

THE VILLAS AT ANDOVER HOMEOWNERS' ASSOCIATION INC.
AMENDED BY LAWS AS OF _____

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I. OFFICE:-

The mailing address/business office for this corporation shall be ~~P.O. Box 911194, Lexington, Kentucky 40591-1194~~ 141 PROSPEROUS PLACE, SUITE 21B, LEXINGTON, KY 40509 or at other locations as determined by the Board of Directors from time to time.

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II. MEMBERS:-

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Members are defined as stated in the Declaration of Covenants, Conditions and Restrictions for The Villas at Andover, of record in Deed Book 1558, Page 05 and Deed Book 1570, Page 454, in the office of the Clerk of the Fayette County Court, and any properly recorded Amendments thereto. Members shall have one (1) vote for each Lot owned, provided that each Lot shall only have one (1) vote.

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1. ANNUAL MEETING - The annual meeting of Members shall be held in January of each year with specific date and time to be determined by the Board of Directors.

2. SPECIAL MEETINGS - Special meetings of the Members may be called by the Board of Directors, by the President, or by not less than five (5) of the Members entitled to vote at such meeting. Meetings requested by the Members shall be in writing and signed by each individual Member.

3. PLACE OF MEETING - The Board of Directors or the President may designate any place, within Lexington, Kentucky, as the place of either the annual or special meetings.

4. NOTICE OF MEETING - Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days before the date of the meeting by mail at the direction of the President, Secretary or the persons calling the meeting. Such notice shall be deemed to be delivered when deposited in the U.S. mail, addressed to the Member at his or her address registered with the Secretary of the Corporation, with postage thereon prepaid. Said notice may provide recommendations of the Board of Directors on how the Members should vote with regard to certain proposals. In such instance, the notice shall provide that the Member can vote for or against the proposal or abstain from voting. The Member shall have the right to return the notice at or prior to the meeting and this will constitute the Member's proxy and vote. The Member shall also have the option to attend the meeting and vote in person. If the Member does not attend the meeting and does not return the notice/proxy, then in such event it will be deemed that the Member voted in accordance with the recommendation of the Board of Directors.

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5. VOTING RECORD - The Secretary shall make a record of the Members entitled to vote at each meeting and those attending such meeting.

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6. QUORUM - The presence at the meeting of Members in person or by proxy entitled to cast thirty percent (30%) of all the votes shall constitute a quorum, except as otherwise provided in this paragraph. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members leaving less than a quorum. The act of the majority of the Members present in person or by proxy at a meeting at which a quorum is present shall be the act of the Members, unless the act of a greater number is required by the Articles of Incorporation or elsewhere in these By-Laws.

7. PROXIES - At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by his or her duly authorized attorney-in-fact. Such proxy shall be delivered to the Secretary or any other Director of the Corporation before or at the time of the meeting in a sealed envelope to be opened at the meeting. No proxy shall be valid after thirty (30) days from the date of its execution, except for a continuation of said meeting or as otherwise provided in the proxy. A valid proxy shall otherwise remain effective until the Secretary of the Corporation has received written notice of its revocation.

8. INFORMAL ACTION BY MEMBERS - Any action required or permitted to be taken at a meeting of the Members may be taken without a formal meeting if a consent in writing setting forth the action so taken shall be signed by all the Members entitled to vote with respect to the subject matter thereof.

III. DIRECTORS

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1. GENERAL POWERS - The business and affairs of the Corporation shall be managed by its Board of Directors.

2. NUMBER, TENURE, AND QUALIFICATIONS - The number of Directors of the Corporation shall be five (5). Directors will be elected for a two-year term at the annual meeting serving until the successor Director has been elected and qualified. Two (2) Directors will be elected in odd-numbered years and three (3) Directors in even-numbered years. Each Director shall be a Member of the Corporation (or spouse thereof). Each Director shall be current with his or her assessments. If the account of any Director is more than thirty (30) days in arrearage, said Director shall forfeit his/her office of Directorship and a successor elected to fill the vacancy. Directors may be reelected to succeed themselves if they are willing to serve another term. Directors may be removed from office at any time by a majority vote of the Members at an annual or special meeting. The Board of Directors may provide for the election of directors by mail pursuant to KRS § 273.201(2).

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3. REGULAR MEETINGS – The time and place of regular meetings shall be set by the Board of Directors. ~~Electronic communication or W~~ritten notice shall be provided to each Director at least six (6) days prior to the meeting. An organizational meeting of the Board of Directors shall be held immediately after (or as soon thereafter as practical) the annual meeting of the Members.

