

**BY-LAWS OF THE  
GRIFFIN GATE COMMUNITY ASSOCIATION  
As Amended on January 15, 2017**

**Article I  
Definitions**

***As stated in the Amended and Restated Master Declaration***, for purposes of brevity and clarity, certain words and terms used in these Bylaws are defined as follows:

1.01 "Area of Common Responsibility" shall refer to the Common Property and Facilities together with those areas, if any, which by the terms of these Bylaws, the Declaration or by contract or agreement with any neighboring real property owner shall become the responsibility of the Association.

1.02 "Articles of Incorporation" or "Articles", shall refer to the Articles of Incorporation of GRIFFIN GATE COMMUNITY ASSOCIATION, INC., and any amendments thereto, as filed with the Secretary of State of the Commonwealth of Kentucky.

1.03 "Assessments" or "dues" shall refer to any amounts assessed against Owners, Dwelling Units, or Lots in accordance with these Bylaws or the Amended Master Declaration

1.04 "Association" shall refer to GRIFFIN GATE COMMUNITY ASSOCIATION, INC., a Kentucky non-stock non-profit corporation, its successors and assign.

1.05 "Board of Directors" or "Board" shall refer to the governing body of the Association having its normal meaning under Kentucky corporation law.

1.06 "Common Property" and "Common Property and Facilities" shall refer to all real property, improvements and facilities in the Development which are intended for use and enjoyment by all Owners, Tenants and Occupants in the Development, including but not limited to private streets and roadways, gatehouses, recreational facilities and any usage for utilities, such as storm drainage facilities, which will not be dedicated to public authorities or utility companies.

1.07 "Common Expenses" shall refer to and include the actual and estimated expenses incurred by the Association for the general benefit of all Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to these Bylaws, the Declaration and the Articles of Incorporation.

1.08 "Community-Wide Standard" shall refer to the standard of conduct, maintenance or other activity generally prevailing throughout the Development. Such standard may be more specifically determined by the Board of Directors.



1.09 "Declaration" shall refer to the Amended and Restated Master Declaration for Griffin Gate Subdivision, dated November 25, 1981.

1.10 "Development" shall refer to the real property described in the Declaration and as described on any exhibits attached thereto.

1.11 "Dwelling Unit" shall refer to any building improvements or part thereof in the Development which is designed, designated and intended for use and occupancy as one residential living unit, including enclosures for motor vehicles and other appurtenant structures.

1.12 "Good Standing" shall refer to Owners who (i) are not more than 30 days delinquent on dues, and (ii) have no uncured violation of any restriction (including the payment of any related fine).

1.13 "Leasing" shall refer to the regular, exclusive occupancy of a Dwelling Unit by any Person or Persons other than the Owner from whom the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity or emolument.

1.14 "Lot" shall refer to any part of the Development delineated by definable boundaries on a plat of subdivision prepared in conformity with, executed and recorded as required by the Statutes of the Commonwealth of Kentucky and/or the Lexington-Fayette Urban County Zoning Ordinance Resolution, together with any Dwelling Unit or other buildings and improvements erected thereon.

1.15 "Mortgage" shall refer to a mortgage, deed of trust, deed to secure debt or any other form of security deed.

1.16 "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

1.17 "Mortgagor" shall refer to any Person who gives a Mortgage.

1.18 "Occupant" shall refer to a Person or Persons, other than an Owner or Tenant, in lawful possession

1.19 "Owner" shall refer to one (1) or more Persons who hold the record title to any Dwelling Unit or Lot which is part of the Development, but excluding any party holding an interest merely as security for the performance of an obligation. If a property is sold under a land contract, contract for sale, gift, or any other manner of transfer, and the contract specifically provides, then the purchaser, rather than the fee Owner, will be considered the Owner.

1.20 "Person" shall refer to a natural person, a corporation, a partnership, a trustee or any other legal entity.



