

Owner, together with reasonable attorney's fees and other expenses or collection, if any, which expenses shall be secured by a Lien against the Unit and may be foreclosed in the same manner as Common Expenses.

## ARTICLE VI

### INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION

A. Authority.

1. The Board shall obtain and maintain, to the extent reasonably available, real property, personal property, vehicle, and liability insurance under such terms and for such amounts as shall be deemed necessary by the Board, but in no event less than the amount required by Section B of this Article. The premiums for insurance purchased by the Board shall be assessed as items of Common Expense. Such insurance coverage shall provide for the issuance of Certificates of Insurance and Endorsements to all mortgagees of Units and to all Co-Owners of said Units.

2. Provisions for such insurance shall be without prejudice to the right of each Co-Owner to insure his/her Unit or other legal interests as appropriate.

B. Coverage.

1. The Condominium shall be insured, to the extent reasonably available, against casualty in a minimum amount equal to the maximum insurable replacement value (i.e., 100% of replacement cost) thereof as determined annually by the Board with assistance of the insurance company affording such coverage. The policy shall cover all the improvements on the Property, with the exception of wall coverings, and shall contain "agreed amount", "condominium replacement cost", and "replacement cost endorsements." Such coverage shall be special-form coverage and shall include Back-Up-of-Sewer-And-Drains coverage and shall be as comprehensive as possible with replacement construction meeting current building codes.



2. Such coverage shall insure the buildings (including all of the Units and the bathroom, kitchen, and laundry fixtures and equipment, together with all air-conditioning, heating and other equipment, but not including furniture, furnishings, appliances, and other personal property supplied by Co-Owners) and other Condominium property. The Condominium shall be under a comprehensive general liability form for bodily injury, property damage, personal injury, and advertising injury in such amounts and in such forms as shall be required by the Board which, however, in no event shall be less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) aggregate. An umbrella liability policy of not less than Two Million Dollars (\$2,000,000.00) limit in excess of the above described basic coverage shall be obtained.

3. Workers Compensation insurance shall be obtained where necessary to meet the requirements of the law.

C. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

1. All policies shall be written with a company or companies licensed to do business in the Commonwealth of Kentucky and holding an "A" rating.

2. In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased individually by any of the Co-Owners or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Council pursuant to the requirements of this Article shall exclude such policies from consideration.

3. All policies shall, to the extent reasonably available, provide that such policies may not be cancelled without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees.

4. All policies of casualty insurance shall provide, that, notwithstanding any

provisions thereof which give the carrier the right to elect to restore or repair damage or to reconstruct in lieu of making a cash settlement, such option shall not be exercisable without the previous written approval of the Board or when in conflict with the provisions of these Bylaws or the provisions of the Horizontal Property Law of Kentucky or the Kentucky Condominium Act.

5. All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council, the Board, and their respective agents, employees, or invitees.

D. Individual Policies.

1. Each Co-Owner shall obtain, in addition to the insurance hereinabove provided to be obtained by the Board, a "Condominium Homeowner's Policy", or its equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expense, vandalism, or malicious mischief, theft, and the like. Such policy shall include a "Condominium Unit-Owner's Endorsement" covering losses to improvements and betterments to the Unit made or acquired at the expense of the Co-Owner.

2. All Co-Owners shall obtain liability insurance coverage in an amount to be established by the Board, but, in any event, at least \$300,000 in coverage. Such coverage shall name "The Oaks Condominiums of Lexington, Inc." as an "additional insured".

3. No Co-Owner shall maintain insurance coverage which will tend to decrease the amount which the Board may realize under any insurance policy which it may have in force at any particular time.

4. The Board may require each Co-Owner to file with the Council a copy of each individual policy of insurance purchased by the Co-Owner within thirty (30) days of its purchase.

E. Covenants for the Benefit of Mortgagees. Proceeds of insurance policies received by the Board shall be distributed to or for the benefit of the Co-Owners entitled thereto, after first paying or making provision for the payment of the expenses of the Board in the following manner:

1. If it is determined in the manner elsewhere provided herein that the damage for which the proceeds are paid shall not be repaired or reconstructed, then, and in that event, such portions of the project shall be deemed to be owned in common by the Co-Owners thereof and shall be subject to action for partition upon the suit of such Co-Owners or mortgagees.

