

BY-LAWS OF
L'ESPRIT PROPERTY OWNERS ASSOCIATION, INC.
As Amended August 23, 2013 and October 14, 2014 and October 2, 2018

ARTICLE I

Definitions

“Association” means the L’Esprit Property Owners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of Kentucky.

“Declaration” means the L’Esprit Master Declaration of Easements, Covenants and Restrictions which contains the covenants, liens, and restrictions established for the benefit of the Association, its Members, and the L’Esprit Property referred to therein.

“L’Esprit Property” means any and all property subject to the Declaration.

ARTICLE II

Association’s Office

The principal office of the Association shall be located at
_____ Kentucky.

ARTICLE III

Membership

1. Eligibility. The Members of the Association are determined by Article V of its Articles of Incorporation. The rights of Members are subject to (a) the payment of the periodic or special assessments provided for by the Declaration, and (b) compliance with the covenants of the Declaration and the Rules and Regulations of the Board of Directors regarding the use of L’Esprit Property and the conduct of Members, their families, their tenants, and any guests thereof. The voting and other membership rights of any Member may be suspended by action of the Directors during any period when such Member shall have failed to pay any assessments then due and payable, but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published Rules and Regulations governing the uses of L’Esprit Property, or any Common Facilities, or the personal conduct of any person thereof, the voting or other membership rights of any Member may be suspended by action of the Board of Directors for a period not to exceed 30 days, if he, any member of his family, his tenants, or the guests of any thereof shall have violated such Rules and Regulations.

2. Rights and Prerequisites of Membership. Each Member is entitled to the use and enjoyment of the L’Esprit Property and any Common Facilities in accordance with the Declaration. Such

rights may be delegated to and exercised by all members of his family who reside upon the Property, and ay of his tenants who reside there under a lease for a term of one year or more. Each Member shall notify the Secretary of the Association in writing of the name and relationship to the member of any person who shall be entitled to exercise such rights under this Section. The rights and privileges of such person are subject to suspension by the Board in the same manner and for the same reasons as those of any Member under the preceding Section.

ARTICLE IV

Meetings of Members

1. Annual Meetings. The Annual Meeting of the Members shall be held at the office of the Association specified in Article II above or at any other address specified in the Notice of the Meeting, on the last _____ of _____ each year, at the hour of _____ a.m., commencing on the _____ day of _____ following formation of the Association.

2. Special Meetings. Special meetings of the Members for any purpose may be called at any time by the President, the Executive Vice President, or by any three or more Directors. The Secretary shall call a special meeting upon the written request of members who have a right to vote one-fourth (1/4) of all the votes of the entire membership.

3. Notices. Notice of meetings shall be given to the Members by the Secretary. Notice may be given to the member either personally, or by mailing a copy of the notice, postage prepaid, to the address appearing on the books of the Corporation. (Each Member shall register his address and any change in address with the Secretary). Notice of any meeting, regular or special, shall be mailed not less than 10 nor more than 60 days in advance of the meeting and shall set forth the purpose of the meeting.

4. Proxy Voting. At any membership meeting the presence, whether in person or by proxy, of Members entitled to vote not less than 30% of the total votes outstanding, shall constitute a quorum for the transaction of business. All proxies shall be in writing and be filed with the Secretary at the commencement of the meeting. Any proxy given by a person who shall not be a qualified Member at the date of the meeting and any proxy given more than 11 months before the date of the meeting shall be void.

ARTICLE V

Board of Directors

1. Membership and Powers. The Association shall be governed by a Board of Directors consisting of five (5) members in accordance with Article VIII of the Article of Incorporation of the Association. Without limiting the generality of the preceding sentence, of any power vested in it by law, the Board of Directors shall have the power (a) to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them security or fidelity bonds as it may deem expedient (nothing contained in these Bylaws shall be

construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever); (b) to establish, levy, assess and collect periodic or special assessments and all other charges referred to in the Declaration; (c) to adopt and publish Rules and Regulations governing the use of L'Esprit Property and any Common Facilities, and the personal conduct of Members, their family, their tenants, and their guests with respect theretoc; (d) to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those expressly reserved to the Members; and (e) in the event any member of the Board of Directors of this Association shall be absent from three consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting in which such third absence occurs declare the office of said absent Director to be vacant.

2. Duties. It shall be the duty of the Board of Directors (a) to cause to be kept a full, true and accurate record of its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members or at any special meeting when requested in writing by one-fourth (1/4) of the full membership; (b) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; (c) in accordance with the Declaration, (i) to fix the amount and time for payment of any periodic of special assessment against each tract of the L'Esprit Property; (ii) to prepare a roster of the tracts and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member and (iii) to send written notice of each assessment to every Owner subject thereto; (d) to issue or to cause an appropriate officer to issue, upon demand by any person a certificate stating whether any assessment has been paid, which shall be prima facie evidence that any charge stated therein has or has not been paid.