4. SPECIAL MEETINGS – Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors, specifying the time and place of such special meeting. Notice of any special meeting shall be given at least six (6) days previously thereto by electronic communication or written notice given to each Director. The time, place, and purpose of the meeting shall be specified in the notice.

5. QUORUM - Three (3) members of the Board of Directors shall constitute a ~~q~~Quorum for the transaction of business at any meeting of the Board of Directors, but if less than such a number is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

6. MANNER OF ACTING - The action of the majority of the Directors present at a meeting at which a ~~q~~Quorum is present shall be the act of the Board of Directors.

7. ACTION WITHOUT A MEETING - Any action required or permitted to be taken by the Board of Directors, or by a committee thereof, at a meeting may be taken without a meeting if a consent in writing, setting forth action, shall be signed by all of the Directors, or by all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

8. VACANCIES - Any vacancy occurring in the Board of Directors may be filled for the remainder of the term by the affirmative vote of a majority of the remaining Directors, though less than a ~~q~~Quorum of the Board of Directors ~~at a called special meeting~~.

9. COMMITTEES - The Board of Directors, by resolution adopted by a majority of the entire Board of Directors, may designate committees for specified purposes, which committees shall report to the Board of Directors. No action or proposal of any such committee shall be effective for the Corporation until it has been approved as an action of the Board of Directors in accordance with the provisions of this Article. Each committee shall include at least one (1) Director. Committees ~~will~~may be designated on an ~~annual basis~~as needed basis, provided however, the term of any such committee may not extend beyond the first regular Board of Directors meeting (“organizational meeting”) of the succeeding year, at which time the then current Board of Directors may designate its continuance.

10. ADVISORS AND MANAGING AGENTS - The Board of Directors, by resolution

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adopted by a majority of the entire Board of Directors, may appoint or employ advisors or managing agents for specified purposes, which advisors shall report to the Board. No action or proposal of any such advisor shall be effective for the Corporation until it has been approved as an action of the Board of Directors in accordance with the provisions of this Article, provided that the Board of Directors may delegate certain duties to a managing agent pursuant to a written contract. Advisors and managing agents ~~will~~may be appointed on an ~~annual basis as needed~~ basis, provided however, the term of any such engagement shall be on an annual or shorter term basis; notwithstanding, a longer term advisory or management relationship may be established based on a contract with automatic annual renewals, provided that before the renewal date thereof each year the Board of Directors shall have the right to cancel the contract during a cancellation period not to exceed one hundred and twenty (120) days.

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IV. OFFICERS

1. NUMBER - 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. The Board of Directors shall use best efforts to elect a different Director to each of these three offices; however, if this outcome cannot be achieved, Any two positions may be held by the same person, except the offices of President and Secretary and the offices of President and Treasurer.

2. ELECTION AND TERM OF OFFICE - The officers to be elected by the Board of Directors of the Corporation shall be elected annually by the Board of Directors at the first meeting held after each annual meeting of the members. Each officer shall hold office until his or her successor has been duly elected and shall have qualified, or until he or she ceases to be a Member of the Corporation, dies, or resigns, or shall be removed by action of a majority of the Board of Directors.

3. VACANCIES - A vacancy for any reason in any office may be filled by the Board of Directors electing one of the qualified ~~ed~~ Directors for the unexpired portion of the term.

4. ~~President~~PRESIDENT - The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall, in general, supervise and control all the business and affairs of the Corporation. He or she shall preside, when present, at all meetings of the members of the Board of Directors. In general, the President shall perform all duties incident to the office of President, and such other duties as may be prescribed by the Board of Directors from time to time.

5. ~~Secretary~~SECRETARY - The Secretary shall: (a) keep the minutes of the proceedings of the Members and the Board of Directors; (b) see that all notices are duly given in accordance with the provisions of these By-~~L~~aws, or as required by law; (c) be custodian of the corporate records; (d) keep a register of the post office address of each Member and each

member of the Board of Directors; and (e), in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors. provided however, that upon approval by a majority of the Board of Directors, one or more of these duties may be assigned to and performed by any Advisor or managing agent contracted by the Board.

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6. TREASURER - The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and deposit all monies due and payable to the Corporation from any source whatsoever; (c) deposit such funds in, and disburse such funds from, a bank account (or accounts) maintained in the name of the Corporation, with such depository to be selected by the Board of Directors; (d) and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors. provided however, that upon approval by a majority of the Board of Directors, one or more of these duties may be assigned to and performed by any Advisor or managing agent contracted by the Board. On delegation of the financial operations to a third party, checks may be issued in either of two ways: (a) a check in an amount exceeding two hundred dollars (\$200.00) shall require the co-signature of the Treasurer or a pre-designated member of the Board of Directors, or (b) all checks or other payments of whatever amount shall require the duly authorized and secure electronic approval (signature) of the Treasurer.