1.21 "Principal Office" shall refer to the location where the corporation maintains its permanent business records, which as of the date of these Bylaws is 1470 Sugar Maple Lane, Lexington, Kentucky 40511.

1.22 "Supplemental Declaration" shall refer to an amendment or supplement to the Declaration, executed by or consented to by the Association, which subjects additional property to said Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

1.23 "Tenant" shall mean and refer to any Person or Persons who occupy any Dwelling Unit pursuant to a lease with the Owner of the Dwelling Unit.

## Article II

### Purposes and Powers

2.01 The Association has been organized for the purposes set forth in its Articles of Incorporation or any amendments thereto.

2.02 The Association shall have the power to dispose of its real properties only as authorized by the applicable provisions of the Declaration as the same may be amended from time to time.

2.03 The Association's right to incur indebtedness shall be limited as set forth in its Articles of Incorporation or any amendments thereto.

## Article III

### Membership and Voting Rights

3.01 Membership. As stated in the Amended Master Declaration, every Owner of a Dwelling Unit shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from the Owner's Dwelling Unit.

3.02 Membership Rights. The rights and privileges of membership may be exercised by an Owner or the Owner's spouse, subject to the provisions of this Declaration and the Bylaws. Membership rights of a Dwelling Unit owned by a corporation or partnership shall be exercisable by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of these Bylaws and the Declaration.

3.03 Limitations on Membership Rights. The membership rights of Owners are subject to the payment of assessments levied by the Association, as provided elsewhere in these Bylaws and in the Declaration, membership rights, including the use of the Common Property, of any Owner shall be suspended during



the period when such Owner's assessment remains unpaid; but, upon payment of delinquent assessments, such Owner's rights and privileges shall thereupon be restored. However, the Owner's right to use the Common Property intended for the purpose of ingress and egress to and from public roads serving any dwelling unit and the right to use available public utility services may not for any reason be denied to an Owner.

3.04 Voting. Owners shall be entitled to one (1) vote for each Dwelling Unit owned. No Owner, whether one or more Persons, shall have more than one vote per Dwelling Unit. In the event the Owner of a Dwelling Unit is more than one Person, the one (1) vote attributable to that Dwelling Unit shall be exercised as those Persons determine among themselves and as they advise the Secretary of the Association in writing, prior to any meeting. In the absence of such advice and in the event more than one Person per Dwelling Unit shall attempt to vote, the votes from such Dwelling Unit shall not be counted.

Specific voting procedures and other requirements regarding voting shall be as set forth above and elsewhere in these Bylaws and the Articles of Incorporation, as they may be properly amended from time to time.

#### Article IV Rights of Enjoyment

4.01 Every Owner, as well as the Association, shall have the right of use, access and enjoyment in and to the Common Property as may be provided by the Association. All such rights of use and enjoyment shall be appurtenant to and shall pass with the title to every Lot, subject to the provisions set out in these Bylaws, the Declaration and Articles of Incorporation and further subject to the right of the Board to impose reasonable rules and regulations.

4.02 Any Owner may delegate his or her right of use and enjoyment to the members of his or her family, Tenants, Occupants and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Dwelling Unit or Lot shall be deemed to have delegated limited rights of use and enjoyment to the Tenant. A Tenant's violation of the Declaration, Bylaws, rules and/or regulations shall constitute a default under their lease for which the Association, on behalf of the Owner, may seek any remedies available at law or equity, including the eviction of the Tenant.

4.03 The Board reserves the right to impose additional reasonable rules and regulations with regard to the Development, including leasing within the Development. It shall be the responsibility of the Owner whose Dwelling Unit is in lawful possession by a Tenant or other Occupant to make available to said tenant or Occupant copies of the Declaration, Bylaws and rules and regulations and to cause such Tenants and Occupants to comply with the same. Owners shall be responsible for all violations and losses to the Common Property caused by their Tenants and other Occupants, notwithstanding the fact that such Tenants and Occupants are also fully liable and may be sanctioned for any such violations.





