

BYLAWS OF
DORSEY VILLAGE CONDOMINIUMS

ARTICLE I

General

(A) Description and name

These are the bylaws for DORSEY VILLAGE CONDOMINIUM ASSOCIATION, INC.(hereafter called the "Council"), a Kentucky nonstock, nonprofit corporation, which is composed of every owner of a unit in Dorsey Village Condominiums (the "condominium"), as created by Dorsey Village, LLC, a Kentucky limited liability company ("declarant"), by a master deed (the "master deed") recorded in Deed Book _____, Page _____, in the office of the Clerk of the County Court of Jefferson County, Kentucky. Certain terms used herein without definition shall have the meanings ascribed to them in the master deed.

(B) Purposes of council

The council, acting in accordance with the master deed, the articles of incorporation of the council, and these bylaws, and through its officers, and through the board of administrators (the "board") of the council, shall govern the affairs of the condominium and provide for the harmonious use and occupation thereof.

(C) Office

The office of the council and of the board of administrators shall be located initially at 129 N. Evergreen Rd., Louisville, KY 40243, and thereafter at such other office as the board may determine from time to time.

(D) Fiscal year

The fiscal year of the council shall be the calendar year.

(E) Members' qualifications

Each owner of record of any unit, and only such owner of record, shall be a member of the council. Any person, on becoming a record owner of a unit, shall automatically become a member of the council and be subject to these bylaws, and such membership shall terminate without any formal action by the council when such person ceases to be a record owner of a unit, but such termination shall not relieve or release such former owner from any liability or obligation incurred or arising during the period of his membership or impair any rights and remedies which the council or others may have against such former unit owner arising out of or connected with the membership by that unit owner of the unit.

ARTICLE II
Unit Owners

(A) Annual meetings

The first annual meeting of the Council shall be held at such time and place as shall be directed by the Board of Administrators. At such meeting there shall be elected by ballot a Board of Administration in accordance with the requirement of these Bylaws. The Council may also transact such other business as may properly come before it. Thereafter, the annual meeting shall be held at such time and place as shall be directed by the Council of Co-Owners

(B) Place of meetings

Meetings of the unit owners shall be held at the principal office of the council as set forth in the section of these bylaws entitled "Office," or at such other place reasonably convenient to the unit owners as may be designated by the board of administrators.

(C) Special meetings

The president of the council (the "president") shall call a special meeting of the unit owners if so directed by resolution of the board of administrators or upon a petition signed and presented to the secretary of the council by the unit owners representing 50% or more of the unit owners or as otherwise may be required under these bylaws or the master deed. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(D) Notice of meetings

The secretary of the council (the "secretary") or the president, any vice president of the council ("vice president"), or the managing agent shall mail to each unit owner of record at the address of the unit owner at the condominium project (unless such unit owner shall have specified a different address for notices by notice theretofore given in writing to the attention of the secretary, in which event the notice of the meeting of unit owners shall be mailed to such unit owner at such different address) and to any managing agent of the condominium project (a representative of which shall be entitled to attend the meeting), a notice of each annual meeting and of each special meeting of the unit owners, at least 5 but not more than 30 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice. Any unit owner may waive notice of any and all meetings in writing before or after a meeting, and such waiver shall be deemed equivalent to the giving of notice. A unit owner's attendance at a meeting without objection to such unit owner's not having received proper notice of the meeting shall be deemed a waiver of the right to receive notice of that meeting.

(E) Adjournment of meetings

If any meeting of unit owners cannot be held because a quorum is not present, unit owners of units to which are appurtenant 50% or more of percentage interest in the common elements of the condominium project and who are present at such meeting either in person or by proxy, may adjourn the meeting to a time not less than 24 hours from the time the original

meeting was called.

(F) Voting Requirements

A Co-Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Council if, and only if, he shall not be delinquent in the payment of assessments made or levied against him and his Unit by the Board of Administration as hereinafter provided.

(G) Designated voter

The unit owner of each of the units of the condominium project shall designate one individual (the "designated voter"), who need not be a unit owner, who alone shall be entitled to vote on behalf of such unit owner on all matters put to a vote at all meetings of the unit owners. The secretary of the council shall be notified in writing by the unit owner of the identity of the designated voter, and of any changes in such identity from time to time occurring. In the absence of such designation, only the unit owner of record is entitled to vote. Any or all unit owners may be present at any meeting of the unit owners, but only the designated voters may vote at such meetings. One individual may be a designated voter for more than one unit if so designated by unit owners of more than one unit. Each designated voter shall be entitled to vote in person or by proxy on all matters which are put to a vote at all meetings of unit owners, one vote per unit represented.