2. In making distributions to Co-Owners and their mortgagees, the Board may rely upon a certification of the Council as to the names of the Co-Owners and their respective shares of the distribution. The Board shall not incur any liability to any Co-Owner, mortgagee, or any other person for any disbursements made by it pursuant to and in accordance with any such certificate or written authorization.

F. Reconstruction. If any part of the Condominium shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

1. Proceeds are to be paid first to repair or restore damage or construction as elsewhere provided herein. After defraying the cost of the repair or restoration, all remaining proceeds shall be payable jointly to the Co-Owners and mortgagees, if any, entitled thereto. This covenant is for the benefit of any mortgagee and may be enforced by it.

2. Where there is partial destruction, which shall be deemed to mean destruction which does not render two-thirds (2/3) or more of the Units of the entire Condominium untenable, there shall be compulsory reconstruction or repair.

3. Where there is total destruction, which shall be deemed to mean destruction which does render two-thirds (2/3) or more of the Units of the entire Condominium untenable, reconstruction or repair shall not be compulsory unless all of the Co-Owners unanimously vote in favor of such reconstruction or repair. Such a vote shall be held at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been fully adjusted, then within thirty (30) days thereafter.

4. Any such reconstruction or repair shall be in accordance with current building codes (ordinance and law coverage) and with the original construction and design under which the Condominium was originally constructed with the proceeds of insurance available for that purpose, if any.

5. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for action by the Co-Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the plans and specifications under which the Condominium was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the buildings stand.

G. Assessments If Insurance is Inadequate. Immediately after a casualty causing damage to property for which the Council has the responsibility of maintenance and repair, the Board shall obtain reliable and detailed estimates of the cost, in keeping with current building codes, to place the damaged property in as good a condition as it was before the casualty. Such estimated costs may include professional fees and premiums for such bonds as the Board desires. If the proceeds of insurance are not sufficient to defray such estimated costs, a special assessment shall be made against all Co-Owners in proportion to their aforementioned individual percentage interests in sufficient amount to provide funds to pay the balance of the estimated costs. Without regard to type or location of the facility, if at any time during reconstruction or repair, or upon completion of reconstruction or repair, the funds for the payments of the costs thereof are insufficient, assessments shall be made against all the Co-Owners in proportion to their individual percentage interests in sufficient amounts to provide funds for the payment of such additional costs.

H. Disbursements. Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds, or any combination thereof, shall be made pursuant to and in accordance with a certificate of the Council or the Board.

## ARTICLE VII

### LEASING OF UNITS

Co-Owners may lease their Units solely for residential purposes and only in their entirety. Such leases must be in writing and must be in accordance with the guidelines and restrictions of this Article.

A. Lessees. Every lessee must be a natural person except as provided for in Section J of this Article.

B. Term of Lease. No lease may be for a period of less than six (6) months, and no option for the lessee to extend or renew the lease for any additional period shall be permitted without Board approval. The Board, may, at its discretion, approve the same lease from year to year. No subleasing or assignment of lease rights by the lessee is allowed without Board approval.

C. Procedures.

1. Applications. Applications for authority to lease shall be made to the Board on such forms and include such terms as the Board may provide from time to time.
2. Notice by the Unit Co-Owner. A Co-Owner intending to lease his/ her Unit shall give to the Board or its designee written notice of such intention at least five (5) business days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a full executed copy of the proposed lease, and such other information as the Board may reasonably require. The Board may require a personal interview with any lessee and his or her spouse, if any, as a precondition to approval.
3. Failure to Give Notice to Obtain Approval. If proper notice is not given, the Board, at its election, may approve or disapprove the lease. Any lease entered into without approval may, at the option of the Board, be treated as a nullity, and the Board shall have the power to evict the lessee with five (5) days notice, without securing consent to such eviction from the Co-Owner. In the

event of eviction proceedings by the Board, the Co-Owner shall be responsible for such court costs, attorney's fees, and other expenses incurred in the action.

