

381.787 Establishment and organization of planned community -- Board of directors -- Declaration or bylaws -- Removal of board member.

- (1) A declarant shall establish an association no later than the date upon which the first lot in the planned community is conveyed to a purchaser for fair market value. The association shall be organized as a nonprofit corporation pursuant to KRS Chapter 273 or as an unincorporated nonprofit association pursuant to KRS Chapter 273A.
- (2) The association shall consist of members who own a lot or lots in the planned community. The association shall be administered by a board of directors elected from among the owners. The owners shall elect a board with at least three (3) directors who shall take office upon election no later than the termination of any declarant control period.
- (3) Unless otherwise provided in the governing documents, the board of directors shall be authorized to carry out the provisions of KRS 381.785 to 381.801. If an owner is not a natural person, a principal member of a limited liability company, partner, director, officer, trustee, or employee of the owner may be elected to the board of directors.
- (4) The initial board of directors shall promulgate the initial bylaws of the association.
- (5) Subject to other provisions of KRS 381.785 to 381.801, the declaration or bylaws for an incorporated or unincorporated association shall provide for the following:
 - (a) The number of persons constituting the board;
 - (b) The election method and terms of the board;
 - (c) The powers and duties of the board;
 - (d) The method of removal of directors from the board;
 - (e) The method of amending the declaration and bylaws;
 - (f) The frequency, time, and place for holding board meetings and the manner of and authority for calling, giving notice of, and conducting board meetings; and
 - (g) Any other matters the declarant or the association deems necessary and appropriate.
- (6) Unless a higher percentage of votes is required under the declaration or bylaws, the owners may remove any member of the board with or without cause, except a director appointed by the declarant, by a majority vote of all persons present in person or by proxy and entitled to vote at any meeting of the association at which a quorum is present.

Effective: June 29, 2023

History: Created 2023 Ky. Acts ch. 23, sec. 3, effective June 29, 2023.