

AMENDED AND REVISED BY-LAWS
OF
CO-OWNERS OF TRADESMILL HOMEOWNERS ASSOCIATION, INC.

The following By-Laws shall apply to the above-named subdivision (hereinafter called the "Subdivision"), located on Tradesmill Drive, Level Lane and Labor Lane in Jefferson County, Kentucky, as described in the plat of Tradesmill (hereinafter called the "Plat") and the Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Covenants"), both recorded in the office of the County Clerk of Jefferson County, Kentucky, at Louisville, and to all present and future owners, tenants, and occupants of any Lots of the Subdivision and all other persons who shall at any time use the Subdivision.

ARTICLE I
Membership

Section 1. Qualification. All owners of lots of the Tradesmill shall constitute the Tradesmill Homeowners Association, Inc (herein called "Council"). The owner of any Class A Lot ("Class A Lot Owners"), as defined in the Covenants, upon acquiring title thereto shall automatically become a member of the Council and shall remain a member thereof until such time as his/her ownership of such lot ceases for any reason at which time his/her membership in the Council shall automatically cease.

Section 2. Place of Meetings. Meetings of the Council shall be held in a suitable place convenient to the Class A Lot Owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. Annual meetings of the Council shall be held on or before the last Monday of the fourth (4th) quarter of each calendar year at a time set by the Board of Directors or such other date as may be determined by the Board with notice to the membership.

Section 4. Special Meetings. Special meetings of the Council may be held at any time upon the call of the Board of Directors or a petition signed by at least 25% of the Class A Lot Owners and presented to the Secretary following surrender of Developer's control.

Section 5. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to every Class A Lot Owner according to the Council's record of ownership at least seven (7) days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting, and the purpose therefore in any of

the following ways: (a) by delivering it to he/she personally or (b) by leaving it at his/her Lot in the Subdivision or at his/her usual residence or place of business or (c) by mailing it, postage prepaid, addressed to he/she at his/her address as it appears on the Council's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any Class A Lot Owner to receive actual notice of any meeting shall in no way invalidate such meeting or any actions taken. The presence of any Class A Lot Owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he/she shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Class A Quorum. The presence at any Annual or special meeting in person or by proxy of the Class A Lot Owners shall constitute a quorum and the acts of the Class A Lot Owners present, in person or by proxy, at any meeting at which a quorum is present shall be the acts of the Council except as otherwise provided herein.

Section 7. Voting. The owner of each Lot entitled to vote under the Covenants shall have one (1) vote per Lot. Votes may be cast in person or by proxy by the respective Class A Lot Owners as shown in the record of ownership of the Council. Any executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Council for any Lot owned or controlled by he/she in such capacity whether or not the same shall have been transferred to his/her name in the Council's record of ownership provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such Lot in such capacity.

Section 8. Proxies and Pledges. The authority given by any Class A Lot Owner to another person to represent he/she at meetings of the Council shall be in writing, signed by such owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by writing, filed with the Secretary or by the death or incapacity of such owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any Lot or interest therein, a true copy of which is filed with the Board through the Secretary, Administrator or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board in like manner.

Section 9. Adjournment. Any meeting of the Council may be adjourned from time to time to such place and time as may be determined by majority vote of the Class A Lot Owners present whether or not a quorum is present without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE II Board of Directors

Section 1. Number and Qualifications. The affairs of the Council and the Subdivision shall be governed by a Board of Directors composed of at least five (5) persons, all of whom shall be owners. The Board members shall serve without compensation unless otherwise authorized by the Council of Co-Owners.

Section 2. Powers. The Board of Directors shall have all powers necessary for the administration of the affairs of the Council and may do all such acts and things therefore as are not by law, the Plat, the Covenants or these By-Laws directed to be exercised or done only by the Class A Lot Owners. Board will establish a Checking Account for the Council and designate three (3) Board members' name for signature with only two (2) names needed to write any check. Board will establish a Savings Account for the Council and provide a monthly statement to the Board. After establishment of these accounts, responsibility for these named accounts will be the Treasurer.

Section 3. Election and Term. Election of Directors shall be by ballot with one vote per office cast at each election at each annual meeting and any special meeting called for that purpose. The selection of Directors may be done by a written ballot mailed to every owner of record and returned by a date certain as determined by the Board. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein provided.

The size of the Board may be increased or decreased from time to time upon the affirmative vote of three-fourths (3/4) of all Class A Lot Owners provided that said Board shall not be less than three (3) in number.