Article V  
Board of Directors

5.01 The Association's affairs shall be managed by a Board of Directors. The Board shall be four (4) to seven (7) in number, and members of the Board must be Owners in the Association.

5.02 Directors shall be elected to terms of two (2) years, with elections to be held as hereinafter provided. Directors may be earlier removed from office by the affirmative vote of Owners holding at least sixty-seven percent (67%) of the total votes of all Owners. Vacancies on the Board resulting from such removal or from resignation must be filled by an appointee or appointees nominated by the President of the Board, subject to the vote of a majority of remaining Directors to complete the term of the vacant position. Nominations to any vacant position shall be made within thirty (30) days of the vacancy.

5.03 The Board of Directors shall be elected by the voting Owners by written ballot as herein provided. At such election, the Owners may cast in respect of each vacancy as many votes as they are entitled to exercise under the provisions of Article III above, provided that in no event shall any Owner be entitled to cast in respect to any one candidate more than the number of votes which they are entitled to exercise. The candidates receiving the largest number of votes shall be elected.

5.04 Nominations for election to the Board shall be made by the Nominating Committee, which shall consist of a Chairperson and two (2) or more Owners of the Association. A new Nominating Committee shall be appointed by the Board prior to each meeting at which an election of Board members will be held.

5.05 The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies required to be filled.

5.06 All elections to the Board of Directors shall be by written ballot. Such ballots shall be prepared and mailed by the Secretary to the Owners at least five (5) days before the meeting called for elections.

5.07 The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Every ballot envelope shall contain only one (1) ballot, and the Owners shall be advised that, because of the verification procedures set forth below, the enclosure of more than one ballot in any one ballot envelope shall disqualify the return. Such ballot envelope shall be placed in another sealed envelope which bears on its face the name and signature of the Owner, and such other information as the Board may determine will serve to establish the Owner's right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the address stated in the ballot transmittal.



5.08 Upon receipt of each return, the Secretary will immediately place it in a safe or other locked place until the elections are to be held. On that day, the external envelopes containing the ballot envelopes shall be delivered unopened to an Election Committee which shall consist of three (3) Owners appointed by the Board. The Election Committee shall then adopt a procedure to establish that:

(a) The number of envelopes marked "Ballot" does not exceed the number of votes allowed to the Owner identified on the outside envelope containing them;

(b) the signature of the Owner on the outside envelope is genuine; and

The procedure shall be conducted in such a manner that the vote of any Owner shall not be disclosed to anyone, even the Election Committee. The outside envelope shall thereupon be placed in a safe or other locked place. The Election Committee shall proceed with the opening of the ballot envelopes and the counting of votes. If any ballot envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by any Owner present, the ballots and outside envelopes shall be destroyed.

5.09 If a candidate for the Board of Directors withdraws their candidacy subsequent to ballots having been distributed to the Owners, the voting process shall continue and all properly cast ballots shall be valid, but any votes for the withdrawn candidate shall be disregarded.

## Article VI Directors' Meetings

6.01 Meetings of the Board shall be held monthly or as frequently as is commensurate with the needs of the Association. Special Meetings shall be held when called by the President or any two Directors after not less than three (3) days' notice to each Director or on shorter notice with the consent of the Board members. Meetings may be held at the Principal Office or at such other locations as designated by the Board. Regular meetings of the Board shall be conducted under Roberts Rules of Order, tape recorded, and minutes prepared stating all motions, votes and decisions, with copies of the minutes available for Owners at the next regular meeting. Directors who are unable to attend in person may attend by telephone or other electronic means approved by the Board.

6.02 The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if:

(a) a quorum (which shall be a majority of the Board) is present; and



(b) either before or after the meeting, each absent Director signs a written waiver of notice or consent to the holding of such meeting or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association's records and made a part of the minutes of the meeting.

6.03 any action required or permitted by law or these Bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all Directors entitled to vote with respect to the subject matter.