(H) Proxies

Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the secretary in a form acceptable to the secretary before the appointed time of the meeting (except, in the case of a meeting which is adjourned, before the appointed time of the continuation meeting held pursuant to the adjournment).

(I) Quorum

At all meetings of the unit owners, the presence in person or by proxy of designated voters who together are entitled to cast greater than 30% of the total votes which could be cast if the designated voters for all units of the condominium project were present in person or by proxy at the meeting shall constitute a quorum. For actions relating or including any proposed amendment to these Bylaws or any amendment to the Master Deed and Declaration a quorum shall consist of Members representing at least 55% of the unit owners, except that the Class B Member may alter or amend these Bylaws at any time until such Class B membership shall cease.

(J) Action by unit owners

Except where a higher percentage is required by the express provisions of the condominium documents or by law, the unit owners, when acting at a meeting, shall act only by a vote of designated voters who are present in person or by proxy and voting at any meeting of the unit owners at which a quorum is present.

(K) Informal action by unit owners

Any action required or permitted to be taken at any meeting of the unit owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the designated voters entitled to vote with respect to the subject matter thereof.

(L) Order of business

The order of business at all meetings of the Council of Co-Owners shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspectors of election, if applicable; (g) election of board members, if applicable; (h) unfinished business; and (i) new business.

(M) Article II proviso

Every provision contained in this Article II shall be subject to the following proviso: Until such time as the inception meeting of the unit owners is held, the affairs of the council shall be conducted solely and entirely by the board of administrators, and the proceedings of meetings of unit owners as members of the council or otherwise, if any such meetings are held, shall have no effect.

ARTICLE III
Board of Administrators

(A) Number and Qualification

The management of the condominium project shall be under the exclusive control and direction of a board of administrators appointed entirely by the declarant or the nominee of declarant until the inception meeting. Thereafter, the board of administrators of the council shall be composed of members (each sometimes referred to hereinafter individually as an "administrator" and collectively, the "administrators") who are nominated and elected by the unit owners, with the exact number of administrators to be determined by the unit owners at each annual meeting of the council; provided, however, that any increase or decrease in the number of administrators shall not become effective until the next annual meeting after such increase or decrease is voted. All administrators shall be unit owners or the spouses of unit owners; or, in the case of partnership or joint venture unit owners, members or employees of such partnership; or in the case of corporate unit owners, officers, stockholders, or employees of such corporation; or in the case of fiduciary unit owners, fiduciaries or officers or employees of such fiduciary. Any administrator who ceases to be associated with a unit owned in one of the above-enumerated capacities shall so notify the secretary of the council and shall be deemed to have resigned as of the date of such notice. Any vacancy on the board of administrators shall be filled by a substitute administrator nominated and elected by the remaining administrators and shall serve until the next meeting of the unit owners wherein a successor is duly elected.

(B) Powers and duties

The board of administrators shall have the powers and duties necessary for administration of the affairs of the condominium project and may do all such acts and things except as by law or pursuant to the provisions of the condominium documents may not be delegated to the board of administrators by the unit owners. All of the powers and duties of the council existing under the Horizontal Property Law and the condominium documents shall be exercised exclusively by the board of administrators acting on its own behalf or officers of the council elected by it, or any managing agent. Such powers and duties of the board of administrators shall include, but shall not be limited to, the following:

- 1) Operation, care, upkeep, and maintenance of the common elements;
- 2) Determination of the common expenses required for the affairs of the condominium project, including, without limitation, operation and maintenance of the common elements;
- 3) Collection of the common charges from the unit owners;
- 4) Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements;
- 5) Adoption and amendment of rules and regulations covering the details of the operation and use of the property;
- 6) Opening of bank accounts on behalf of the council and designating the signatories required therefor;
- 7) Purchasing of units at foreclosure or other judicial sales in the name of the board of administrators, or its designee, corporate or otherwise, on behalf of all unit owners;
- 8) Obtaining insurance for the property including, without limitation, any insurance required by the master deed;
- 9) Making of repairs, additions, and improvements to or alterations of the property, including after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- 10) Enforcing the remedies available against unit owners for violation of the provisions of the condominium documents, including, without limitation, provisions of the master deed and the rules and regulations;
- 11) Controlling the use of all common elements (consistent with the provisions of the condominium documents, including but not limited to provisions concerning the rights of unit owners of units to which limited common elements are appurtenant);
- 12) Controlling power shutoffs and other interruptions of the normal functioning of the condominium project to facilitate renovation of particular units and of the common elements; provided, however, in such event that the board will use diligent efforts to

minimize the disruption to the unit owners caused thereby;