4. Board Action. After the required notice and all information or interviews requested have been provided, the Board or its designee shall approve or disapprove the proposed lease within the five (5) business-day period prior to occupancy. If the Board neither approves nor disapproves within such time frame, its failure to act shall be deemed the equivalent of approval, and on demand, the Board shall issue a written letter of approval to the lessee.

5. Committee Approval. To facilitate approval of leases proposed during times when many of the Board members are not available, the Board may, by resolution, delegate its approval powers to an ad hoc committee, which shall consist of at least three (3) members.

6. Disapproval. A proposed lease shall be disapproved only if a majority of the whole Board so votes, and in such case, the lease shall not be made. Appropriate grounds for disapproval shall include, but not be limited to, the following:

(a) The Co-Owner is delinquent in the payments of assessments at the time the application is considered.

(b) The Co-Owner has a history of leasing his/her Unit to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of such Unit.

(c) The real estate company or rental agent handling the leasing transaction on behalf of the Co-Owner has a history of screening lessee applicants inadequately or recommending undesirable lessees.

(d) The prospective lessee has been convicted of a felony involving violence to persons or property, a felony involving the sale or possession of a controlled substance, a felony demonstrating dishonesty or moral turpitude, or is a convicted sex offender.

(e) The Co-Owner fails to give proper notice to the Board of his/her intention

to lease his/her Unit.

7. Assessments. The legal responsibility for paying Condominium assessments may not be delegated to the lessee.

D. Occupancy During Lease Term. No one but the lessee, his or her guests, his or her family members within the first degree of relationship by blood, adoption, or marriage, and their spouses and guests may occupy the Unit. The total number of overnight occupants of a leased Unit is limited to two (2) persons per bedroom.

E. Use of Common Areas. To prevent overtaxing the Condominium facilities, a Co-Owner whose Unit is leased may not use the recreation or parking facilities of the Common Elements of the Condominium during the lease term.

F. Insurance. All leases shall contain a provision requiring the lessee to obtain and maintain a "renter's insurance policy" or a liability insurance policy, and to furnish a copy of such to the Board or its designee.

G. Regulation By Condominium. All of the provisions of the Condominium documents and the rules and regulations of the Condominium shall be applicable and enforceable against any person occupying a Unit as a lessee or guest to the same extent as against the Co-Owner. A covenant on the part of each occupant to abide by the rules and regulations of the Condominium and the provisions of the Condominium documents, designating the Condominium as the Co-Owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether or not expressed in such agreement.

H. Surcharge. Any Co-Owner of a "Non-Co-Owner-Occupied Unit", whether such Unit is leased or simply occupied by someone other than the Co-Owner, must pay an annual surcharge to the Condominium. Said surcharge shall be assessed for each year or partial year of the duration of said

occupancy, shall be determined by the Council, and shall be included in the annual Operating Budget of the Condominium. The only exception to this surcharge will be occupancy of the Unit solely by the children the Co-Owner.

The "Non-Co-Owner-Occupied Unit" surcharge will be due and payable within thirty (30) days of occupancy of the Unit. Failure to pay the surcharge fee within the allotted time will activate a penalty fee to be added to the surcharge fee, such penalty fee to be determined by the Board. The surcharge fee will be pro-rated if the Unit is first occupied after March 1 of any given year. There will be no refund of the surcharge fee or any portion thereof should the Unit cease to be occupied by the "Non-Co-Owner".

