

BY-LAWS
OF
THE COPPERFIELD NEIGHBORHOOD ASSOCIATION, INC.

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ARTICLE I

1.1 Principal Office.

Principal office of the Corporation in the Commonwealth of Kentucky shall be located in the Copperfield Neighborhood in the City of Lexington in Fayette County.

1.2 Registered Office.

The Registered Office of the Corporation may be, but need not be, identical with its principal office in the Commonwealth of Kentucky. The address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II
MEMBERS

2.1 Annual Meetings.

Beginning with the year 1995, the annual meeting of the members shall be held on the 2nd Monday of September at 8:00 p.m. for the election of officers and directors, the transaction of such other business as may properly come before it. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of officers and directors shall not be held on the day designated for the annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members to be held as soon thereafter as may be practicable.

2.2 Special Meetings.

Special meetings of the members may be called by the President, a majority of the Board of Directors, or by fifteen (15) residential members in good standing.

2.3 Place of Meetings.

The Board of Directors may designate any place within the Copperfield neighborhood as the place for any annual meeting, or any place within the same for any special meeting called by the Board of Directors or otherwise.

2.4 Notice of Meetings.

Written or printed notice of annual and special meetings of the members stating the place, day and hour of the meeting, purpose or purposes for which the meeting is called, shall be delivered to each member of record entitled to vote at such meeting, not less than seven (7) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, or by the posting of signs so designating conspicuously displayed at the main entrance and all secondary entrances to Copperfield, by or at the direction of the President or the Secretary, or the officer or members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed enveloped addressed to each member at his or her address with the postage thereon prepaid.

2.5 Quorum.

At any special or annual meeting of the members, a quorum shall constitute ten (10%) percent of the active residential members in good standing, plus a majority of the Board of Directors.

2.6 Membership.

Every person who is an owner of record of a fee simple or undivided interest in any residential lot within the Copperfield neighborhood, shall be a member of the Association. Any person or entity which holds an interest merely as a security for the performance of an obligation shall not be a member. A member shall be deemed to be in good standing if he or she has paid all assessments as described herein, in the Articles or the Deed of Restrictions.

2.7 Conduct of Meetings.

The President shall preside over all of the meetings of the members, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring therein.

2.8 Voting.

All members of the Association shall be entitled to one (1) vote for each lot in which they hold the interest required for membership. If more than one (1) person is an owner of any residential lot, all such persons shall be members and the vote for such lot shall be exercised as they determine among themselves; but in no event shall more than one (1) vote be cast with respect to any individual lot. Hereinafter the term "simple majority" shall mean more than half of the votes cast by persons legally entitled to vote, excluding abstentions, at a regular or properly called special meeting. The term "two-thirds majority" shall mean at least two-thirds of the votes cast by persons legally entitled to vote; excluding abstentions, at a regular or properly called special meeting. There will be no voting by proxy.

ARTICLE III
DIRECTORS

3.1 General Powers.

The business and affairs of the Corporation shall be managed by its Board of Directors.

3.2 Number, Tenure and Qualifications.

The number of directors of the Corporation shall consist of not less than three (3) nor more than seven (7) directors. Each director shall hold office for a one (1) year term until his or her successor shall be elected and qualified as provided for herein.

3.3 Regular Meetings.

A regular meeting of the Board of Directors shall be held at least once every twelve (12) months with seven (7) days notice of said meeting. The time and place of such meetings shall be held within the Copperfield neighborhood.

3.4 Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the majority of the directors. The person or person authorized to call special meetings of the Board of Directors may fix any place within the Copperfield Neighborhood as the place for the holding of any special meeting of the Board of Directors called by them.

3.5 Notice.

Notice of any regular or special meeting shall be given at least seven (7) days prior thereto by written notice delivered personally or mailed to each member of the Association and to each director at his or her home address or by posting of signs so designating conspicuously displayed at main entrance and all secondary entrances to Copperfield. If mailed, such notice shall be deemed to have been delivered when deposited with the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice, written or otherwise, of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

3.6 Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at the meeting of the Board of Directors, provided that, if less than a majority of the directors are present at said meeting, a majority of directors then present may adjourn the meeting from time to time without further notice.