- 13) Changing the name of the council or the condominium; and
- 14) Taking all other necessary and proper actions for the prudent management of the condominium project and fulfillment of the terms and provisions of the condominium documents.

(C) Managing agent and manager

The board of administrators may employ either or both a managing agent and a manager for the condominium project, at a compensation established by the board of administrators, to perform such duties and services as the board of administrators shall authorize, including, but not limited to, the duties listed in subsections (1), (3), (4), (8), (9), (11), and (12) of section III(B) of these bylaws. The board of administrators may delegate to the manager or managing agent all of the powers granted to the board of administrators by these bylaws other than the powers set forth in subsections (2), (5), (6), (7), (10), and (13) of section III(B) of these bylaws. Any management agreement must be terminable by the council for cause upon not more than 30 days' written notice, and the term of any such agreement must not exceed one year, renewable by agreement of the parties for successive one year periods.

(D) Election and term of office

The administrators shall be elected at each annual meeting of the unit owners. Administrators shall hold office for a term of one year and subsequently until their respective successors shall have been duly elected, or until such administrator is removed pursuant to section III(E) of these bylaws; provided, however, that an administrator shall be deemed to have resigned whenever such administrator, such administrator's spouse, or firm, corporation, or other entity with which he or she is associated, conveys the unit which qualified such individual to become an administrator or terminates such administrator's relationship with that unit owner which qualified such individual to become a member of the board of administrators. Except as to vacancies created by removal of administrators by unit owners, vacancies in the board of administrators occurring between annual meetings of unit owners shall be filled by vote of the majority of the remaining administrators, whether or not such a majority constitutes a legal quorum of the board of administrators. If such administrators are unable to agree, such vacancy shall be filled by vote of the unit owners at a special meeting called by the president for such purpose promptly after the meeting at which it is finally determined by the remaining administrators that they are unable to agree.

(E) Removal of administrators

At any regular or special meeting of unit owners, any one or more of the administrators may be removed by the unit owners with or without cause by a vote of greater than 50% of unit owners, and a successor or successors shall be elected by them at the same such meeting.

(F) Organization meeting

The initial members of the board of administrators shall be appointed by the declarant from time to time until the first meeting of the board of administrators occurring after the inception meeting of the unit owners. Such first meeting of the board of administrators shall be held immediately after the inception meeting of the unit owners, and no notice shall be necessary to the newly designated administrators in order legally to constitute such meeting, providing a quorum of the board of administrators, as that term is defined in section III(K) of these bylaws, shall be present.

(G) Regular meetings of administrators

Regular meetings of the board of administrators may be held at such time and place as shall be determined from time to time by the vote of a majority of the administrators. Notice of regular meetings of the board of administrators shall be given to each director, by mail or facsimile transmission, at least five business days prior to the day named for such meeting.

(H) Special meetings of administrators

Special meetings of the board of administrators may be called after the inception meeting of the unit owners by resolution of owners of units to which at least 30% of the units are represented, on at least five business days' prior notice to each administrator given by mail or facsimile transmission, which notice shall state the time, place (which shall be within a 20-mile radius of the condominium project), and purpose of the meeting. Special meetings of the board shall be called by the secretary in like manner and on like notice on the written request of any two administrators.

(I) Waiver of notice

Any administrator may at any time waive notice of any meeting of the board of administrators in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an administrator at any meeting of the board of administrators shall constitute a waiver of notice by him of the time and place thereof. If all the administrators are present at any meeting of the board of administrators, no notice shall be required and any business may be transacted at such meeting which properly may be transacted pursuant to the provisions of the condominium documents and applicable law.

(J) Voting

Each administrator shall be entitled to cast one vote at all meetings of the board of administrators.