Article VII  
Powers and Duties of Directors

7.01 General Powers. Without limiting the general powers, which may be provided by law, the Board shall have the following powers and duties:

(a) to elect officers of the Board;

(b) to formulate policies for the administration, management and operation of Common Property and Facilities;

(c) to provide for the maintenance, repair and replacement of the Common Property and Facilities, and to construct new facilities, if permitted by the Declaration and these Bylaws, and provide for payment therefor, and to approve payment vouchers or delegate such approval to the officers or any manager or managing agent:

(d) to provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the maintenance, repair, replacement, administration, management and operation of the Common Property and Facilities, and to delegate any such powers to any manager or managing agent engaged pursuant to these Bylaws (and any such employees or other personnel who may be the employees of the managing agent);

(e) to prepare the annual operating and capital budgets, and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses, as hereinafter provided;

(f) to call special meetings of the Owners whenever the Board deems necessary, provided that it shall call a special meeting at any time upon written request of Owners possessing the requisite percentage of voting rights as provided elsewhere in these Bylaws;



(g) to issue or cause to be issued, upon the request of an Owner and upon reasonable notice, a certificate setting forth the amount of assessment made from time to time, such Owner's share thereof and whether such Owner's allocation has been paid to date;

(h) to accept title to property, real and personal, or any interest therein, and to convey, lease and grant easements and other property rights with respect to any and all property to which the Association holds title or property rights; and

(i) to enforce the provisions of the Master Declaration, Bylaws, Policies, Rules and Restrictions adopted by the Board and to enjoin, seek damages, including enforcement assessments which may include attorney fees, litigation costs, interest and other charges related thereto, and to impose and collect reasonable fines for their violation. Failure by the Board to enforce any restriction, rule, regulation or policy shall in no event be deemed a waiver thereof or any acquiescence in or consent to any continuing, further or succeeding violation.

(j) to exercise on behalf of the Association all powers, duties and authority vested in or delegated to the Association by the Declaration, the Articles of Incorporation and these Bylaws, and to perform any other act necessary or desirable as determined by the Board, in connection with the Declaration.

**7.02 Specific Powers.** The Board, for the benefit of the Board, the Association and all Owners, shall acquire and pay out of the Association's accounts, hereinafter provided for, the following:

(a) water supply, waste removal, electricity and telephone, heat, power and other necessary utility services for the Common Property and Facilities, landscaping, gardening, snow removal, painting, cleaning, maintenance, decorating, repair and replacement of the Common Property and Facilities, security, television, internet and like services;

(b) any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance or assessments which the Board, in its opinion, shall determine to be necessary or proper for the maintenance and operation of the Common Property and Facilities or for the enforcement of the Declaration;

(c) insurance for the Common Property and Facilities against loss or damage by fire, and such other hazards as the Board may deem desirable, for the full insurable replacement cost thereof;

(d) liability insurance, including liability for injuries to and death of persons, property damage, and other liability insurance as it may deem desirable, insuring each Owner, the Association, its officers, directors, manager or managing agent of the Common Property and Facilities, if any, and their respective employees and agents, from liability in connection with the ownership and/or use of the Common Property and Facilities, and insuring the officers of the Association and members of the Board from liability;





(e) workers' compensation insurance to the extent necessary to comply with any applicable law;

(f) the services of any person or firm employed by the Board, including without limitation, the services of any person or firm to act as manager or managing agent for the Common Property and Facilities, or to maintain and operate the Common Property and Facilities, and to give legal and/or accounting services necessary or proper to the maintenance and operation of the Common Property, enforcement of the Declaration, and organization, operation and enforcement of the rights of the Association;

(g) any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Common Property and Facilities, or any part thereof, which may, in the opinion of the Board, constitute a lien against the Common Property and Facilities. When one or more Owners are responsible for the existence of such lien, they shall jointly and severally be liable for the cost of discharging it, and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Owners; and

(h) any other expenditures permitted under these Bylaws, the Articles of Incorporation or the Master Declaration.