3.7 Manner of Acting.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.8 Election of Directors.

Election of the Board of Directors shall take place at the annual meeting of the membership of the Association. A quorum shall be required for voting, and the number of candidates equal to the number of directors, who receive the most votes, will be deemed the winners. Voting shall be by written ballot.

3.9 Vacancies.

A vacancy occurring in the Board of Directors may be filled by an affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the un-expired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors by the members.

3.10 Function.

The Board shall be responsible for the appropriation of all funds of the Corporation, and shall, through the President or the duly authorized member of the Board or officers, approve all vouchers for payment by the Treasurer. It shall designate a bank or depository for the funds of the Corporation. The Board of Directors are further authorized to take any and all actions they deem necessary to enforce the terms, conditions and covenants of the Deed of Restrictions of the Copperfield neighborhood of record in the Fayette County Clerk's Office, which Deed of Restrictions is adopted by reference herein.

3.11 Checking Accounts, Signatories and Expenditures.

The drawing or issuance of checks or drafts drawn on the account of the Corporation, shall require the signature of the Treasurer and at least one (1) director except for checks or drafts of \$200.00 or less which shall require the signature of the Treasurer only. The Board of Directors are authorized to appropriate and expend any and all amounts they deem necessary in the furtherance of its duties and responsibilities set forth in these By-Laws or Articles of Incorporation by proper

action taken at a regular or special meeting of the Board of Directors. However, for any and all expenditures or disbursements which total for any one calendar month in excess of \$1,000.00, approval must be obtained at a special meeting of the members of the Association. The regular and routine payment of maintenance expenses, or amounts necessary for extraordinary repairs or expenses relating to, or for the benefit of the common areas and clubhouse facilities, including grounds and tennis courts, shall be exempt from the \$1,000.00 per month limit just noted. Payment of expenses for the pool facility shall also be exempt, but governed by Sec. 5.8 of these By-Laws.

3.12 Action by Written Consent.

Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

3.13 Minutes of Meetings.

A record of each and every regular or special meeting of the Board of Directors shall be maintained in the form of minutes which shall be maintained in a minute book maintained by the Secretary. Upon written request received seven (7) days in advance, any member in good standing, shall be entitled to review the records of the Board of Directors and the Association at the address of the Secretary.

3.14 Committees.

The Board of Directors shall have authority to establish such committees as it may consider necessary or convenient for the conduct of its business.

ARTICLE IV
OFFICERS

4.1 Classes.

At a minimum the Officers of the Corporation shall be a President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors at the Annual Meeting. Such other Officers and assistant Officers as may be deemed necessary may be elected or appointed by the Board of Directors at its discretion.

4.2 Election and Term of Office.

The Officers of the Corporation shall be elected annually by the Board of Directors at the Organizational Meeting of each new Board and shall hold office at the pleasure of the Board. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall

hold office until his successor shall be duly elected and qualified or until his death or until he shall resign or shall have been removed in a manner hereinafter provided.

4.3 Removal.

Any officer or agent elected or appointed by the Board of Directors may be removed by a majority of the Board of Directors whenever, in its judgment, the best interest of the Corporation would be served thereby.

4.4 Vacancies.

A vacancy in any office because of death, disability, resignation, removal, disqualification or otherwise, may be filled by the majority of the Board of Directors for the un-expired portion of the term.

4.5 President.

The President shall appoint all committees and shall preside at all meetings of the membership and Corporation and shall perform such other duties as ordinarily pertained to such office. The President shall be the Ex-Officio member of all standing committees.