(K) Quorum and decision of board

Except as may otherwise be provided in these bylaws, the presence in person of greater than 50% of the administrators shall constitute a quorum at all meetings of the board of administrators, and at any meeting of the board of administrators at which a quorum is present, the vote of greater than 50% in number of the administrators present and voting shall constitute

the decision of the board of administrators. If at any meeting of the board of administrators there shall be less than a quorum present, any administrator who is present may adjourn the meeting to a later time and place. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(L) Informal action by administrators

Any action required or permitted to be taken at a meeting of the board of administrators, or any action which may be taken at a meeting of the board of administrators or of a committee, may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the administrators, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

(M) Presiding officer at administrators' meetings

The presiding officer of a administrators' meeting shall be the president of the council, or, if the president is not in attendance, the vice president. In the absence of the president or vice president, a majority of the administrators present shall designate one of their number to preside.

(N) Order of business at administrators' meeting

The order of business at administrators' meetings shall be:

- (1) Calling of roll;
- (2) Proof of due notice of meeting;
- (3) Reading and disposal of any unapproved minutes;
- (4) Reports of officers and committees;
- (5) Election of officers;
- (6) Unfinished business;
- (7) New business;
- (8) Adjournment;
- (9) Fidelity bonds.

The board of administrators may obtain fidelity bonds for all officers and employees of the council and its manager or managing agent, if any, handling or responsible for funds of the condominium project. The premiums on such bonds shall constitute a common expense.

(O) Compensation

No administrator shall receive any compensation from the council for acting as such. However, notwithstanding the foregoing or any other provision to the contrary contained in these bylaws or the other condominium documents, nothing shall prevent an administrator, subject to the approvals required herein, to be engaged in the additional or other capacity as a managing agent or employee of the council for salary or fees.

(P) Liability of the administrators

The administrators shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct, gross negligence, or bad faith. The council shall indemnify and hold harmless each of the administrators against all contractual liability to others, and all other loss, claim, cost, and expense (including but not limited to reasonable attorney fees), arising out of contracts made by the board of administrators on behalf of the council unless any such contract shall have been made in bad faith, with the cost and expense of any such indemnity to be a common expense of the condominium project. It is intended that the administrators shall have no personal liability with respect to any contract made by them on behalf of the council.

Every contract made by the board of administrators or by the managing agent or by the manager on behalf of the condominium project shall provide that the administrators, or the managing agent, or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder, if any, shall be limited to such proportion of the total liability thereunder as such unit owner's interest in the common elements bears to the interests of all unit owners in the common elements.

(Q) Proviso

Every provision contained in this Article III shall be subject to the following proviso: Until the first meeting of the board of administrators held after the inception meeting of the unit owners, the board of administrators shall consist solely of those persons designated by the declarant in the articles of incorporation of the council and thereafter appointed by declarant from time to time, and, in the event of vacancies (whether created by removal, with or without cause, at the sole option of declarant, or otherwise), the declarant shall appoint administrators to fill the vacancies. Administrators designated by the declarant in the articles of incorporation or to fill vacancies need not be unit owners; provided, however, the declarant shall not have the right either before or after the first meeting of the board of administrators after the inception meeting to enter into any management agreement or other contracts which extend beyond the date of such special meeting.

ARTICLE IV

Officers

(A) Designation

The principal officers of the council shall be the president, the vice president, the secretary, and the treasurer, all of whom shall be elected by vote of the board of administrators. The board of administrators may appoint an assistant treasurer, an assistant secretary, and such other officers as in the judgment of the board of administrators may be necessary or desirable to assist in managing the affairs of the council. The president and vice president, but no other officers, shall be required to be administrators.

(B) Election of officers

The officers of the council shall be elected annually by the board of administrators at the regular annual meeting of the board of administrators.

(C) Removal of officers

Upon the affirmative vote of a majority of the administrators, any officer may be removed, either with or without cause, and his successor may be appointed at any regular meeting of the board of administrators, or at any special meeting of the board of administrators called for such purpose.

(D) President

The president shall be the chief executive officer of the council. He shall preside at all meetings of the unit owners and of the board of administrators. He shall have all of the general powers and duties which are incident to the office of president of a nonstock, nonprofit corporation, including, but not limited to, the power to appoint committees from among the unit owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the council.

(E) Vice president

The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the board of administrators shall appoint some other administrator to act in the place of the president, on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the board of administrators.

