

BYLAWS  
OF  
ARBOR RIDGE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I  
Offices

The principal office of the corporation shall be located at 111 West Washington St. Louisville, Kentucky 40202, but may be changed from time to time by resolution of the Board of Directors.

ARTICLE II  
Members

Pursuant to the Subdivision Restrictions recorded in Restrictions Book 7, Page 283, Restrictions Book 7, Page 392, Restrictions Book 7, Page 583, and Restriction Book 8, Page 171, of the Oldham County Court Clerk's Office, and due to the fact that the Developer of ARBOR RIDGE still owns more than five percent (5%) of the lots in said subdivision, the association shall have two classes of members for the present time.

Class A Members shall be all Owners, with the exception of Developer (until conversion as stated below), and shall be entitled to one vote for each Lot owned. In the event that the Owner is more than one person or entity, votes shall be apportioned as provided herein. Owners of each Lot shall keep on file with the Secretary of the Homeowners' Association a notice of the fractional votes to which each Owner is entitled. In no event shall any Lot be entitled to more than one vote.

Each member shall have one vote for each lot owned provided that all applicable association fees have been paid as of the time of the vote. A member who owns more than one lot within the development may have the same number of votes as the number of lots owned provided that all applicable association fees are paid for all additional lots from the time of initial ownership of same. In the event a lot is owned by two or more individuals or entities, each shall be members. If the ownership is in joint survivorship, each shall have only a proportional vote in the same fractional share as his/her interest represents to the total number of owners of said lot. If the ownership is by multiple parties as tenants in common, each shall have a fractional share of one vote based on his/her percentage ownership of the lot. In no event shall more than one vote be cast with respect to any lot owned by several members.

Class B Member shall be the Developer. Developer shall be entitled to twenty (20) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever first occurs.

-- Transfer of control by the Developer to the Homeowners' Association, as stated below, which must occur no later than twenty (20) years from the date of conveyance of the first Lot to an Owner other than the Developer. Transfer of control shall occur at the time Members, other than any representatives of Developer, are elected to the Board of Directors. Developer shall proceed to transfer this control within 45 days after ninety-five percent (95%) of the total number of Lots which may be developed in ARBOR RIDGE have been conveyed to Owners other than the Developer. Transfer of control for these purposes does not mean that Developer will have relinquished architectural control or its other rights under the restrictions, unless they are specifically assigned.

The membership rights (including voting rights) of any members may be suspended by action of the Board of Directors if such members shall have failed to pay any assessment or charge lawfully imposed upon such member or any property owned by such member, or if any member shall be in current violation of any rule or regulation promulgated by the Board of Directors regarding the use of any property or conduct with respect thereto.

Until such time as control of the Homeowners' Association is transferred from Developer to the owner members, annual and special meetings may be held without notice to Class A Members, and business may be conducted if a quorum (as hereinafter stated) is present, or may be conducted by unanimous written consent of all Class B members. Upon transfer of control to the owner members, this provision shall no longer apply.

Annual meetings of the membership shall be held the second week of June of each year commencing in 2004 at such time and place as designated in a notice thereof. The primary purpose of said meeting shall be to elect the directors for the upcoming year and present the budget to the membership at large. Written notice stating the place, day and hour of the annual meeting and, in the case of special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five nor more than twenty days before the date of the meeting, either personally or by mail, by or at the direction of the president, secretary or board member, or the person(s) calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as appears on the books of the association, with postage prepaid thereon.

Any voting members (for which all applicable association fees are paid) representing the ownership of at least five (5) lots shall constitute a quorum at the meeting.

The Homeowners' Association shall accept any and all rights, obligations or property owned by the Developer at such time and from time to time as Developer expressly conveys any such rights, obligations or property to the Homeowners' Association by executing and delivering to the Homeowners' Association such appropriate instrument(s) conveying such rights, obligations or property.

