

BYLAWS OF COUNCIL OF CO-OWNERS
OF
MT. STERLING MEDICAL CENTER CONDOMINIUMS

ARTICLE I
APPLICABILITY; MEMBERS; AND MEMBERSHIP

1. APPLICATION OF BYLAWS GENERALLY.

These bylaws shall apply to the Mt. Sterling Medical Center Condominiums Council of Co-Owners, hereinafter called or referred to as the "Council", to the members thereof as hereinafter defined, and to the parcel of land and improvements thereon located in Montgomery County, Kentucky, with the multi-unit medical office building thereon, known as Mt. Sterling Medical Center Condominiums and all of the improvements thereon and appurtenances thereunto belonging, more particularly described in the certain Master Deed and Declaration of Condominium Property Regime and plats and plans duly recorded in the office of the Clerk of Montgomery County, Kentucky.

2. SPECIFIC APPLICATION OF BYLAWS.

These bylaws, to the extent permitted by law, shall also apply automatically to all owners, tenants of and persons, firms, corporations, trusts and associations controlling, occupying or using an office unit as defined in the master deed aforesaid.

3. USE OF TERMS; PLURALS; ETC.

For the purpose of these bylaws, masculine or feminine pronouns shall be substituted for those in neuter form, and vice versa, and the plural shall be substituted for the singular in any place or places herein where the context may require such substitution or substitutions.

4. MEMBERSHIP

(a) The term "member" as used in these bylaws shall mean and include the owner or owners of an office "unit" as that term is defined in the master deed, his or her heirs, devisees, personal representatives, successors in title and/or assigns. Any person on becoming the owner of an office unit shall automatically become a member of the Council of Co-Owners and be subject to these bylaws, and such membership shall terminate without any formal Council action, whenever such person ceases to own an office unit, but such termination shall not relieve or release any such former owner or member from any liability or obligations incurred under or in any way connected with the Mt. Sterling Medical Center Condominiums Master Deed and Declaration of Condominium Property Regime during the period of such ownership and membership, or impair any rights or remedies which the Council of Co-Owners or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

(b) Membership in the Council shall be limited to owners of office units in the aforesaid office building, of which there are eight units, provided that whenever title to an office unit is vested in two or more persons, whether as tenants by the entirety, joint tenants, tenants in common or otherwise; such co-owners shall be entitled jointly to only one vote for each office unit so owned by them at any meeting of the council, provided, however, where the joint owners of one unit cannot agree on a vote the vote applicable to that unit shall be divided pursuant to the ownership interest. The owners shall be entitled to vote at Council meetings in person, or by written proxy.

ARTICLE II
PRINCIPAL OFFICE

The principal office of the Council shall be located initially at Mt. Sterling Medical Center Condominiums, 250 Foxglove Drive, Mt. Sterling, Montgomery County, Kentucky, but thereafter may be located at such other suitable place or places as are permitted by law, as may be determined by the Council.

ARTICLE III
MEETINGS OF MEMBERS

(1) Place of meetings

All meetings of the members of the Council, both annual and special, shall be held at the principal office of the Council, or at such other suitable and convenient places as may be permitted by law and designated in the notices of such meetings.

(2) Annual meetings.

(a) The first annual meeting of the Council shall be held on February _____, 1982. Subsequent annual meetings shall be held on the second Thursday in January in each succeeding year. At each annual meeting, there shall be elected, by a ballot of a majority of the members entitled to vote, the officers of the corporation as are provided for in Article V hereof. Members may also transact such other business as may properly come before the meeting.

(b) The secretary shall mail notice of annual meetings to each member of the Council at his last known address not less than seven days, or more than fourteen days, before the date of such meeting and shall state the date, time and place of the meeting and the purposes or purposes thereof. The mailing of such notice as in this subsection provided shall be deemed notice duly served.

(3) Special meeting

(a) It shall be the duty of the chairman to call a special meeting of the members of the Council whenever he is directed to do so by a majority of the unit owners in the Condominium project.

(b) The secretary shall mail notice of such special meetings to each member of the Council which shall conform in all respects to the notice provided for in Article III, (2)(b) of these bylaws relating to notice of annual meetings, except that notices of such special meetings shall be mailed not less than three (3) nor more than five (5) days before the date fixed for such meetings. Only such business shall be transacted at such special meetings as is stated or referred to in the notices thereof.

(4) Voting

Each member in good standing and entitled to vote shall be entitled to only one vote for each office unit owned by him, provided that where an office unit is owned jointly by two or more persons, there shall be only one vote for each such unit, provided however, that if the joint owners of one unit cannot agree on a vote, the vote applicable to that unit shall be divided pursuant to the ownership interest therein.

(5) Definitions; quorum; proxy;

(a) As used in these bylaws, the term "majority of members" shall mean the members of the Council of Co-Owners entitled to vote owning not less than five (5) units in the Mt. Sterling Medical Center Condominiums.

(b) A member shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at special meetings of members, within the meaning of these bylaws, if and only if he shall have fully paid all assessments made or levied against him and each office unit owned by him by the Council, as hereinafter provided, together with all interests,

costs, attorney's fees, penalties and other expense, if there be any, properly chargeable to him and against each office unit owned by him, at least fourteen (14) days prior to the date fixed for such annual meeting or special meeting, provided statements for such assessments were duly mailed or delivered to such member.

(c) Except as otherwise provided in these bylaws, the presence in person or by proxy of a "majority of owners" as defined in (6)(a) of this Article III shall constitute a quorum at any annual or special meeting of members.