#### Article VIII

##### Officers

8.01 Officers of the Association shall be a President, Vice President, Secretary and Treasurer. All of these four officers shall be Owners in the Association. Officers shall be chosen by a majority vote of the Board of Directors and shall hold office at the pleasure of the Board of Directors.

8.02 The president shall preside over all regularly scheduled board workshops and meetings and all such other special meetings as may be necessary for the orderly and efficient operation of the Association. The president shall ensure that all orders and resolutions of the Board are carried out. The president shall work with the Association's property manager, if any, to facilitate the orderly operation of the Association and the maintenance of its Common Property and Facilities.

8.03 The vice president shall perform all duties of the president in his absence. The vice president may chair committees, including ad hoc committees, at the direction of the president.

8.04 The secretary, with the assistance of the Association's office manager, if any, shall keep an up to date list of the names of all Owners, together with their addresses as provided by such Owners. The secretary shall also be responsible for the preparation and mailing of all required and other mailings to the Owners. The secretary shall supervise the preparation of minutes for all regularly scheduled board meetings and such other meetings for which minutes must be prepared. The secretary shall, working with the Board of



Directors, monitor the Association's governing documents and offer such modifications as may be beneficial to the efficient operation of the Association.

8.05 The treasurer shall chair the standing Audit and Finance Committee, more fully described in Article X, Section 10.03 below, which shall recommend an annual operating budget and capital budget to the Board to be distributed to all Owners annually. The treasurer shall prepare, working with the Association's manager, if any, monthly balance sheet statements, income and expense reports, and other such informational documents as may be helpful to Owners understand the true financial condition of the Association. The treasurer shall oversee the preparation of all necessary tax filings for the Association. The treasurer shall also, working with the Association's office manager, if any, receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; provided, however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business. The treasurer may be one of the two mandatory authorized signatories to all Association checks. The treasurer shall also cause an annual audit of the Association's books to be made by a certified public accountant, which shall then be presented to the board.

#### Article IX

##### Indemnification of Officers and Directors

The Association shall indemnify every officer and director against any and all expenses, including attorney fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any such suit or proceeding, if approved by the Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Association (except to the extent that such officers or directors may also be Owners in the Association), and the Association shall indemnify and forever hold each officer and director harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation if such insurance is reasonably available, but the failure to obtain or maintain such insurance shall not in any manner affect the foregoing obligations of the Association.



Article X  
Committees

10.01 The standing Committees of the Association shall include, but not be, limited to, the following:

- Architectural Control/Deed Restrictions Committee
- Audit & Finance Committee
- Maintenance Committee
- Nominating Committee
- Landscape Committee
- Social Committee
- Security Committee
- Communications Committee

All members of Committees of the Association shall be Owners and normally a Board Member shall chair each Standing Committee.

10.02 Architectural Control/Deed Restrictions Committee. The Architectural Control/Deed Restrictions (ACDR) Committee shall meet on a monthly basis to review the required applications for all permanent exterior changes, including landscaping, to residences and submit recommendations to the Board for approval or rejection, guided by the goal of maintaining the architectural standards as set forth in these Bylaws and the Declaration.

10.03. Audit and Finance Committee. The Audit & Finance Committee shall be chaired by the treasurer. The Committee shall ensure that the required annual Association audit is conducted and make recommendations with respect to the approval of the annual operating budget, capital budget, balance sheets, income and expense statements, and such other financial documents to be presented to the Owners. See Article XI below for additional duties related to the finances of the Association.

10.04 Maintenance Committee. The Maintenance Committee shall advise and make recommendations to the Board on all matters pertaining to the maintenance, purchase, repair or improvement of the Common Property and Facilities.

10.05 Nominating Committee. The Nominating Committee shall solicit candidates for election to the Board of Directors to be voted on by the Owners.