Each director shall hold office for the term for which he was elected, or until his/her death, resignation, retirement, removal, disqualification or until his/her successor is elected and qualified. Each successor shall hold office for three (3) years.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by the Council shall be filled by vote of a majority of the remaining directors even though they may constitute less than a quorum, and each person so elected shall be a director until his/her successor is elected at the next annual meeting of the Council. Death, incapacity or resignation of any director or his/her continuous absence from the State of Kentucky for more than six (6) months shall cause his/her office to become vacant.

Section 5. Removal of Board Members. At any regular or special meeting of the Council duly called, any one or more of the directors may be removed with or without cause by vote of a majority of Class A Lot Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been

proposed by the Class A Lot Owners shall be given an opportunity to be heard at such meeting. After missing three (3) consecutive meetings, a Board Member may be removed at the discretion of the Board of Directors.

Section 6. Annual Meeting. An organizational meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Council, and no notice shall be necessary to any Board members in order validly to constitute such meeting provided that a majority of the whole Board shall be present. At such meeting, the Board shall elect the officers of the Council for the ensuing year.

Section 7. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Board members, but at least one such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone, telegraph, at least one day prior to the date of such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson/Vice-Chairperson on at least eight (8) hours' notice to each Board member, given personally or by telephone, e-mail or telegraph, which notice shall state the time, place, and purpose of such meeting. Special meetings of the Board shall be called by the Chairperson/Vice-Chairperson or Secretary in like manner and with like notice on the written request of at least two Board members.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors any Board member may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting shall be waiver of notice to he/she of such meeting. If all the Board members are present at any meeting of the Board, no notice thereof shall be required.

Section 10. Quorum of Board. At all meetings of the Board of Directors, a majority of the total number of members of the Board shall constitute a quorum for the transaction of business, and the acts of a majority present at any meeting at which a quorum is present shall be the acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds. The Board of Directors may require that all officers, employees, and agents of the Council handling or responsible for its funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Council.

Section 12. Other Duties. The Board shall give timely notice to the holder, insurer or guarantor of a mortgage on any Lot of:

- a. Any condemnation or casualty loss that affects either a material portion of the Subdivision or the Lot securing its mortgage;
- b. Any 60-day delinquency in the payment of assessments or charges owed by the owner of any Lot on which it holds the mortgage;
- c. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the owners, association; and,
- d. Any proposed action that requires the consent of eligible mortgage holders.

ARTICLE III Officers

Section 1. Designation. The principal officers of the Board shall be a Chairperson, a Vice-Chairperson, a Secretary, and a Treasurer who shall be elected by the Board of Directors. The offices of Secretary and Treasurer may be combined in one person. The Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officer as in its judgment may be necessary.

Section 2. Election and Term. The officers of the Board shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein provided

Section 3. Removal. Any officer may be removed either with or without cause by vote of a majority of the members of the Board of Directors and his/her successor elected at any regular meeting of the Board or any special meeting.

Section 4. Chairperson. The Chairperson of the Board shall be the Chief Executive Officer of the Council and shall preside at all meetings of the Council and the Board of Directors. Subject to the control of the Board he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Council. He shall also have such other powers and duties from time to time as deemed necessary by the Board. The Vice-Chairperson shall so serve in the absence of the Chairperson.

Section 5. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Council and of the Board of Directors, give all notices thereof as provided by these By-Laws, maintain and keep a continuous and accurate record of

ownership of all Lots, and have charge of such books, documents, and records of the Council as the Board may direct.

Section 6. Treasurer. The Treasurer shall maintain and keep the financial records and books of account of the Council, prepare regular reports thereof, and be responsible for the proper deposit and custody in the name of the Council of all funds and securities.

Section 7. Auditor. The Board may appoint annually an accountant or accounting firm as auditor who may not be an officer of the Council nor own any interest in any Lot to audit the books and financial records of the Council.

ARTICLE IV Directors

Section 1. Management. The Board of Directors shall at all times manage and operate the Subdivision and have such powers and duties as may be necessary or proper therefore including, without limitation, the following:

- a. Supervision of the immediate management and operation of the Subdivision;
- b. Inspection, maintenance, repair, replacement, and restoration of the common elements and any additions and alterations thereto;
- c. Purchase and maintenance of all policies of hazard and liability insurance for the Subdivision required by the Plat and such other insurance and bonds as may be required or authorized by the Plat, the Council or the Board;
- d. Employment, supervision, and dismissal of such personnel as may be necessary for the maintenance and operation of the Subdivision;
- e. Preparation at least six (6) days before each fiscal year beginning July 1st of a proposed budget and schedule of assessments for such year;
- f. Collection of all installments of assessments levied and payment of all common expenses authorized by the Board;

- g. Purchase and maintenance of all policies of hazard and liability insurance for the Subdivision required by the Plat and such other insurance and bonds as may be required or authorized by the Plat, the Council or the Board;
- h. Notification of all persons having any interest in any Lot according to the Council's records of ownership of delinquency exceeding thirty (30) days in the payment of any assessment against such Lot;
- i. Assignment and supervision of motor vehicle parking including the authority to make reasonable rules, fines, and charges in regard thereto;
- j. Supervision of the use of the common elements including use of Limited Common Elements which includes adoption and enforcement of Subdivision Rules and enforcement of the provisions of the Plat and these By-Laws;
- k. The right to establish monetary fines for the purpose of enforcing the Subdivision Rules, the Plat, and the By-Laws of the Association. Fines shall become enforceable upon thirty (30) days written notice to the offending owner.