ARTICLE III  
Directors

(A) General powers

The Business and affairs of the corporation shall be managed by its Board of Directors. The Board of Directors shall have power to:

(a) exercise for the Association all powers, duties and authority vested in or delegated to this Association by law or the Declaration of Restrictions (including any authority under the restrictions reserved to the Developer) and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or by such Declarations;

(b) employ independent contractors as they deem necessary, and to prescribe their duties;

It shall be the duty of the Board of Directors to:

(a) keep a correct and complete record of all its corporate affairs, make such records available for inspection by a Member or his agent, and present an annual statement thereof to the Members;

(b) supervise all officers and agents of the Association and see that their duties are properly performed;

(c) designate depositories for Association funds and designate those officers and/or agents who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;

(d) hold an Association meeting on the proposed annual budget and approve the annual budget;

(e) set the date(s) assessments are due, decide what, if any, interest rate and/or penalty is to be applied to assessments which remain unpaid thirty (30) days after they become due;

(f) send written notice of each assessment to an owner of each lot subject thereto at least thirty (30) days before the due date of the annual assessment;

(g) record and enforce any liens deemed necessary or prudent;

(h) cause the Common Areas, if any, to be maintained;

(B) Number, tenure, and qualifications

The number of directors of the corporation shall be three (3), but may be increased or decreased by amendment of this bylaw. The Board of Directors shall be elected at each annual meeting of members. Each director shall serve as a director until the earlier of (1) the organization meeting and thereafter at the next annual meeting of members and until his successor has been elected and qualified; or (2) he is removed by a majority of the members, with or without cause. Elections shall be conducted by nominations made from the members entitled to vote with the election to be by secret ballot, unless no more than three (3) members are nominated, in which case the election may be completed by proper acclamation.

(C) Vacancies

Should a vacancy occur on the board before completion of a term, such vacancy may be filled by the affirmative vote of a majority of the remaining Board of Directors, though less than a quorum.

(D) Annual meeting

The annual meeting of the Board of Directors shall be held without notice other than this bylaw immediately after the annual meeting of members to elect officers of the corporation for the upcoming year and to address any other business as may properly come before the board. The Board of Directors may provide, by resolution, the time and place, either within or without the Commonwealth of Kentucky, for the holding of additional regular meetings without other notice than such resolution.

(E) Special meetings

Special meetings of the Board of Directors may be called by or at the request of the president, or by a majority of the directors in office. The person or persons authorized to call special meetings of the Board of Directors may choose any place, either within or without the Commonwealth of Kentucky, as the place for holding any special meeting of the Board of Directors called by them.

(F) Notice

Notice of any special meeting shall be given at least five days prior thereto by written notice delivered personally, mailed, or faxed (provided confirmation is obtained that the fax has been received) to each director at his business or other designated address. If mailed, such notice shall be deemed to delivered when deposited in the United States mail in a sealed envelope so addressed, with first class postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any notice required hereunder shall state the time and place of the meeting. Notice of any special meetings shall also state the nature of the

business to be conducted.

(G) Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

(H) Manner of acting

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(I) Compensation

No director shall receive compensation for his services as director; however, any reasonable expenses incurred by a director related to his or her duties or responsibilities as such, shall be paid by the corporation; provided that nothing contained herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

(J) Committees

The Board of Directors shall have authority to establish such committees as it may consider necessary or convenient for the conduct of its business. The Board of Directors may establish an executive committee in accordance with and subject to the restrictions set out in the statutes of the Commonwealth of Kentucky.

(K) Informal action

Any action required or permitted to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board of Directors or of a committee, may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the directors, or all members of the committee, as the case may be, and included in minutes or filed with the corporate records. Such consent shall have the same effect as a unanimous vote.

ARTICLE IV  
Officers

(A) Classes

The officers of the Corporation shall be a President, a Secretary, a Treasurer and such other officers whose duties may be fixed from time to time by the Board of Directors and who are to be

elected in accordance with the provisions of this article.

(B) Election and term of office

Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. After the initial appointment of officers by the Board of Directors at the corporation's organizational meeting, the officers of the corporation shall be elected every year by the Board of Directors at the annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as shall be convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. No officer shall be elected or appointed to serve a term of office exceeding three years.