I. Leasing Restrictions. Notwithstanding any provisions herein to the contrary, from and after December 6, 2011, a Co-Owner shall not lease his/her Unit if the then percentage of leased Units exceeds fourteen and nine-tenths (14.9%) percent of the total number of Units (hereinafter referred to as "Rental Restriction"). However, the above Rental Restriction shall not apply to Co-Owners or their heirs who have title to their Unit prior to December 6, 2011. The Oaks Condominium Horizontal Property Regime consists of twenty-nine (29) residential buildings (hereinafter referred to as "Building") with residential units in each Building, to wit:

Eaton No. 1 Building	12 units
Eaton No. 2 Building	12 units
Eaton No. 3 Building	12 units
Eaton No. 4 Building	12 units
Eaton No. 5 Building	12 units
Eaton No. 6 Building	12 units
Eaton No. 7 Building	12 units



Eaton No. 8 Building	12 units
Eaton No. 9 Building	12 units
Eaton No. 10 Building	12 units
Eaton No. 11 Building	12 units
Eaton No. 12 Building	12 units
Eaton No. 13 Building	12 units
Eaton No. 14 Building	12 units
Eaton No. 15 Building	12 units
Transylvania No. 1 Building	6 units
Transylvania No. 2 Building	6 units
Transylvania No. 3 Building	6 units
Transylvania No. 4 Building	6 units
Transylvania No. 5 Building	6 units
Transylvania No. 6 Building	6 units
Carlton No. 1 Building	4 units
Carlton No. 2 Building	4 units
Carlton No. 3 Building	4 units
Carlton No. 4 Building	4 units
Mansfield No. 1 Building	4 units
Mansfield No. 2 Building	4 units
Mansfield No. 3 Building	4 units

Mansfield No. 4 Building 4 units

In the event of a violation of the provisions of this section by a Co-Owner, the Co-Owner and his/her respective Unit shall be assessed monthly penalties equal to 150% of the regular maintenance fee assessed against such Unit.

J. Exceptions for Mortgages. The provisions of this Article VII shall not apply to leases entered into by institutional mortgagees who acquire title through the mortgage whether by foreclosure or by a deed in lieu of foreclosure.

## ARTICLE VIII

### MORTGAGES

A. "Mortgagee" and "Mortgage". As used in this title and generally in the Master Deed and Bylaws, the term "mortgagee" includes the holder of a note secured by a mortgage or other security interest encumbering a Unit and recorded among the land records of Fayette County, Kentucky; and the term "mortgage" includes any vendor's lien, mortgage or other security interest recorded among the said land records.

B. Notice To Board. A Co-Owner who mortgages his/her Unit shall notify the Board or its designee of the name and address of such mortgagee, if any; and the Board shall maintain such information in the permanent records of the Condominium.

C. Notice of Unpaid Common Charges. The Board, whenever so requested in writing by a mortgagee, title company or attorney, shall promptly report any then unpaid common charges due from, or any other default by, the Co-Owner of the mortgaged Unit.

D. Examination of Books. Each Co-Owner and each mortgagee shall be permitted to examine the Books of Account of the Condominium at reasonable times on business days, but no more

often than once a month.

## ARTICLE IX

### NOTICE

Manner of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, the Master Deed, or the applicable Kentucky Revised Statutes, such notice must be mailed, electronically transmitted, or personally delivered to each Co-Owner at the address which appears on the books of the Condominium, or furnished by personal delivery. The Co-Owner is responsible for providing the Condominium with a current address and with notice of any change of address. An affidavit of the officer, employee, or person making such a mailing, electronic transmission, or personal delivery shall be retained in the Condominium records as proof of notice. If ownership of a Unit is transferred after notice has been mailed, electronically transmitted, or personally delivered, no separate notice to the new Co-Owner is required. Attendance at any meeting by a Co-Owner constitutes waiver of notice by such Co-Owner unless the Co-Owner objects to the lack of notice at the beginning of the meeting.

## ARTICLE X

### ABATING AND ENJOINING VIOLATIONS BY CO-OWNERS

The violation of any rule or regulation adopted by the Board, or the breach of any provision of Bylaws contained herein, or the breach of any provision of the Master Deed shall give the Board the right, in addition to any other rights set forth in these Bylaws:

- 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 Co-Owner at fault, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board 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. The Co-Owner shall be liable for any costs, legal or otherwise, incurred in the investigation and remedy of any such breach.