10.06 Landscape Committee. The Landscape Committee shall advise the board on all matters pertaining to the annual and perennial plantings to be made in the Common Property and Facilities.



10.07 Social Committee. The objective of the social committee is to plan various events, activities and dinners for the benefit of the community. The committee is responsible for planning, budgeting and decorating for scheduled events to the extent necessary.

10.08 Security Committee. The Security Committee is responsible for monitoring and assessing security issues and needs of the community.

10.09 Communications Committee. The communication committee is to provide information about the community through social media such as Facebook and the community webpage. This would include information on finances, scheduled events, notices of meeting and Board of Directors meeting minutes.

10.10 The Board may in its discretion appoint other committees as deemed appropriate in carrying out its purposes and functions.

#### Article XI Assessments and Budgeting

11.01 Creation of Lien and Personal Obligation of Assessments. The Association has created assessments for Association expenses as set forth in this Article and other expenses as may from time to time specifically be authorized by the Board. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Development, is deemed to covenant and agree to pay these assessments. All such assessments which are due and unpaid, together with late charges, interests, costs and reasonable attorneys' fees actually incurred, together with any fines, together with interest and attorneys' fees actually incurred relating to same, shall be a charge on the property and shall be secured by a continuing lien upon the Dwelling Unit or Lot against which each such assessment is made, as hereinafter described. Except as otherwise provided in these Bylaws and Declaration with respect to holders of first mortgages and purchasers acquiring record title through a foreclosure or deed in lieu of foreclosure pursuant to such first Mortgage, each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who owned such Dwelling Unit or Lot at the time when the assessment was due, but shall not become the personal obligation of the successors in title of Owner unless such successor agrees to assume the obligation. In the event there is more than one Owner of any particular Dwelling Unit or Lot, all such Owners shall be jointly and severally liable for the entire amount of the assessment.

11.02 Subordination of Lien for Assessments. The lien of assessments, including interest, late charges, costs and reasonable attorneys' fees provided for herein, shall be subordinate to the lien of any first Mortgage upon any Dwelling Unit. Any transfer of any Dwelling Unit shall not affect the assessment lien. However, the transfer of any Dwelling Unit pursuant to judicial or non-judicial foreclosure, or deed in lieu of foreclosure, of a first Mortgage shall extinguish the assessment lien as to payments that became due prior to the sale or transfer. No such sale or transfer shall relieve such property from lien rights for





any assessments that thereafter become due. The Association, upon written request, shall confirm the extinguishment of the lien referred to in this Section.

11.03 Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners, Occupants and Tenants in the Development, and for the improvement, operation, repair, replacement and maintenance of the Common Property and Facilities and for such other purposes as may be provided in these Bylaws and the Declaration.

11.04 Preparation of Estimated Budget. It shall be the duty of the Board, on or before November 15 of each year, to prepare a balanced budget covering the estimated amounts necessary to pay the costs of taxes, wages, materials, services, supplies and other expenses which shall be required during the following calendar year for Common Property and Facilities, and Insurance on the Common Property and Facilities, together with a reasonable amount considered by the Board to be necessary as a reserve for contingencies and replacements of each.

The Board shall also include with the operating budget, to be prepared pursuant to this Section, -a capital budget, which shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost.

On or before December 1, the Board shall provide to each record Owner a copy of the approved budget(s) and a schedule of assessments for the upcoming year, with the amount determined to be allocable to that Owner. If the Board fails for any reason to determine the budgets for the upcoming year, then until such time as the Board has done so, the budgets in effect for the then current year shall continue for the following year, and the Owners subject to assessment shall continue to pay assessments at the previous rate until the new assessments are mailed or delivered.

11.05 Payment of Assessments. The Board shall set periodic times for the payment of assessments, which may be monthly or any other times, which are solely within the discretion of the Board.

11.06 Capitalization Fee. All buyers of new or resale homes must contribute to the Association a one-time capitalization fee equal to two (2) months of dues at the time of closing. This capitalization fee is used to fund the Capital Account.