(C) Removal

Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors, with or without cause, whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

(D) Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

(E) President

The president shall be the chief executive officer of the corporation and shall in general supervise and control all of the day-to-day business and affairs of the corporation. The president shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

(F) Secretary

The secretary shall (1) keep the minutes of the members' and the Board of Directors' meetings in one or more books provided for that purpose; (2) see that all notices are duly given in accordance the provisions of these bylaws or as required by law; (3) be custodian of the corporate records; and (4) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the Board of Directors.

(G) Treasurer

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The treasurer shall (1) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws; and (2) in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or by the Board of Directors.

ARTICLE V

Contracts, Loans, Checks, and Deposits

(A) Contracts

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

(B) Loans

No loans shall be contracted on behalf of the corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

(C) Checks, drafts, orders, etc.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

(D) Deposits

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

(E) Gifts

Any director or officer may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes of or for any special purpose of the corporation.

(F) Charitable contributions

No officer shall make charitable contributions in the name of, from the funds of, or on behalf of the corporation without prior authorization by the Board of Directors.

ARTICLE VI  
Books and Records

The corporation shall keep correct and complete books and records of the account and shall also keep minutes of the proceedings of its members and Board of Directors, and shall keep at the principal office a record giving the names and addresses of the directors entitled to vote. All books and records of the corporation may be inspected by any director, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE VII  
Fiscal Year

The fiscal year of the corporation shall be January 1st to December 31st.

ARTICLE VIII  
Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of the articles of incorporation, or under the provisions of the corporation laws of the Commonwealth of Kentucky, waiver thereof in writing, signed by the person, or persons, entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX  
Amendment of Bylaws

These bylaws may be amended, altered, changed, added to, or repealed by the affirmative vote of a majority of the Board of Directors (no lesser quorum being applicable), if notice of the proposed amendment, alteration, change, addition, or repeal be contained in the notice of the meeting to the Board of Directors.

ARTICLE X  
Indemnification

Each person who is or was a director or officer of the Association, whether elected or appointed, including the heirs executors, administrators, or estate of any such person, shall be indemnified by the Association to the full amount against any liability, and the reasonable cost or expense (including attorney fees, monetary or other judgments, fines and excise taxes, or penalties



and amounts paid or to be paid in settlement) incurred by such person in such person's capacity as a director or officer or arising out of such person's status as a director or officer; provided, however, no such person shall be indemnified against any such liability, cost, or expense incurred in connection with any action, suit, or proceeding (1) in which such person shall have been adjudged liable on the basis that personal benefit was improperly received by such person, (2) for any transaction in which the director's personal financial interest is in conflict with the financial interests of the corporation, (3) for acts or omissions not in good faith or which involve intentional misconduct or which are known by the director to be in violation of law. Such rights of indemnification shall be a contract right and shall include the right to be paid by the Association the reasonable expenses incurred in defending any threatened or pending action, suit, or proceeding in advance of its final disposition; provided, however, that such advance payment of expenses shall be made only after delivery to the Association of an undertaking by or on behalf of such person to repay all amounts so advanced if it shall be determined that such person is not entitled to such indemnification. Any repeal or modification of this article shall not affect any rights or obligations then existing. If any indemnification payment required by this article is not paid by the Association within 90 days after a written claim has been received by the Association, the director or officer may at any time thereafter bring suit against the Association to recover the unpaid amount and, if successful in whole or in part, such person shall be entitled to be paid also the expense of prosecuting such claim. The Association may maintain insurance, at its own expense, to protect itself and any such person against any such liability, cost or expense, whether or not an Association would have the power to indemnify such person against such liability, cost, or expense under the Kentucky Nonprofit Corporation Acts or under this article, but it shall not be obligated to do so. The indemnification provided by this article shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any bylaw, agreement, statute, vote of members or board of directors, or otherwise. If this article or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each such person to the full extent permitted by any applicable portion of this article that shall not have been invalidated or by any other applicable law.