ARTICLE XI

AMENDMENT OF BYLAWS

These Bylaws may be amended by the affirmative vote of the Majority of the Co-Owners at the Annual Meeting or any Special Meeting of the Council. No amendments to the Bylaws shall become effective until recorded among the land records of Fayette County, Kentucky.

ARTICLE XII

COMPLIANCE, CONFLICT AND MISCELLANEOUS PROVISIONS

A. Compliance. These Bylaws are set forth in compliance with the Horizontal Property Law of the Commonwealth of Kentucky and the Kentucky Condominium Act (hereinafter referred to collectively as the "Act").

B. Conflict. These Bylaws are subordinate and subject to all provisions of the Master Deed and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Master Deed or the Act. In the event of any conflict between these Bylaws and the Master Deed, the provisions of the Master Deed shall control.

C. Severability. If any provisions of these Bylaws or any section, sentence, clause, phrase, or word, or the application hereof in any circumstance is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby and shall remain in full force and effect.

D. Waiver. No restriction, condition, obligation, or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

E. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or to enlarge the terms and provisions of these Bylaws.

F. Gender, etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

### ARTICLE XIII

#### DEFINITIONS

Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they have in the Master Deed or in the applicable provisions of the Kentucky Revised Statutes.



**THE OAKS CONDOMINIUMS OF LEXINGTON, INC.**

**A PRIVATE CONDOMINIUM COMMUNITY**

**FIRST AMENDMENT TO AMENDED, RESTATED, AND SUBSTITUTED BYLAWS**

WHEREAS, the Substituted By-Laws of The Oaks Condominiums of Lexington, Inc., (hereinafter referred to as "The Oaks") were recorded February 16, 1995, and of record in Condominium Deed Book 31, Page 166, in the Office of the Fayette County Clerk; and

WHEREAS, the Amendments to By-Laws (hereinafter referred to as the "First Amendments") were recorded July 2, 1999, of record in Condominium Deed Book 40, Page 146, in the Office of the Fayette County Clerk; and

WHEREAS, the Second Amendments to the By-Laws (hereinafter referred to as "Second Amendments") were recorded January 27, 2011, of record in Condominium Deed Book 87, Page 105, in the Office of the Fayette County Clerk; and

WHEREAS, the Third Amendments to the By-Laws (hereinafter referred to as the "Third Amendments") were recorded December 14, 2011, of record in Condominium Deed Book 87, Page 105, in the Office of the Fayette County Clerk; and

WHEREAS, the Amended, Restated and Substituted By-Laws (hereinafter the "Restated By-Laws") having been approved by the required majority at a meeting of the unit owners on December 1, 2020, having been recorded on April 29, 2022, and being of record in Condominium Deed Book 139, Page 408, in the Office of the Fayette County Clerk; and

WHEREAS, the following First Amendment to the Restated By-Laws was approved by the required majority at the Annual Meeting of the Co-Owners, pursuant to notice, on Tuesday, December 5, 2023

NOW, THEREFORE, the Restated By-Laws are hereby amended as follows:

ARTICLE III

BOARD OF DIRECTORS

H. Responsibilities of the Board. It shall be the responsibility of the Board to:

5. Establish an account (hereinafter referred to as "Replacement Reserve Fund") for the repair and/or replacement of the Common Elements, and for emergencies, unforeseen contingencies, and capital replacements. The Replacement Reserve Fund shall be used for repair and replacement of those items either identified in the Reserve Computation, which reflects the projected life and estimated costs of future replacements, or those identified by the Board in emergency and non-emergency situations, including, but not limited to, roofs, paving, or fencing.

a). The Replacement Reserve Fund shall be funded by a percentage of the assessed fees in an amount to be determined by the Board, but which shall not be less than three percent (3%) nor exceed ten percent (10%) of the total annual assessment. Said funds shall be held in a separate account and may be invested separately from any other funds held by The Oaks. In the event said funds are invested, the investments shall be limited to instruments guaranteed by the United States Government (Treasury bills, Treasury notes, or Treasury bonds) or funds insured by the F.D.I.C and with a maturity not to exceed five (5) years.

b). The funds in the Replacement Reserve Fund may be spent after approval by the Board, except in emergency situations, in which case, the funds may be spent in accordance with Article III, Section K, herein. An "emergency" shall be defined as a condition which places the condominium in an unforeseen, immediate, and inoperative position.

c). The Replacement Reserve Fund shall be separately identified in the financial statements of the Condominium and the Co-Owners are to be advised of all expenditures from the fund in a timely manner.