Section 2. Representation. The Chairperson, subject to the direction of the Board of Directors, shall represent the Council or any two or more Lot Owners similarly situated as a class in any proceeding affecting the Council, the common elements or more than one Lot, and may participate in such proceedings without limiting the rights of any Lot Owners to participate individually.

Section 3. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts, and other instruments shall be signed on behalf of the Council by such person or persons as shall be provided by general or special resolution of the Board of Directors, or in the absence of any such resolution of the Board of Directors, or in the absence of any such resolution applicable to such instrument, by the Chairperson or the Treasurer. Board will establish Three (3) signature names with two (2) signatures required on all checks issued.

ARTICLE V

Obligations of the Lot Owners

Section 1. Assessments. All new Class A Lot Owners of Lots not previously improved shall pay to the Board of Directors the initial deposit equal to two (2) months assessments plus the pro-rata amount due for remainder of fiscal year at the rate then in effect due at closing as an initial contribution (not as a credit to future payments) to the common expenses assessed by the Homeowner's Association and for the purpose of purchasing common area furnishings, equipment, supplies and other approved Association expenditures; and, in advance, on the first day of each and every month the monthly assessments against their respective Lots for common expenses of the Subdivision in accordance with the Plat and the Covenants. The assessment is delinquent if not received on or before the first day of the month that it is due. In the event any Class A Lot Owner is delinquent in the payment of any monthly assessment for a period in excess of thirty (30) days, a penalty of 10% of the delinquent assessment shall be payable for each month of delinquency beginning with the initial month. Without exception, the assessment levied hereunder for the benefit of the Association is not subject to credit or set-off unless authorized by the Council of Co-Owners. In addition, the Board may from time to time post in a conspicuous place upon the common elements the names of such delinquent Class A Lot Owners and the delinquent amounts. At Board's discretion, a lien may be placed or other legal action may be taken after six (6) months delinquency for assessment amounts due.

Section 2. Maintenance of Lots. Every Lot Owner shall at his/her own expense and at all times repair, maintain, and keep his/her Lot including, without limitation, all garages and patio areas along with all internal installations therein such as water, electricity, telephone, sewer, sanitation, air conditioning, lights, and all other fixtures and accessories belonging to such Lot, and the interior decorated or finished surfaces of all walls, floors, and ceilings of such Lot in good order and condition except as otherwise provided by law or the Plat, and shall be liable for all loss or damage whatsoever caused by his/her failure to perform any such work, and in case of such failure after reasonable notice to perform shall reimburse to the Council promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent. In addition, each Lot Owner shall keep clean all interior and exterior windows and patio areas even though such items are a part of the general or limited common elements. Every Lot Owner and occupant shall reimburse the Council promptly on demand for all expenses incurred by the Council in repairing or replacing any loss or damage to the common elements where caused by such owner or occupant or by their guests or members of their households or incurred for cleaning or repairing appurtenant limited common elements. They shall give prompt notice to the Board of Directors of any loss or damage or other defect in the Subdivision when discovered.

Section 3. Use of Subdivision.

- a. All Lots of the Subdivision shall be used only for one-family residential Lot purposes.
- b. All common elements of the Subdivision shall be used only for their respective purposes as designed.
- c. No Lot Owner or occupant shall place, store or maintain in the common element any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements or permit said elements to be unsightly or disorderly.
- d. Every Lot Owner and occupant shall at all time keep his/her Lot and any limited common element appurtenant thereto (including all windows, garages, and patio areas) in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules, and regulations now or hereafter made by any governmental authority, the Council or the Board of Directors applicable to the Subdivision.
- e. No Lot Owner or occupant shall make or suffer any waste or unlawful, improper or offensive use of his/her Lot or the Subdivision nor alter or remove any furniture, furnishings or equipment of the common elements.
- f. No Lot Owner or occupant shall erect or place in the Subdivision any structure including fences, walls, and patios or make any additions or alterations to any common elements (including limited common elements) of the Subdivision except as may be permitted in the Plat and except in accordance with plans and specifications including a detailed plot plan prepared by a licensed architect, if required by the Board, unless approved by the Board of Directors, which approval may be given with accompanying restrictions as to the Lot Owner's duties of maintenance, repair, and replacement of such improvements and any common elements affected thereby.
- g. No signs, posters or bills may be placed or maintained in the Subdivision unless approved by a majority of Lot Owners except that an owner may place and maintain a "FOR SALE" or "FOR RENT" or similar type sign not more than five (5) feet in front of his/her Lot for a reasonable time not to exceed nine (9) square feet in size.
- h. No Lot Owner or occupant shall decorate or landscape any entrance or other planting area adjacent to his/her Lot except in accordance with standards therefore established by the Board of Directors or specific plans