11.07 Allocation and Assessment of Estimated Cash Requirements: The Board shall allocate all estimated amounts as set out in its budget among the Owners as follows:

(a) Common Property and Facilities Allocation. The estimated cash requirements for Common Property and Facilities shall be allocated by dividing the total estimated amount into that number of equal parts as there are Dwelling Units in the Development and by then allocating to each Owner one part thereof for each Dwelling Unit owned.

The Common Property and Facilities Allocation attributable to each Owner shall be assessed and any amounts that become due and payable but remain unpaid, together with late charges,



interest, court costs and attorneys' fees, shall be a continuing lien on the Dwelling Unit(s) or Lot(s) of such Owner, except as otherwise herein provided regarding subordination to the rights of Mortgagees.

(b) Insurance Allocation - The estimated cash requirements to provide fire and extended coverage and liability insurance for the Common Property, Common Facilities and such other coverage as the Board in its discretion shall purchase shall be allocated by dividing the total premium cost into that number of equal parts as there are Dwelling Units and by then allocating to each Owner one part thereof for each Dwelling Unit owned.

In the event the Board decides to purchase a blanket insurance policy on the exterior of Dwelling Units as permitted in Article V of the Declaration, the estimated cash requirements for such insurance shall be allocated to each Owner of such Dwelling Units in the percentage of the total insurance premium for all such Dwelling Units that the value of that Owner's Dwelling Unit(s) bears to the value of all such Dwelling Units in the Development (said value to be represented by the square footage of the Dwelling Unit as determined by the Fayette County Property Value Administrator).

No Owner subject to assessment as herein provided may waive or otherwise deny liability for the above assessments by the Owner's non-use of Common Property and Facilities or abandonment of the Owner's Dwelling Unit(s).

11.08 Reserves for Contingencies and Replacements. The Board shall accumulate and maintain a reasonable reserve for contingencies and replacements in respect of the Common Property and Facilities. Extraordinary expenditures not ordinarily included in the annual estimates that become necessary during the year may be paid from such reserve; however, the Board shall immediately thereafter levy a further assessment for the purpose of replacing the withdrawn funds in accordance with the allocation procedures set forth above in this Article. If the estimated cash requirement with respect to the Common Property and Facilities proves inadequate for any reason, including non-payment of any assessments, the Board may at any time levy a further assessment as hereinabove provided. In either such event the Board shall advise every Owner in writing, giving the amount and reasons for the additional assessment, and such assessment shall be due and payable within thirty (30) days after the delivery or mailing of such notice of further assessment. All Owners so assessed shall be obligated to pay the adjusted amount. Effective November 10, 2015, the amount of the contingency reserve is \$100,000.

11.09 Accounting. On or before the May Board of Directors Meeting of each calendar year, the Board shall make available to all Owners subject to assessment an audit of the financial transactions and other relevant information for the preceding calendar year, including costs actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided to the Owners. Such accounting shall indicate the amount in excess of, or the amount by which the estimate was less than, the actual amounts collected and expenses and further shall indicate the excess or deficiency in



the reserve accounts. The audit shall be performed and prepared in accordance with generally accepted accounting principles.

**11.10 Books and Records.** The Board shall keep accurate and complete itemized books of account of the receipts and expenditures affecting the Common Property and Facilities. Such records shall be available for inspection by any Owner who is subject to assessment as hereinabove provided or the representative of such Owner, duly authorized in writing, at such reasonable time or times during normal business hours as requested by such Owner with not less than ten (10) days' written notice to the Board. Upon ten (10) days' notice to the Board and upon payment of a reasonable fee, any Owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

**11.11 Expenditure of Collected Funds.** All funds collected from assessments for Common Property and Facilities may be collectively held and expended without regard to category for the purposes designated herein and may or may not be commingled by the Board. The Board may establish and maintain any bank accounts it deems reasonable to facilitate the handling of funds collected from assessments.