6. Establish from time to time, such other accounts as the Board deems necessary to address the capital needs of the Condominium or for other necessary purposes as determined by the Board. Such accounts shall remain separate from the Operating Budget, although said accounts may from time to time receive funds from the Operating Budget.

ARTICLE VI

INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION

B. Coverage.

1. The Condominium shall be insured, to the extent reasonably available, against casualty in the minimum amount equal to the "maximum insurable replacement value," which shall be defined as one hundred percent (100%) of replacement cost, thereof as determined by the Board on an annual basis with the assistance of the insurance company affording such coverage. The policy shall contain "agreed amount, condominium replacement cost, and replacement cost endorsements." Such coverage shall be special form coverage and shall include coverage for "Back Up of Sewer and Drains" and shall be as comprehensive as reasonably practicable as possible while meeting current building codes.

2. Such coverage shall insure those items, areas, and improvements in the Condominium as defined in the Master Deed as “common elements” and “limited common elements” but shall not include those items defined in the Master Deed as being included in or a part of the “Unit.” The Condominium shall be covered under a comprehensive general liability policy for such claims as bodily injury, property damage, personal injury, and advertising injury in such amounts and forms as shall be required by the Board, in conformity with the laws of the Commonwealth of Kentucky; however, in no event shall said coverage be less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. In addition, an umbrella liability policy of not less than Two Million Dollars (\$2,000,000.00) limit in excess of the above-described basic coverage shall be obtained.

D. Individual Policies.

1. Each Co-Owner shall obtain a “Condominium Homeowner’s Policy” to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expense, vandalism, malicious mischief, and theft. Said policy shall include a “Condominium Unit Owner’s Endorsement” and shall also provide coverage for property damage for the Co-Owners respective “Unit” as defined in the Master Deed. Said individual coverage shall include all improvements or betterments to the “Unit” made by or acquired at the expense of the Co-Owner. Further, any such policy shall include coverage for property damage to other “Units” and “common elements” in which the Co-Owner is responsible for said damage.

Except as modified and adopted herein the By-Laws shall remain unchanged and in full force and effect.

[Remainder of Page Intentionally Left Blank]



IN WITNESS WHEREOF, the undersigned have hereunto set their hands and do hereby certify that the above has been duly adopted by the Council of Co-Owners of The Oaks Condominiums of Lexington, Inc., on this the 20<sup>th</sup> day of January, 2024.

BY: Kristine P. McDougall  
Kristine P. McDougall, President

BY: Ron E. Oliver  
Ron E. Oliver, Secretary

COMMONWEALTH OF KENTUCKY

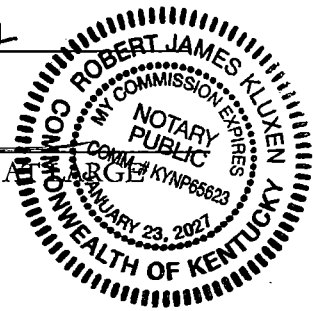
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COUNTY OF FAYETTE

Subscribed, sworn to, and acknowledged before me by, Kristine P. McDougall and Ron E. Oliver, of The Oaks Condominiums of Lexington, Inc., a non-profit Kentucky Corporation, in their capacity as President and Secretary, respectively, of and on behalf of said corporation, on this the 20<sup>th</sup> day of January, 2024.

My commission expires: 1/23/27

Robert J. Kluxen  
NOTARY PUBLIC KENTUCKY STATE



PREPARED BY :

MURPHY & CLENDENEN, PLLC  
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Lexington, Kentucky 40507  
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By: Christopher M. Clendenen  
Christopher M. Clendenen