(F) Secretary

The secretary shall keep the minutes of all meetings of the unit owners and of the board of administrators; the secretary shall have charge of such books and papers as the board of administrators may direct, and shall, in general, perform all the duties incident to the office of secretary of a nonstock, nonprofit corporation.

(G) Treasurer

The treasurer shall have the responsibility for collecting the common charges assessed by the board of administrators, for assisting the board of administrators in the preparation of the annual budget and the calculation of the common charges, for investing council funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. The treasurer shall be responsible for the deposit of all monies and other valuable property in the name of the board of administrators, in such depositories as may from time to time be designated by the board of administrators, and shall, in general, perform all the duties incident to the office of treasurer of a nonstock, nonprofit corporation, including, but not limited to, (1) insuring that a book of detailed accounts of receipts and expenditures affecting the condominium project and its

administration is kept in accordance with good accounting procedures, which shall specify the maintenance and repair expenses of the condominium project, and (2) arranging for the audit of said books at least once a year by a certified public accountant, after the declarant has relinquished control of the council to the unit owners.

(H) Agreements, contracts, deeds, checks, etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the council shall be executed by any two officers of the council, at least one of whom shall be a member of the board of administrators, or by such other person or persons as may be designated by the board of administrators.

(I) Compensation of officers

The compensation, if any, of the officers shall be fixed by the board of administrators and noted in the minutes of the board of administrators.

ARTICLE V

Fiscal Management of the Property

(A) Determination of common expenses and fixing of common charges

The board of administrators shall from time to time prepare a budget for the condominium project, determine the amount of the common charges payable by the unit owners to meet the common expenses of the condominium project, and allocate and assess such common charges among the unit owners.

The common charges shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the board of administrators, and the fees and disbursements of any insurance trustee. The common expenses shall also include such amounts as the board of administrators deems proper for the operation and maintenance of the property, including, without limitation, for payment of accounting, legal, architectural, or other professional or service fees; an amount for working capital of the council; for a general operating reserve; for a reserve fund for replacements; for a reserve fund for capital expenditures; and to make up any deficit in the common expenses for any prior fiscal year. The board of administrators shall advise all unit owners promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the board of administrators as aforesaid.

(B) Utilities

(1) Gas, electricity, and water and sewers shall be supplied to all of the units and the common elements through separate meters associated with, respectively, each unit and the common elements. Each unit owner shall pay all charges for gas, electricity, and water and sewers metered to each unit owned by such unit owner promptly after the bills for the same shall have been rendered. The board of administrators shall cause to be paid, as a common expense, all gas and electricity, and water and sewer charges metered to the common elements.

(2) Air-conditioning expenses, including maintenance, shall be borne by each unit owner as to all units owned by such unit owner. The board of administrators shall pay, as a common expense, any air-conditioning expenses, including maintenance, for the common elements. The approval in writing of the board of administrators shall be required to permit a unit owner to install a separate air-conditioning unit in any unit; and in the event such a separate air-conditioning unit is privately installed by a unit owner, such unit owner may be required by the board of administrators to pay the expense of separately metering such air-conditioning unit, and all other charges in connection therewith shall be borne exclusively by the unit owner.

(C) Accounts

The receipt and expenditures of the council shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(1) "Current expenses," which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(2) "Reserve for major capital expenditures and deferred maintenance," which shall include funds for maintenance items that generally occur less frequently than annually and which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

The budget for each fiscal year shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

(1) "Current expenses."

(2) "Reserve for major capital expenditures and deferred maintenance".

(D) Assessments and special assessments

Assessments against the unit owners for their shares of the items of the budget shall be made for each fiscal year at least 30 days preceding the beginning of such fiscal year. Such assessment shall be due in 12 equal payments on the first day of each month of said fiscal year but may be collected less frequently than monthly as determined by the Board of Administrators.

If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. Should the annual assessment prove to be insufficient to meet either current expenses or the cost of deferred maintenance or capital expenditures, the budget and assessments may be amended at any time by the board of administrators. The unpaid assessment for the remaining portion of the calendar year during which the special assessment is made shall be due upon the dates on which the regular assessment is due, and the special assessment shall be made in equal payments on the payment dates of the annual assessment during the remainder of that calendar year. The first payment of a monthly installment by a unit owner shall be due on the date of delivery of his deed, and shall be equal to that proportion of the installment payment for the month in which

delivery of his deed occurs as the period between the date of delivery of his deed and the last day of that month bears to 30. The next payment of a monthly installment shall be due on the first monthly installment payment date falling after the date of delivery of his deed.