(d) Votes may be cast in person or by proxy. Proxies must be in writing and filed with the secretary before the time appointed for each meeting in the notice thereof.

ARTICLE IV OBLIGATIONS OF AND DEFAULTS BY MEMBERS

(1) Maintenance or repairs

(a) Each member shall perform promptly, and at his own risk, cost and expense, all maintenance and repair work with respect to the portion of each office unit owned by him which does not comprise a part of the general common elements or limited common elements and which, if omitted, would adversely effect or jeopardize the safety of the condominium project or any part or parts thereof belonging in whole or in part to the other members, and each member shall be liable for any damages, liabilities, costs, detriments and expenses, including attorney's fees, caused by or arising out of his failure to perform promptly any such maintenance and repair work.

(b) Each member shall be obligated to reimburse the Council of Co-Owners for any expenditures incurred by it in repairing or replacing any part or parts of the common or limited elements damaged solely by his negligence or by the negligence of his licensees, permittees, invitees, tenants or agents, promptly upon receipt of the Council's statements therefor.

(2) Nonpayment of assessments

In the event an owner of an office unit shall: (a) fail to pay any assessment levied against him and any office unit owned by him as provided in (1)(a) of this Article IV, or (b) shall fail to reimburse the Council for any maintenance or repair work performed by it as provided in (1)(b) of this Article IV, within fifteen (15) days after the same shall become due and payable and a statement showing the amounts due on account of either or both of said items as the case may be shall have been mailed by the secretary to such owner by United States mail, first class, with postage prepaid, directed to such owner at his last known office address, then and in either or both of such events, the Council of Co-Owners shall be entitled to foreclose the lien created on such office unit by this Article IV in the same manner as provided in Section M of the Master Deed and Declaration of Condominium Property Regime for the foreclosure of liens for delinquent assessments. Nothing herein contained shall be deemed to impair the right of the Council to proceed personally against any such delinquent owner of an office unit for the recovery of a personal judgment against him, or for such other relief, legal or equitable, as may be deemed appropriate.

ARTICLE V
OFFICERS

(1) Establishment

The officers of the Council of Co-Owners shall be the chairman of the Council, the secretary of the Council and a treasurer of the Council. The Council may, from time to time, appoint such other officers as are in their judgment necessary and proper. Two or more offices may not be held by the same person.

(2) Election

The officers of the Council shall be elected annually at the annual meeting of the Council and shall hold office until their successors are elected or appointed by the Council and qualify, provided that each officer shall hold office at the pleasure of the Council, and may be removed either with or without cause, and his successor elected at any annual, or at any special meeting of the Council called for such purpose, upon the affirmative vote of a majority of the members of the Council.

(3) Chairman

(a) The chairman shall be the chief executive officer of the Council of Co-Owners and shall preside at all meetings of the Council. He shall have the general powers and duties usually vested in the office of chairman.

(b) The chairman shall execute such deeds, contracts and other instruments in the name of and on behalf of the Council, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Council to another officer or agent of the Council.

(4) Secretary

The secretary shall take the place of the chairman and perform his duties whenever the chairman shall be absent or unable to act. The secretary shall attend all meetings of the Council of Co-Owners and record all votes and the minutes of all meetings and proceedings in a minute book to be kept for that purpose. He shall have charge of the minute book and such records and papers as the Council shall direct and perform all duties incident to the office of secretary, including the sending out of notices of meetings of the members and such other duties as may be described by these bylaws, by the Council or the chairman. In the absence or disability of the secretary, an acting secretary shall perform the duties and exercise the powers of the secretary, and shall perform such other duties as may be prescribed by the Council.

(5) Treasurer

The treasurer shall have the responsibility for the Council's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Council and shall deposit all moneys, checks and other valuable effects in the name of and to the credit of the Council in such depositories as may from time to time be designated by the Council. The treasurer shall disburse the funds of the Council as may from time to time be ordered by the Council making proper vouchers for such disbursements, and shall render to the chairman and to the other members of the Council at its regular meetings or whenever they or either of them so require, an account of his transactions as treasurer and of the financial condition of the Council.

ARTICLE VI
INDEMNIFICATION OF OFFICERS

The Council of Co-Owners shall indemnify every officer of the Council, his or her heirs, executors and administrators against all loss, costs and expense, including attorney's fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been an officer of the Council, excepting in matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Council is advised by Council that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Council by reason of, or arising out of, or in connection with, the foregoing indemnification provisions shall be treated and handled by the Council as common expenses; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Council to indemnify any member or owner of an office unit who is or has been an officer of the Council with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Mt. Sterling Medical Center Condominium Master Deed and Declaration of Condominium Property Regime as an owner of an office unit covered thereby.

ARTICLE VII
ALTERATIONS OR AMENDMENTS

These bylaws may be altered or amended by the Council of Co-Owners at any regular or special meeting of the Council, provided the notice of any such meeting shall set forth the proposed alteration or amendment and the purpose thereof.

ARTICLE VIII
WAIVER OF NOTICE OF MEETING

Before any meeting of the members of the Council of Co-Owners, whether regular or special, any member of the Council of Co-Owners may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Council of Co-Owners at any meeting shall likewise constitute a waiver by him of such notice. If all members of the Council of Co-Owners are present at any meeting, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or these bylaws.

The above bylaws of the Council of Co-Owners of the Mt. Sterling Medical Center Condominium were duly adopted by unanimous vote of all the office unit owners and members of said Council at the first regular annual meeting of said Council held on February _____, 1982.

CHAIRMAN

ATTEST:

SECRETARY