

**BYLAWS
OF
GARDENS AT BAY RUN CONDOMINIUMS
COUNCIL OF CO-OWNERS, INC.**

ARTICLE I

OFFICES

Section 1.1 Principal Office. The principal office of the Corporation will be in Jefferson County, Kentucky, and its location therein may be changed by the Board of Directors.

Section 1.2 Other Offices. The Corporation may have offices at such places, within and without the Commonwealth of Kentucky, as the Board of Directors may designate.

ARTICLE II

DIRECTORS

Section 2.1 General Powers. The property and affairs of the Corporation will be managed and controlled by the Board of Directors.

Section 2.2 Number; Term of Office. The number of Directors will be determined by the members of the Corporation; provided, however, that the initial Board shall consist of three directors; and, provided further that the Board may, at its discretion, increase the number of directors from time to time and fill the vacancies thus created at any regular or special meeting of the Board. Directors will be elected at the regular annual meeting of the members for a term of one year and until their successors are elected and qualified.

Section 2.3 Vacancies. Vacancies occurring on the Board will be filled for the unexpired term by majority vote of the remaining directors; and, if there is no director remaining, then by plurality vote of the members present at a meeting called for that purpose by any member, upon like notice and in like manner as provided for an annual election.

Section 2.4 Place of Meeting. The Board of Directors may hold their meetings, except the annual meeting, within or without the Commonwealth of Kentucky, at such place or places as they may from time to time determine.

Section 2.5 Annual Meeting. Immediately after the annual meeting of the members, the Board of Directors will hold the annual meeting at the place at which the members' meeting occurred, for the election of officers and the transaction of other business.

Section 2.6 Regular Meetings. The Board of Directors may fix the times and places for the holding of its regular meetings. No notice of regular meetings will be required, but directors not present when the regular meetings are so provided for will be duly notified of the time and place fixed therefor.

Section 2.7 Special Meetings; Call and Notice. Special meeting of the Board of Directors may be held whenever called by direction of the President of the Corporation or by any director upon at least three days' written notice, given personally or by mail or telegram or facsimile, which notice will state the place, time and purpose of the meeting.

Section 2.8 Meetings By Consent; Waiver of Notice. A meeting of the Board of Directors may be held at any time and place without notice by unanimous written consent of all directors or with the presence and participation of all directors. Any notice required by these Bylaws may be waived by the person entitled to the notice.

Section 2.9 Quorum; Adjournment of Meetings. At any meeting of the Board of Directors, except when otherwise provided by law or these Bylaws, a majority of all directors constitutes a quorum, and the Board of Directors will act by a majority of those present at a meeting at which a quorum is present; but, in the absence of a quorum, the meeting may be adjourned from time to time by a majority of those present, without notice other than by announcement at the meeting.

Section 2.10 Meetings; Chair and Secretary. At all meetings of the Board of Directors, the President of the Corporation will act as chair, and the Secretary of the Corporation as secretary, except that if either or both of them will be absent, a chair or secretary, or both, may be chosen at the meeting by majority vote.

Section 2.11 Action Without a Meeting. The directors are authorized to act without a formal meeting on any matter permitted by the Kentucky Revised Statutes by unanimous written consent to the specified act.

ARTICLE III

OFFICERS

Section 3.1 Executive Officers. The executive officers of the Corporation will be a President and a Secretary, both of whom will be elected by the Board of Directors.

Section 3.2 Other Officers. The Board of Directors may elect a general manager, one or more vice presidents, a treasurer, assistant treasurers, assistants secretaries, and such other officers as they deem appropriate.

Section 3.3 Combined Offices. One person may hold more than one office, except the offices of president and secretary are not to be held by the same person.

Section 3.4 Terms of Office; Removal. All officers will be elected or appointed for a term expiring at the next annual election, but they will be subject to removal at the pleasure of the Board of Directors by affirmative vote of a majority of the whole Board of Directors and vacancies may be filled by the Board.