The above Bylaws of this Corporation  
were adopted by the Board of Directors  
on February 5, 2004.

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CHAIRMAN

ATTEST:

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SECRETARY

FIRST AMENDMENT TO BY-LAWS  
UNANIMOUSLY ENACTED BY BOARD OF DIRECTORS  
AT SPECIAL MEETING HELD AT THE BANK-OLDHAM COUNTY  
ON JUNE 16, 2004 AT 5:50 P.M.

(This Amendment changes the number of Board of Directors from three to seven)

Article III of the By-laws enacted February 5, 2004, for Arbor Ridge Homeowners' Association is hereby amended to read as follows:

(B) Number, tenure and qualifications

The number of directors of the corporation shall be seven (7), but may be increased or decreased by amendment of this bylaw. The Board of Directors shall be elected at each annual meeting of members. Each director shall serve as a director until the earlier of (1) the organization meeting and thereafter at the next annual meeting of members and until his successor has been elected and qualified; or (2) he is removed by a majority of the members, with or without cause. Elections shall be conducted by nominations made from the members entitled to vote with the election to be by secret ballot, unless no more than three (3) members are nominated, in which case the election may be completed by proper acclamation.

SECOND AMENDMENT TO BY-LAWS  
ENACTED BY BOARD OF DIRECTORS  
AT REGULAR MEETING HELD AT 6507 ARBOR RIDGE DRIVE  
ON NOVEMBER 8, 2005 AT 6:30 P.M.

(This Amendment is in response to a vote by the Homeowners' Association in October 2004 to amend the by-laws to require approval of 75% of the homeowners for all capital projects costing greater than \$5000. Capital improvements costing less than \$5000 will still require the assent of the Members of the Homeowners Association. See Section 27(f) of the Declaration of Restrictions of Arbor Ridge for further information regarding Special Assessment for Capital Improvements.)

Article III of the By-laws enacted February 5, 2004, for Arbor Ridge Homeowners' Association is hereby amended to add the following duty (i):

(A) General powers

It shall be the duty of the Board of Directors to:

(i) require 75% approval of the Members of the Homeowners' Association for all Special Assessments for Capital Improvements exceeding \$5000;

THIRD AMENDMENT TO BY-LAWS  
ENACTED BY BOARD OF DIRECTORS

AT REGULAR MEETING HELD AT 6602 SOUTHWIND WAY  
ON APRIL 14, 2006 AT 6:30 P.M.

(This Amendment changes the annual meetings of the membership from the second week of June of each year commencing in 2004 to during the month of December commencing in 2006. The reason for making this change is to align the tenure of the directors with the fiscal year of the corporation i.e. January 1<sup>st</sup> to December 31<sup>st</sup>.)

Article II of the By-laws enacted February 5, 2004, for Arbor Ridge Homeowners' Association is hereby amended to read as follows:

Annual meetings of the membership shall be held during the month of December each year commencing in 2006 at such time and place as designated in a notice thereof. The primary purpose of said meeting shall be to elect the directors for the upcoming year and present the proposed budget to the membership at large. Written notice stating the place, day and hour of the annual meeting and, in the case of special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five nor more than twenty days before the date of the meeting, either personally or by mail, by or at the direction of the president, secretary or board member, or the person(s) calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as appears on the books of the association, with postage prepaid thereon.

FOURTH AMENDMENT TO BY-LAWS  
ENACTED BY BOARD OF DIRECTORS  
AT REGULAR MEETING HELD AT 6507 ARBOR RIDGE DRIVE  
ON AUGUST 8, 2006 AT 6:30 P.M.

The By-laws enacted February 5, 2004, for Arbor Ridge Homeowners' Association together with any amendments thereto are hereby amended to include Article XI, Declaration of Restrictions-Enforcement Procedure by Homeowners' Association, to read as follows:

ARTICLE XI  
Declaration of Restrictions  
Enforcement Procedure by Homeowners' Association

In addition to its rights to seek enforcement of restrictions by filing an action in a court of competent jurisdiction for non-compliance with the subdivision restrictions, the Board of Directors is authorized to use the following procedure in its attempt to resolve non-compliance issues:

(A) Committee

The Board of Directors shall appoint a compliance committee of not less than three (3) nor more than five (5) homeowners' association members. Appointees may be members of the

Board of Directors or may be members from the homeowners' association at large provided that at least one (1) member of the Board of Directors shall serve on this committee.