**11.12 Effect of and Remedies for Nonpayment.** In the event that an Owner who is subject to assessment charges or other amounts due as herein provided is in default of payment thereof for a period of thirty (30) days, then the Owner will be considered not in good standing and shall have no right to use any Common Property and Facilities and shall relinquish all voting rights, in addition, the Board shall, in its own right and as representative of all Owners subject to assessment, have the authority to take further action, including, but not limited to:

(a) bring suit to enforce collection of the amount thereof, together with interest, at the highest rate permitted by the laws of the Commonwealth of Kentucky, court costs and attorneys' fees; and

(b) bring suit to foreclose the lien of such delinquent assessment charge or other amounts due.

The remedies afforded to the Board in this Section shall be deemed to be cumulative, and the Board shall not be required to exhaust any one or more of such remedies prior to commencing the exercise of any other remedy. These remedies are in addition to any other action or remedy the Board may pursue in enforcing its Master Declaration, By-laws, Policies, Rules and Restrictions.

**11.13 Refund of Assessments.** Upon termination of the Association, all monies paid in as assessments shall first be used to wind up the affairs of the Association, including the payment of creditors, then paid pro rata to the record Owners. Refunds shall be allocated by dividing the total amount available for refund into that number of equal parts, as there are Dwelling Units and by then allocating to each Owner one part thereof for each Dwelling Unit owned.



Article XII  
Meetings of Owners

12.01 An annual meeting of Owners shall be held, at a time and location to be determined by the Board.

12.02 Special meetings of the Owners may be called for any purpose, at any time, upon:

(a) written request of Owners entitled to cast one-fourth (1/4) of the total votes of all Owners;  
or

(b) vote of not less than three-fourths (3/4) of the members of the Board.

12.03 Notice of any meeting shall be given to the Owners by the secretary. Notice may be given either personally or by mailing a copy of the notice, postage prepaid, to the Owner's address appearing on the books of the corporation, or by emailing a copy of the notice if the Owner has provided the Association with an email address. Each Owner shall register his or her address with the secretary, and notices of meetings shall be mailed to the Owner at their registered address or, if consented to by the Owner, said consent being acknowledged by providing an email address, notices may be provided by email. Notice of any meeting, regular or special, shall be mailed or emailed at least six (6) days in advance of the meeting and shall set forth in general the nature of the business to be transacted.

12.04 The presence at the meeting of Owners entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum.

Article XIII  
Amendments to Bylaws

These Bylaws may be amended at a regular or special meeting of Owners by a vote of two-thirds (2/3) of the Owners present in person provided that the provisions of these Bylaws which are governed by the Articles of Incorporation may not be amended except as provided in the Articles of Incorporation or applicable law; provided further that any matter stated herein to be or which is, in fact, governed by the Declaration applicable to the Community may not be amended except as provided in the Declaration

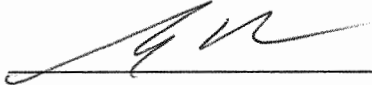




Article XIV  
Governing Document

In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in case of any conflict between the Declaration applicable to the Development and these Bylaws, the Declaration shall control.

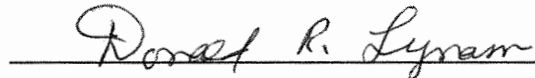
IN WITNESS WHEREOF, I have hereunto subscribed my name, this 24<sup>TH</sup> day of JANUARY 2017.



\_\_\_\_\_  
President, Griffin Gate Board of Directors

Certification of Secretary

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of GRIFFIN GATE COMMUNITY ASSOCIATION, INC., a Kentucky corporation; that the foregoing Bylaws constitute the Amended Bylaws of the Association; and that the same were amended pursuant to a vote by two-thirds (2/3) of Owners as required under the 1987 Amended Bylaws of the Association at the annual meeting of members on January 15, 2017.



\_\_\_\_\_  
Secretary