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V. FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January of each year.

VI. EXPENDITURES

1. The Board of Directors shall include a proposed budget with the notice of the Annual Meeting of members. Unless a majority of all Members vote to disapprove the proposed budget at the Annual Meeting, it will become the budget of the Association. If a majority of Members vote to disapprove the proposed budget, the preceding year's annual budget will remain in effect for the following year. For the purpose of this, Section VI(1), the reference to the majority of Members means the majority of all Members of the Corporation, and not only those Members present in person or by proxy at the Annual Meeting.

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A majority vote of the Members present at an annual meeting or at a special meeting called for such purpose, shall approve the annual budget of the Corporation, provided there is a quorum of Members present at said meeting. A failure to approve an annual budget shall cause the preceding year's annual budget to become the upcoming year's annual budget.

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2. The Board of Directors has the authority to approve any of the following: (a) any individual expenditure not exceeding the budgeted amount for its line item or the total budgeted

amount; (b) any individual expenditure that exceeds the budgeted amount for this line Item by up to ~~One~~ **Two Thousand Five Hundred Dollars (\$2,500.00)** provided (i) such expenditure receives ~~unanimous~~ approval by **at least eighty percent (80%)** the Board of Directors; (ii) such increase does not unduly restrict normal continuing expenditures; and (c) any individual expenditure that causes the total of all expenditures to exceed the annual budget by **five-ten percent (105%)** or less provided (i) such expenditure receives ~~unanimous~~ approval by **at least eighty percent (80%)** the Board of Directors and **additionally** (ii) such increase does not unduly restrict normal continuing expenditures. ~~In addition, when, in the good faith decision of the Board of Directors there is an emergency that requires an expenditure in excess of the amounts herein that does not provide time for presentation to the Members as set forth in Section VI(3) or there are other valid reasons for not presenting to the Members, the Board of Directors shall have authority to approve an expenditure provided that (i) such expenditure receives approval by at least eighty percent (80%) the Board of Directors and additionally (ii) such increase does not unduly restrict normal continuing expenditures.~~

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3. Any expenditures beyond the authority of the Board of Directors to approve in accordance with Article VI, paragraph 2 above, may not be made without **calling a Special Meeting of the Members. Unless a majority of all Members vote to disapprove the proposed expenditure at the Special Meeting, then the expenditure will be deemed approved. For the purpose of this, Section VI(3), the reference to the majority of Members means the majority of all Members of the Corporation, and not only those Members present in person or by proxy at the Annual Meeting.**

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the approval by a majority vote of the Members in attendance at a regular meeting or at a special meeting called for such purpose, and at which meeting there is a quorum of Members present.

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VII. INDEPENDENT AUDIT

An independent audit shall be conducted at the request of the Board of Directors or five (5) or more Members in good standing signing a petition requesting an independent audit.

VIII. PARLIAMENTARY PROCEDURE

In the absence of governing rules in these By-Laws, the proceedings of this Corporation's meetings and the meetings of the Board of Directors shall be conducted in accordance with Robert's Rules of Order.

IX. AUTHORITY

The Corporation shall abide by the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Lochmere Unit Four, Sections One and Two (The Villas at

Andover), but shall have the right to revise said Covenants, Conditions, and Restrictions as allowed therein.

X. SEVERABILITY

Invalidation or any one of these provisions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

XI. ADOPTION OF BY-LAWS

These By-laws when approved by majority vote of the Members at a membership meeting at which a ~~q~~Quorum is present shall be adopted and supersede prior adopted By-laws and amendments thereof.

XII. AMENDMENT OF BY-LAWS

These By-laws may be amended by majority vote of the Members at a membership meeting at which a ~~q~~Quorum is present. The proposed changes shall be included in the meeting notice.

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IN WITNESS WHEREOF, these amended Bylaws are adopted this _____ day of _____, 2019, by the The Villas at Andover Homeowners Association, Inc.

By: _____
Timothy Shuck, President

By: _____
Lee Sims, Secretary

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

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The foregoing Declaration of Covenants, Conditions and Restrictions was subscribed to, sworn to and acknowledged before me on this the _____ day of _____, 2019 by Timothy Shuck as President and Lee Sims as Secretary of The Villas at Andover Homeowners Association, Inc.

NOTARY PUBLIC

My Commission expires: _____
Notary Number (if any): _____

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