The Compliance Committee shall have the authority to address issues on its own volition and shall address all issues referred to it by the Board of Directors. As every lot owner has the right and privilege to seek enforcement of the restrictions, it is not mandatory that the compliance committee address all complaints filed with it by individual property owners unless so requested by the Board.

The committee shall provide notice to all lot owners of an address to which written complaints can be filed.

(B) Investigation/Compliance Procedures

If, in the opinion of the compliance committee, a violation of the restrictive covenants might exist, it shall send written notice of same to the owner and resident at the property address, and in the case of an unimproved lot or an absent owner, at the address directed by the owner in writing, or the last known mailing address of owner.

Said notice shall advise the owner/occupant of the alleged violation and shall give the owner/occupant a minimum of ten (10) days, to make defense in writing, or to make written request for a hearing before the committee. If a hearing is requested, the committee shall endeavor to schedule same within fifteen (15) days. After receipt of the written defense or if a hearing is held, the committee will make its findings and issue its decision within ten (10) days. If the committee determines that a violation exists, it shall notify the non-complying party in writing of the violation and shall grant a reasonable time to such party to take the necessary remedial action. The committee shall have the authority to assess all costs to the party in violation and may levy a penalty of not less than \$25.00 nor more than \$250.00 for each violation if same is not remedied by the stated date. A continuing violation of the Declaration of Restrictions shall be considered a separate occurrence for each day the violation continues and a separate fine may be imposed therefore.

(C) Lien Rights

All costs, penalties and any attorney fees associated therewith shall become a lien on the property and shall run with the land. Such violations and liens may be enforced against the property, the owner and against any person occupying the property who may have caused the violation. The owner and occupant can be held both jointly and severally liable in such cases.

**FIFTH AMENDMENT TO BY-LAWS  
ENACTED BY BOARD OF DIRECTORS  
AT REGULAR MEETING HELD AT 6402 WESTWIND WAY  
ON SEPTEMBER 20<sup>TH</sup>, 2017 AT 7:00PM**

This amendment defines the penalty fees in greater detail to read as follows:

**ARTICLE XI**

**(B) Investigation/Compliance Procedures**

If, in the opinion of the compliance committee, a violation of the restrictive covenants might exist, it shall send written notice of same to the owner and resident at the property address, and in the case of an unimproved lot or an absent owner, at the address directed by the owner in writing, or the last known mailing address of owner.

Said notice shall advise the owner/occupant of the alleged violation and shall give the owner/occupant a minimum of ten (10) days, to make defense in writing, or to make written request for a hearing before the committee. If a hearing is requested, the committee shall endeavor to schedule same within fifteen (15) days. After receipt of the written defense or if a hearing is held, the committee will make its findings and issue its decision within ten (10) days. If the committee determines that a violation exists, it shall notify the non-complying party in writing of the violation and shall grant a reasonable time to such party to take the necessary remedial action. The committee shall have the authority to assess all costs to the party in violation and may levy a penalty of not less than \$25.00 nor more than \$250.00 for each violation if same is not remedied by the stated date. A continuing violation of the Declaration of Restrictions shall be considered a separate occurrence for each day the violation continues and a separate fine may be imposed therefore.

1. A warning letter sent to homeowner of the alleged violation to be corrected within ten (10) days or receive a \$75.00 fine.
2. A second warning letter sent for the same violation to be corrected or receive a \$150.00 fine within ten (10) days.
3. A third and final warning letter sent for the same violation to be corrected or receive a \$250.00 fine within ten (10) days.
4. Final letter sent to the homeowner explaining the Arbor Ridge Home owner's association's attorney will notify them of legal action being taken against the violation. All legal fees at the homeowner's expense.