(E) Lien for Common Charges

Each unit owner is obligated to pay the charges levied and assessed against his unit for payment of common charges, and such amount shall constitute a lien against said unit from the day of assessment until the date of full payment. The lien hereinabove set forth shall be inferior only to general and special assessments for real estate taxes and mortgages or other encumbrances for real estate taxes and mortgages or other encumbrances recorded prior to the date of assessment from the Board that the payments on said lien were current as of the recordation date of such mortgage instrument or other encumbrance.

(F) Payment of Lien after Transfer.

Upon the voluntary sale or conveyance of a unit, there shall be paid or provided from the sales proceeds, or by the grantee, an amount sufficient to satisfy any unpaid portion of assessments due and payable as of the date of conveyance. Any purchaser or lender in connection with any such sale or conveyance shall be entitled to a statement furnished by the Board setting forth in detail the amount of any unpaid assessment owed by the seller, or borrower, and such purchaser or lender shall be entitled to rely on such statement and shall have no liability for, nor shall the unit be encumbered with, an amount of unpaid assessments greater than that shown in said statement. Upon an involuntary sale greater than that shown in a deed thereunder shall not be liable for any installment of such lien as became due subsequent to the recording of such deed to trust, mortgage or encumbrance. No unit owner shall be liable for the payment of any part of the common charges assessed against the unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of these Bylaws) of such unit. In addition, any unit owner may, subject to the terms and conditions specified in these encumbrances other than a first mortgage held by an institutional lender or a vendor's lien and the statutory lien for unpaid common charges, convey his unit to the Board, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed.

(G) Default in Payment of Lien

In the event of default in the payment of any one or more installments of the assessments established for the payment of common expenses, the board of administration may declare any remaining balance of said lien at once due and payable. The board shall have the right and duty to take all appropriate actions and steps to collect any assessments which shall remain unpaid for a period of more than thirty (30) days from the due date thereof. The board may institute a suit to recover a money judgment for the same, together with a late charge of 1 ½% per month and reasonable expenses of collection, including attorney's fees, without foreclosing or waiving the

lien hereinbefore provided. Should the unit owner in default pay the amount due prior to the board instituting a suit to recover money judgment for the same, said unit owner shall pay a late fee of 1 ½% per month, prorated from the time due to the time paid.

(H) Lien Enforcement

The lien for unpaid assessments may be enforced and foreclosed in such manner as may from time to time be provided by the laws of the Commonwealth of Kentucky for the foreclosure of mortgages. In any action brought by the board to foreclose a lien on a unit because of unpaid charges, the unit owner shall be required to pay a reasonable rental for the use of his unit and the board as Plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

(I) Enforcement

In addition to all other remedies of the board, the board shall have the right to assess a maximum fine of \$100.00 per day per violation against any unit owner who violates any provision of the Bylaws, Articles, Master Deed, or rules and regulations of the board after such owner has been given notice of violation and an opportunity to be heard with respect to the violation in accordance with such rules and procedures as may be adopted from time to time by the board of administration or as may be set forth in the Bylaws.

(J) Depository

The depository of the council shall be such federally insured bank or banks or federally insured savings and loan associations as shall be designated from time to time by the board of administrators and in which the moneys of the council shall be deposited. Withdrawal of monies from such accounts shall be deposited by checks or other withdrawal orders signed by such persons as are authorized by the board of administrators.

(K) Audit

An examination of the accounts of the council shall be made annually after the end of each fiscal year of the council by certified public accountant(s), pursuant to an agreement requiring such accountant(s) to furnish such completed financial report to the board of administrators no later than four months after the fiscal year end of the council.

A copy of the financial report shall be furnished by the board of administrators to each unit owner promptly upon request of the unit owners.

(L) Rights of mortgagees

The holders of first mortgages on any units shall have the right to examine the books and records of the council upon reasonable prior notice and at reasonable times determined by the secretary, and to require the board of administrators to furnish them with a copy of the annual audit report and the current budget, upon the express condition that the same shall be kept confidential by them.