Section 3.5 Powers and Duties of the President. The President will be the chief executive officer of the Corporation, and, subject to the control of the Board of Directors, will have general charge of its business and supervision of its affairs. The President will keep the Board of Directors fully informed and will freely consult with the directors regarding the business of the Corporation, and will make due reports to them and to the members. In addition to the powers and duties provided for in these Bylaws, the President will, when duly authorized, sign, acknowledge and deliver all contracts, orders, documents and instruments of a special nature. Subject to the Board of Directors' approval, the President will have such other powers and duties as are incident to the office and not inconsistent with these Bylaws or the directions of the Board of Directors, or as may at any time be assigned to the President by the Board of Directors.

Section 3.6 Powers and Duties of the Secretary. The Secretary will enter into the minute book of the Corporation the minutes of all meetings of the members and the Board of Directors; and will have charge of all books and records pertaining to the office, and for the giving of all notices, and for the making of all statements and reports required of the Corporation or of the Secretary by law. The Secretary will perform such other duties as are incident to the Secretary's office, and will have such other powers and duties as may at any time be assigned to the Secretary by the Board of Directors.

Section 3.7 Other Officers. The Board of Directors will prescribe the powers and duties of any other officer of the Corporation.

Section 3.8 Compensation. The Board of Directors will fix the compensation, if any, of all officers.

ARTICLE IV

FINANCE

Section 4.1 Banking. All funds and money of the Corporation will be banked, handled and disbursed, and all bills, notes, checks and like obligations, and endorsements for deposit or collection, will be signed by such officers and other persons as the Board of Directors from time to time designates, who will account therefor to the treasurer as and when the treasurer requires. All money, funds, bills, notes, checks and other negotiable instruments coming to the Corporation

will be collected and promptly deposited in the name of the Corporation in such depositories as the Board of Directors selects.

Section 4.2 Fiscal Year. The fiscal year of the Corporation will be a calendar year ending on December 31, unless otherwise provided by the Board of Directors.

ARTICLE V

MEMBERS

Section 5.1 Eligibility and Voting Rights. Membership in the Corporation and voting rights in the Corporation shall be as set forth in the Master Deed and Declaration of Condominium Property Regime of Gardens at Bay Run Condominiums, as amended from time to time. The Corporation is sometimes referred to in that Master Deed as the Council or the Council of Co-Owners.

Section 5.2 Annual Meetings. The membership shall meet each year during the month of June to elect the Board of Directors and to conduct such other business as shall properly come before it.

Section 5.3 Special Meetings. Special meetings of the members may be called for any reasonable purposes either by the Board of Directors or by any group of five or more members.

Section 5.4 Notice of Meetings. Each member shall be furnished with written notice of all annual and special meetings of the members of the Corporation. Such notices shall be either delivered in person or sent by United States mail, postage prepaid,, not less than 10 or more than 35 days before the date of the meeting. Any notice of a special meeting shall include the purpose or purposes for the meeting in the notice.

Section 5.4 Quorum. A quorum shall be the number of members required by the provisions of KRS Chapter 273, as amended from time to time, or in the absence of any such law, 51% of the members.

Section 5.5 Proxies. Any member may vote by proxy. Proxy statements must include the name of the member or members, the name of the person whom is granted the right to cast the member's vote, and must be witnessed. A proxy statements must include a designation of which meeting or meetings for which it is effective. All proxies must be in writing and delivered to the chair of the meeting for which the proxy is to be used, before such meeting begins, to give the chair time to validate the proxy. The Board of Directors may impose additional, reasonable verification requirements, such as acknowledgment before a notary public.

RULES AND REGULATIONS

Gardens at Bay Run Condominiums

Preamble. These Rules and Regulations have been adopted by the Board of the Gardens at Bay Run Condominiums Council of Co-Owners, Inc., the corporation administering the condominium development known as Gardens at Bay Run.

Living in a condominium regime has features in common with three familiar forms of association -- a government, a business, and a neighborhood. As a government, the Corporation administering the condominium, which includes each owner as a member (voter), has the power to assess fees against condominium units and their owners (like a tax) and the power to prescribe certain behavior when various members (unit owners) come into contact with each. Like a business, the Corporation administering the condominium regime has a duty to take actions in the best interests of all members and to make decisions on a sound fiscal basis. Like a neighborhood, members (unit owners) must necessarily interact with others in the neighborhood and should always attempt to act in a fair and reasonable manner towards their neighbors to promote the common good of the neighborhood.