4.6 Secretary.

The Secretary shall attend all sessions of the Board of Directors and all meetings of the Corporation and membership and record all votes and the minutes of all proceedings in a book to be kept by him or her for that purpose and shall perform like duties for any committees when required. He or she shall give, or cause to be given, notice of all meetings of the Corporation and the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or the President. The Secretary shall compile and keep up to date at his or her home address or at the principal office of the Corporation a complete list of the owners/members and their last known addresses. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same and a reasonable hour during regular business days upon seven (7) days written notice. The Secretary shall also keep current and retain custody of all minute books of the Corporation containing the minutes of all Annual and Special Meetings of the members and all sessions of the Board of Directors including resolutions adopted thereat.

4.7 Treasurer.

The Treasurer shall have the custody of all funds and securities and shall keep full and accurate records of receipts and disbursements and shall deposit all monies and other valuable effects and such depositories as may be designated by the Board of Directors. He shall disburse funds as ordered by the Board of Directors,

taking proper vouchers for such disbursements and shall render to the President and the Board of Directors, at regular meetings of the Board of Directors, or whenever they may require, an account of all of his transactions as Treasurer and the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall be required to give a bond, the premium therefor to be considered a common expense, in such sum, and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of the duties of the Treasurer's office and for the restoration, in case of his death, resignation, retirement or removal from office, all books, papers, vouchers, money or other property of whatever kind in his or her possession or under his or her control.

4.8 Salaries.

All officers shall serve without compensation.

ARTICLE V
CONTRACTS, LOANS, CHECKS AND DEPOSITS

5.1 Contracts.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

5.2 Loans.

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances. In the event the Board of Directors deem it necessary to obtain a loan in excess of \$2,000.00, approval therefor must be obtained at a Special Meeting of the members, with the exception of a loan necessary to secure any mortgage on the property that contains the Clubhouse facility, the Pool, the Tennis Courts and surrounding grounds. The Board of Directors may approve that specific loan.

5.3 Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner, as shall, from time to time, be determined by resolution of the Board of Directors. All checks drawn on the account of the Corporation shall be signed by at least one Director and the Treasurer.

5.4 Deposits.

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies and other depositories as the Board of Directors may select.

5.5 Gifts.

Any Director or Officer may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes of or for any specific purpose of the Corporation.

5.6 Charitable Contributions.

No Officer shall make charitable contributions in the name of, from the funds of, or on behalf of the Corporation without approval obtained at a Special Meeting of the membership of the Corporation called in a manner as provided for herein.

5.7 Political Endorsements.

The Corporation shall not make any political endorsements.

5.8 Facilities Committee.

A "Facilities Committee Policy Business Plan" (hereafter "Business Plan") approved by the Board, is referred to and incorporated by reference. Section I of the Plan shall be Policy of the Copperfield Neighborhood Association, Inc., with full effect, authority and protection of the Copperfield Neighborhood Association, Inc. By-Laws. Any amendment thereto shall only be made in conformance with Section 7.1, Amendments, of these By-Laws.

"Business Plan; Section I; Policy of Fiduciary Responsibility:

The Copperfield Neighborhood Board of Directors shall appoint the Facilities Committee to be responsible for fiscal management, operation and administration of budgetary items related to the swimming pool operation as described in Exhibit A. The Board does hereby set forth the establishment of two separate bank accounts:

- 1) Copperfield Neighborhood Association account, primarily to pay mortgage, grounds maintenance, utilities, taxes, insurance and facilities maintenance as shown in Exhibit A. This account is to be managed by the Treasurer of the Copperfield Neighborhood Association Board.
- 2) Pool account, primarily to manage the pool membership income and expenses under budget guidelines in Exhibit A. This account is to be managed by the Treasurer of the Swim Club.

There shall be no co-mingling of account funds. Said budget and expenditures of both accounts should follow guidelines as set forth in Exhibit A. There may be necessary expenditures that were not foreseen and are not clearly defined, and the Board and Committee must determine, by majority vote, what is in the best interest of the community to make a determination of the expenditure. Expenditures within each guideline should not exceed budget estimates by 20% unless approved by the Copperfield Neighborhood Board. The Board and Committee shall prepare an annual accounting budget to be presented to the Copperfield Neighborhood Board one week prior to the Annual Meeting. "

It shall be the intent of the Copperfield Neighborhood Association, Inc., its Board, and these By-Laws that any money collected for memberships to the Copperfield Swim Club shall be held exclusively for that purpose, shall be held in a separate account, and shall not be commingled with funds of the Copperfield Neighborhood Association, Inc.