3. Term. The initial Board of Directors as set forth by the Articles of Incorporation shall serve for a term of two (2) years. At the expiration of such two year term, a new Board shall be elected, three members of which shall be elected for term of two years and two members of which shall be elected for a term of one year. All subsequent elections for Board members shall be for a term of two years, thereby establishing a staggered term of office for Board membership.

4. Vacancies. Vacancies of the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors and any such appointed Director shall hold office for the unexpired term of his predecessor in office.

ARTICLE VI

Directors' Meetings

1. Annual Meetings. The Annual Meeting of the Board of Directors shall be held immediately following adjournment of the Annual Meeting of the Members in each year.

2. Triannual Meetings. A regular meeting of the Board of Directors shall be held at the office of the Association specified in Article II above on the third Monday of the months of _____, _____, and _____ at 2:00pm; provided that the Board of Directors may, by resolution, change the day and hour or place of holding such regular meeting. If the day of the regular

meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday.

3. Notices; Waiver. No notice need be given for the Annual or any regular meeting of the Board. Notice of any special meeting shall be sufficient if mailed to each Director, postage prepaid, at his address as it appears on the records of the Association, at least ten (10) days before the meeting or given personally or by telephone not later than five (5) days before the meeting. No notice need be given to any Director who attends the meeting, or to any Director who in writing (before or after the meeting) waives such notice.

4. Special Meetings. Special meetings of the Board of Directors shall be called by the Secretary upon request by any officer of the Association or by any two Directors. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be assented to in writing by all members of the Board.

5. Quorum. At all meetings of the Board a majority of the Board of Directors shall constitute a quorum, and, except as otherwise provided by law or by the By-laws, the act of the majority of the Directors present shall be the act of the Board.

ARTICLE VII

Election of Directors

1. Ballots. The election of Directors shall be by written ballot as hereinafter provided. At each Annual Meeting or at any special meeting called for the purpose of electing Directors, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to cast under the Articles of Incorporation of the Association. The nominees receiving the largest number of votes shall be elected.

2. Nominations; Nominating Committee. Nominations for election to the Board of Directors shall be made by the Nominating Committee, which shall consist of a Director, who shall be the Chairman and one or more Members of the Association, or an officer of a corporate member. The President shall not participate on the Nominating Committee. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the members to serve during such annual meeting and until the next Annual Meeting or until its successor shall have been duly designated and qualified. The members of the Nominating Committee shall be announced at each Annual Meeting of the Members.

3. Nominees. The Nominating Committee may solicit applications for nomination from among Members or nonmembers. The Committee shall review and consider all applications for nomination in a fair and impartial manner. The Committee shall not withhold its nomination from any applicant without having first obtained unanimous approval of the full Board of Directors that such applicant is to be denied nomination. Nominations shall be placed on a written ballot as provided in Section 4 and shall be made in advance of the time fixed in Section 4 for the mailing of such ballots to the Members.

4. Procedure. All elections of the Board of Directors shall be made on written ballots which shall (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by the members for each vacancy. Such ballot shall be prepared and mailed by the Secretary to the Members at least 14 days in advance of the date set forth therein for a return (which shall be a date not later than the day before the Annual Meeting or any special meeting called for the purpose of electing Directors).

5. Voting. Each member shall be mailed a ballot on which he may cast the numbers of votes to which he is entitled. The completed ballot shall be returned in the manner hereinafter outlined. The ballot shall bear on its face the name and signature of the Member, the number of votes being cast and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes stated therein. The ballot shall be returned to the Secretary at such an address as may be clearly designated by the Secretary.

6. Processing. Upon the receipt of each return, the Secretary shall immediately place it in a safe place. Not more than one day prior to the day set for the meeting at which the elections are to be held, the envelopes shall be turned over, unopened, to an Election Committee which shall consist of three persons appointed by the Board of Directors. The Election Committee shall adopt a procedure which shall (a) establish that the Member is entitled to cast either personally or by proxy, the number of votes indicated on the ballot; and (b) that the signature of the Member on the ballot is genuine; and (c) if the vote is by proxy, that the proxy has been filed with the Secretary as provided in Article IV, Section 4 and that such proxy is valid. After the procedure has been completed relative to a ballot, the count of the vote shall be taken and the results announced at the meeting designated for the election of Directors. All ballots and proxies as well as any continuing tally of votes shall be kept by the Election Committee, when not being processed, in a safe place. The ballots shall be retained for 90 days after the meeting and then destroyed.