These Rules and Regulations, as may be amended from time to time, have been adopted to provide guidance in all these associations, along with the other constituent documents of the condominium regime, the Master Deed and Declaration of Condominium Property Regime, as amended from time to time ("**Master Deed**"), the Articles of Incorporation of the Gardens at Bay Run Condominiums Council of Co-Owners, Inc., as amended from time to time ("**Articles**"), and the Bylaws of the Gardens at Bay Run Condominiums Council of Co-Owners, Inc., as amended from time to time ("**Bylaws**").

1. Residential. Each condominium unit shall be used only for single family residential purposes.

2. Leases. Condominium units may be leased, but any lease must be in writing, and must be expressly made subject to the Master Deed, the Articles, the Bylaws and these Rules and Regulations, as may be amended from time to time. A copy of any lease must be delivered to the Board. As set forth in the Bylaws, no tenant shall have any right to vote unless the owner(s) of the condominium unit gives such tenant a written proxy in accordance with the Bylaws. Leasing a unit does not limit the responsibility of the unit owner to comply with the Master Deed, the Articles, the Bylaws, and the Rules and Regulations. By way of example, a lease that requires a tenant to pay the assessments against the unit in no way absolves, as between the unit owner and the Council, the unit owner from responsibility for the payment of those assessments.

3. Improvements and Landscaping. Each unit owner must keep in mind that he or she owns only the interior living space of the unit, as more particularly set forth in the Master Deed. Accordingly, any improvements to the exterior of the building containing the unit, and any improvements to the grounds surrounding the unit (i.e. the Common Elements or Limited Common Elements), including without limitation any landscaping or planting, must be approved in writing by the Board before being undertaken by any unit owner. The Board may impose conditions on any approvals it grants.

4. Common Areas. Although each unit owner owns only the interior living space of his or her unit, and although all grounds surrounding such units are common areas (elements) owned in common by all unit owners, each owner is encouraged and directed to treat the ground area immediately surrounding every other unit owner's unit as that owner's personal space, subject always to the provisions of the Master Deed. Accordingly, personal activities in the outdoor common areas should generally be confined to the grounds area immediately adjacent to each unit owner's unit. Additionally, certain areas, such as driveways and back yard areas, have been designated in the Master Deed as Limited Common Elements for the exclusive use of a unit or units. These areas must at all times be respected by other unit owners.

5. Parking. No owner shall continuously or habitually park any automobile on the streets within the condominium regime and, in no event shall any automobile be parked overnight on any street. No trailer, boat, large truck or other vehicle except an automobile shall be parked on the streets at any time.

6. Clothes Lines. No outside clothes lines shall be erected or placed anywhere in the condominium regime.

7. Nuisances. No noxious or offensive or illegal trade or activity shall be conducted in any unit or in the common areas (elements) of the condominium regime, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

8. Animals. No animals, including reptiles, livestock or poultry of any kind shall be raised, bred or kept in any unit or in the common areas (elements) of the condominium regime, except that dogs, cats or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept provided they are not kept, bred or maintained for any commercial or breeding purposes. When not in a unit or within a fenced limited common element, any such acceptable pets must be on a leash.

9. Receivers/Transmitters. No antenna or microwave or other receivers or transmitter (including those currently called "satellite dishes") shall be erected or placed in any unit or in any common areas (elements) of the regime, unless the design and placement are approved by the Board in writing.

10. Swimming Pools. No swimming pools, above or below ground, shall be placed in a any common areas (elements) in the regime unless approved in writing by the Board.

11. Signs. No signs for advertising or for any other purpose shall be displayed anywhere in the common areas (elements), except one sign for advertising the sale or rent of a unit, which shall not be greater in area than 9 square feet; provided, however, the developer of the condominium regime may, until all units have been sold, erect larger signs when advertising the condominium regime and the sale of units therein, place signs on the buildings housing certain units designating their sale and number, and builders, contractors and lenders may place signs in the common areas (elements) during construction of units.

12. Trash. No common areas (elements) shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other waste shall not be kept in any unit or in the common areas (elements) except in sanitary containers and in areas designated by the Board.

Effective: November, 1995

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