It shall further be the intent of the Copperfield Neighborhood Association, Inc., its Board, and these By-Laws that money collected as Annual Association Dues pursuant to Section 26 of the Amended Deed of Restrictions for Copperfield Subdivision, filed of record in the Fayette County Clerk's office, Deed Book 2350, Page 558, shall be used for mortgage obligations, insurance, tax liabilities, utilities, maintenance and upkeep of the common areas, Clubhouse Facility, exterior bathhouse facility, Tennis Courts, and surrounding grounds, and may not be used for the operational expenses, maintenance, repair or upkeep of the Swimming Pool, its mechanical support, or the deck area immediately surrounding the pool, inside the fence that surrounds the pool area.

Section II of the Business Plan shall be in effect, but it shall be the intent of the Copperfield Neighborhood Association, Inc. Board and these By-Laws that Section II should be flexible, and may be amended by a majority of the Copperfield Neighborhood Association, Inc. Board, after recommendation by the Facilities Committee.

ARTICLE VI

RESOLUTION AND SUBSCRIPTIONS

6.1 Resolutions.

No resolution or motion to commit this Corporation on any manner shall be considered by the Corporation until it has been considered by the Board of Directors. Such resolutions or motions, if offered, at a meeting of the members, shall be referred, without discussion, to the Board, which after having given consideration to the matter, shall submit its recommendation to the members. Having received the recommendations of the Board, the members may then proceed to take such action as may be deemed proper by the required majority.

ARTICLE VII
MISCELLANEOUS

7.1 Amendments.

These By-Laws may be amended, altered, changed, added to, or repealed by the affirmative vote of one hundred (100) residential members in good standing, present and voting at any meeting of the members, after recommendation of the Board of Directors, provided written notice of such proposed amendments shall have been given to members at least ten (10) days prior to the meeting in the manner provided for herein.

7.2 Fiscal Year.

The fiscal year of the Corporation shall begin the first day of January in each calendar year and end on the last day of the immediately preceding month unless the Board of Directors by resolution otherwise provides.

7.3 Waiver of Notice.

Waiver of any notice which is required to be given under the provisions of these By-Laws, or under the provisions of the Articles of Incorporation, or under the provisions of the Corporation laws of the Commonwealth of Kentucky, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the given of such notice.

7.4 Construction.

Unless the context specifically requires otherwise, any reference in these By-Laws to any gender shall include all other genders, and any reference to the singular shall include the plural, and any reference to the plural shall include the singular.

7.5 Assessments.

Each and every member shall pay to the Corporation the annual assessment when due as determined by the Board of Directors. Failure to pay any assessment shall result in a lien being filed against the non-paying member. Said lien to be filed of record at the Fayette County Clerk's office and shall affix and attach to the subject property until released. Any special assessment, decrease or increase in the annual assessment, must be approved by a two-thirds majority vote at a special or annual meeting of the members, at which, for the sole purpose of this section, a quorum shall constitute fifty (50%) percent of the total number of residential members in good standing. For purposes of this section only, notice of such a meeting shall be in writing stating the specific purpose of the proposed special assessment or increase in the annual assessment, to be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by mail to

each member of record in good standing and entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope addressed to each member at his or her address with postage thereon prepaid.

CERTIFICATION

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Copperfield Neighborhood Association, Inc., a Kentucky Corporation;
2. That foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at the Organizational Meeting of the Board of Directors thereof held on the 26th day of October, 1994.

IN WITNESS WHEREOF, I have hereunder subscribed my name this the 5th day of November, 1994.

SECRETARY, THE COPPERFIELD NEIGHBORHOOD ASSOCIATION, INC.