7. Disclosure. The Director of any meeting at which elections are held shall assure that the complete and detailed results of the election are immediately announced to those in attendance upon receipt of the tally from the Election Committee. The complete and detailed results shall consist of (a) the total number of ballots received; (b) the total number of acreage votes cast by Members; (c) the number of ballots declared invalid by the committee; (d) the total number of acreage votes contained on the ballots declared as invalid; (e) the names of all candidates receiving votes; and (f) the total number of votes received by each named candidate. The complete and detailed results of all elections shall be recorded in the formal Minutes to be distributed to the entire membership and made a part of the permanent Association record. All ballots and proxies as well as any continuing tally of votes shall not be destroyed, per Section 6 above, during any challenge to the reported results of an election.

ARTICLE VIII

Officers

1. Officers. The officers of the Association shall be a President, Executive Vice President, one or more Vice Presidents, Secretary, one or more Assistant Secretaries and a Treasurer. The President and one of the Vice Presidents shall be members of the Board of Directors.

2. Election by Board of Directors. All officers shall be elected at each Annual Meeting of the Board, and each officer shall hold office until the next Annual Meeting of the Board and until his successor shall have been duly elected and qualified or until his earlier death, resignation, or removal in accordance with the By-Laws. The officers shall be chosen by a majority vote of the Directors.

3. President; duties. The President shall be the chief executive officer of the Association and as such shall have general supervision of the affairs and property of the Association and over its several officers, subject to the direction of the Board of Directors. The President shall, if present, preside over all meetings of the Board of Directors, and shall generally do and perform all acts incident to the office of President. He may sign in the name and on behalf of the Association all notes, leases, mortgages, deeds and all other written instruments authorized by the Board, except where the Board shall delegate the execution thereof to some other officer or agent of the Association.

4. Executive Vice President; duties. The Executive Vice President shall perform all the duties of the President in the event of his absence or disability, and when so acting shall have all the powers and be subject to all restrictions placed upon the President.

5. Secretary; duties. The Secretary shall act as Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep all records of the Association. He shall record the names and addresses of all Members of the Association, shall see that all notices are duly given as required by the By-Laws or applicable law, and shall be the custodian of the corporate seal.

6. Treasurer; duties. The Treasurer shall receive and deposit in bank accounts approved by the Board all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for the disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association.

7. Books and Accounting. The Treasurer shall keep proper books of account. A committee comprised of two Board Members and two non-board members of the Association, with financial acumen, shall meet with the Treasurer to review the account and books, and to verify the income and expenditures of the Association, twice a year, in July and January. The committee will present its findings to the Board at a meeting and its findings will be reported in the minutes of the Board meeting. The Treasurer shall prepare an annual budget subject to the approval of the Board of Directors and an

annual balance sheet; and the budget and balance sheet statements shall be presented to the membership at its Annual Meeting.

ARTICLE IX

Committees

1. Standing Committees. Standing committees of the Association shall be the Nominating Committee, the Architectural Control Committee and Maintenance Committee. Unless otherwise provided herein each committee shall consist of a Chairman and two or more members as determined by the Board, at least one of whom shall be a Director. Each committee shall be appointed by the Board of Directors at its annual meeting to serve until the next Annual Meeting of the Board and until its successor shall have been duly elected and qualified, except that the Nominating Committee shall be appointed in accordance with Article VII(2) hereof. The Board of Directors may appoint such other committees as it deems desirable.

2. Nominating Committee. The Nominating Committee shall have the duties and functions described in Article VII.

3. The Architectural Control Committee. The Architectural Control Committee shall discharge all duties and exercise all powers delegated to it by the Declaration.

4. Maintenance Committee. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements of any L'Esprit Property and any Common Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

5. Subcommittees. With the exception of the Nominating Committee, each committee shall have the power to appoint a subcommittee from among its membership and may delegate to any subcommittee any of its powers, duties and functions.

6. General Duties. It shall be the duty of each committee to receive complaints from the Members on any matter involving Association functions, duties and activities within the field of its responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

Books and Papers

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member.

ARTICLE X

Amendments

1. Amendment Procedure. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of the majority of a quorum of the Members present in person or by Proxy, provided that those provisions of these By-Laws which are covered by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact covered by the Declaration may not be amended except as provided therein.

2. Resolution of Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

THIS IS TO CERTIFY that the foregoing By-Laws have been duly adopted by the Board of Directors of the L'Esprit Property Owners Association at its organization meeting which held on the _____ day of _____, 2018.

SECRETARY OF L'ESPRIT PROPERTY OWNERS ASSOCIATION INC.