approved in writing by the Board which standards or approval may be given with accompanying restrictions as to the Lot Owner's duties of maintenance, repair, and replacement of such decorating or landscaping and any common elements affected thereby.

- i. All occupants shall exercise extreme care about making noises and in the use of musical instruments, radios, televisions, and amplifiers that may disturb other occupants.
- j. No garments, rugs or other objects shall be hung from windows or facades of the Subdivision or in other areas.
- k. No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Subdivision except in the areas provided for such purpose.
- l. No animals, including reptiles, livestock or poultry of any kind, shall be raised, bred, or kept outside on any Lot, except dogs, cats, or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept, providing they are not kept, bred or maintained for any commercial purposes. All household pets, including dogs and cats, shall at all times be confined to the Lot occupied by the owner of such pet; provided, however, that household pets may be walked within Tradesmill so long as such animals are at all times under the control of a resident and so long as the owner or handler of such pet cleans up and removes any animal feces from any area in which it is deposited other than the owner's Lot. The Homeowners Association may impose a fine of not more than \$100.00 on any Lot owner not abiding by this requirement.

Section 4. Subdivision Rules. The Board of Directors may adopt, amend or repeal any rules and regulations governing details of the operation and use of the Subdivision not inconsistent with any provisions of law, the Plat or these By-Laws.

Section 5. Expenses of Enforcement. Every Lot Owner shall pay to the Council promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Council in collecting any delinquent assessments against such Lot, foreclosing its lien therefore or enforcing any provisions of the Plat, these By-Laws and Subdivision Rules, including the imposition of any fine imposed under Article V, Sub-Paragraph (l), against such owner or any occupant of such Lot.

Section 6. Record Ownership. Every Lot Owner shall promptly cause to be duly recorded the deed, assignment or other conveyance to he/she of such Lot or other evidence of his/her title thereto, and shall file a copy of same with the Board of Directors, and the Secretary shall maintain all such information in the record of

ownership of the Council. Every Lot Owner shall provide phone number and contact person to the Board and advise the Board of any changes promptly.

Section 7. Mortgage. Any Lot Owner who mortgages his/her Lot, or any interest therein, shall notify the Board of Directors of the name and address of his/her mortgagee, and also of the release of such mortgage, and the Secretary shall maintain all such information in the record of ownership of the Council. The Board of Directors or Managing Agent at the request of any mortgagee or prospective purchaser of any Lot or interest therein shall report to such person the amount of any assessment against such Lot then due and payable.

ARTICLE VI Miscellaneous

Section 1. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law, the Plat, or the Covenants by vote of Sixty Percent (60%) of the Class A Lot Owners (as defined in the Plat) entitled to vote at any meeting of the Council duly called for such purpose.

Section 2. Indemnification. The Council shall indemnify every Board member and officer, and his/her executors and administrators, against all expenses reasonably incurred by or imposed on he/she in connection with any action, suit or proceeding to which he may be made a party by reason of being or having been a Board member except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for fraud or bad faith in his/her conduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Council is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall be exclusive of any other rights to which such person may be entitled.

Section 3. Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof, which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Council or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the Lot Owners.

Section 4. Inter-Council Association. By action of the Board of Directors, the Council of Co-Owners of Tradesmill may participate in and contract with other such boards and councils of homeowners associations for the purposes of efficiency and economy in the operation and maintenance of the homeowners associations participating therein.

Section 5. Enforcement. Violation of the provisions of the Plat, the Covenants, these By-Laws or any Subdivision Rules may be remedied in any court of law or equity having jurisdiction thereof by the Council of Co-Owners, its Board of Directors or Managing Agent or administrator, or any Lot Owner or owners entitled to relief with the remedies available to such person or persons including damages, restraining order, injunction, accounting, lien enforcement, and specific performance or any combination thereof.

Certificate of Adoption

The undersigned Developer and Owner of all Lots of the Subdivision hereby adopts the foregoing as the By-Laws of the Council of Co-Owners of Tradesmill on this ____ day of _____, 2008.

BY: _____