(M) Proviso

Every provision contained in this article shall be subject to the following proviso: Until the time of the inception meeting of the unit owners is held, the initial board of administrators (and any replacements for such administrators appointed by declarant) shall be solely and entirely responsible for the fiscal affairs of the council, and may prepare a budget in such form and manner as it deems advisable; may omit from such budget allowances for contingencies and reserves; may make assessments against the unit owners in such amounts as such board of administrators deems advisable; may amend such assessments at any time it deems advisable, and may forego an annual audit and examination of the accounts.

ARTICLE VI

Mortgages

(A) Notice to the board of administrators

A unit owner who mortgages the unit owned by such unit owner shall notify the board of administrators of the name and address of each mortgagee and shall file a conformed copy of the note(s) and mortgage(s) with the board of administrators, which shall be maintained in a confidential file.

(B) Notice of unpaid common charges

The board of administrators, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common charges due from, or any other default within the actual knowledge of the board of administrators by, the unit owner of the mortgaged unit.

(C) Notice of default

The board of administrators, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the board of administrators; provided, however, that the board of administrators shall not be liable to any mortgagee for failure to comply with this section.

(D) Examination of books

Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the condominium project at reasonable times on business days, but not more often than once per quarter, and not without sufficient notice.

ARTICLE VII

Miscellaneous

(A) Notices

All notices required to be given to the board of administrators pursuant to any provision of any of the condominium documents shall be sent by registered or certified mail, return-receipt requested, to the board of administrators in care of the manager or managing agent, or to such

other address as the board of administrators may hereafter designate from time to time, by notice in writing to all unit owners in accordance with this section. All notices required under the provisions of any of the condominium documents to be given to any unit owner shall be in writing and personally delivered or sent by registered or certified mail, return-receipt requested, to any unit owned by the unit owner at the condominium project, or to such other address as may have been designated by such unit owner to the board of administrators from time to time by notice given to the board of administrators in accordance with this section. All notices sent by mail shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

(B) Severability

The invalidity of any provision of these bylaws shall not impair or affect in any manner the validity, enforceability, or effect of any other provision of these bylaws.

(C) Captions

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these bylaws, or the intent of any provision thereof.

(D) Gender; number

The use of the masculine gender in these bylaws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

(E) Waiver

No restriction, condition, obligation, or provision contained in these bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

(F) Reference to the declarant

Whenever a reference is made to the declarant, such reference shall be deemed to include any corporation, subsidiary, or other entity affiliated with the declarant and designated by it to act in its place and stead concerning any matter pertaining to the ownership, leasing, or mortgaging of units, operation of the property, or both.

(G) Conflicts

These bylaws are intended to comply with the requirements of the Horizontal Property Law, the articles of incorporation, and the master deed. In case any of these bylaws conflicts with the provisions of said Horizontal Property Law, articles of incorporation, or of the master deed, the provisions of said Horizontal Property Law, the articles of incorporation, or the master deed, as the case may be, shall control.

ARTICLE VIII

Amendments to Bylaws

These bylaws may not be modified or amended except by the vote of the owners of at least 67% of the units, and by 51% of eligible mortgagees; provided, however, that until the time the inception meeting of the unit owners is held, the bylaws may be modified or amended by the vote of greater than 66% in number of the members of the Board of Administrators present and voting at a meeting of the Board of Administrators at which a quorum is present. These bylaws may not be repealed except by the vote of the owners of at least 67% of the units, and by 67% of eligible mortgagees; provided, however, that until the time the inception meeting of the unit owners is held, the bylaws may be repealed by the vote of greater than 67% in number of the members of the Board of Administrators present and voting at a meeting of the Board of Administrators at which a quorum is present.

The foregoing bylaws and the attached rules and regulations were adopted as the bylaws and rules and regulations, respectively, of DORSEY Village Condominiums by written unanimous consent of the board of administrators in lieu of an organizational meeting as of Jan 23, 2005.

**DORSEY VILLAGE CONDOMINIUM
ASSOCIATION, INC.**


By: Mark Highbaugh, President

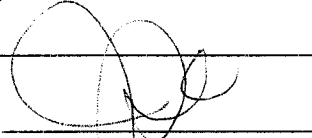
COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

The foregoing Bylaws were acknowledged before me January 25, 2005, by Mark Highbaugh as President of Dorsey Village Condominium Association, Inc.

My commission expires: _____

5-15-2005



Notary Public
State at Large, Kentucky