

**MASTER DEED
FOR
JUNIPER BEACH CONDO ASSOCIATION, INC**

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MASTER DEED

Establishing

JUNIPER BEACH CONDO ASSOCIATION, INC

THIS MASTER DEED (the “Master Deed”) has been prepared at the direction of and caused to be recorded by Alan DeMuro, current duly elected President representing the current owners in fee simple of the units making up the property located at 5335-5395 Juniper Beach Road, Prospect Kentucky 40059 (hereinafter referred to as the “Declarant”).

WITNESSETH:

WHEREAS, the owners in fee simple of the units making up the property located at 5355 Juniper Beach Road, Prospect Kentucky seek to resubmit their property to the regime established by KRS 381.805 to 381.910 described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the owners in fee simple were formally part of the organization known as Glenview Landing Condominium Association and said association has been formally wound up and constitution of this property into another horizontal property regime observes the provisions of KRS 381. 805 to 381.910, and

WHEREAS the owners of all easements, rights and appurtenances belonging thereto (said Land, improvements, structures, easements, rights and appurtenances are together referred to hereinafter as the “Property”) have elected the Declarant and empowered him with the authority to undertake this reconstitution to the provisions of the Horizontal Property Law of the Commonwealth of Kentucky (KRS 381 .805-381.910) (the “Horizontal Property Law)

NOW, THEREFORE, Declarant hereby submits said Property to the provisions of the Horizontal Property Law and declares that said Property shall be a Reconstituted Condominium Project (hereinafter referred to as the “Reconstituted Condominium Project”) as defined in and pursuant to said Horizontal Property Law, and pursuant to the following provisions:

ARTICLE 1

Definitions

Section 1.1. Definitions. The words listed in this Article 1 when used and capitalized in this Master Deed shall have the meanings set forth for each in this Article 1:

A. “Articles of Incorporation” means the Articles of Incorporation of the Council, a nonstock, nonprofit corporation, which shall govern and control, in part, the affairs and administration

of the Reconstituted Condominium Project.

B. “Board of Directors” means the Board of Directors of the Council who shall be elected and serve and shall have the powers and duties provided herein and in the Articles of Incorporation and the Bylaws.

C. “Building” means the one (1) two-story townhouse building to be constructed on the Land, containing all of the Units in the Reconstituted Condominium Project. The location of the Building on the Land, the number by which each Building shall be designated, and the area of each of the Buildings are as set forth on the Plans.

D. “Bylaws” means the Bylaws of the Council, approved and adopted by the Board of Directors, which shall govern and control, in part, the affairs and administration of the Reconstituted Condominium Project.

E. “Common Elements” means all of the Property, except the Units, including without limitation the outside walls and roofs of the Buildings, the foundations and structural members of the Buildings and all columns, girders, beams and supports; the Land and improvements on the Property (including the Land under the Units); all utility or other pipes and material located outside of the Units except such as are part of the Units, all central installations for the furnishing of utilities and other services to the Units, all driveways, roadways, grass areas, and sidewalks, all recreational facilities available in whole or in part for use by the Unit Owners, to the extent the same are not a part of any Unit and as more fully described in Article 3 below.

F. “Condominium Documents” means, collectively, the Master Deed, Articles of Incorporation, Bylaws, and Rules and Regulations.

G. “Councils” means JUNIPER BEACH CONDO ASSOCIATION, INC, a Kentucky nonstock, nonprofit corporation the members of which shall be each an owner of record of a Unit in the Reconstituted Condominium Project.

H. “JUNIPER BEACH CONDO ASSOCIATION, INC” means the name by which the Reconstituted Condominium Project shall be known and shall henceforth supersede the name Glenview Landing Condominiums, Inc.

I. “General Common Elements” means all of the Common Elements except for any Limited Common Elements as more fully described in Article 3 below.

J. “Limited Common Elements” means and includes those Common Elements (if any) designated by this Master Deed to be reserved for the exclusive use of a particular Unit or combination of Units as more fully described in Article 4 below.

K. “Person” means any natural person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

L. “Plans” means the plans and specifications for the Reconstituted Condominium

Project, including the floor plans for the Buildings dated April 15, 1997 showing the layout, location, Unit numbers and dimensions of the Units, and recorded in Condominium and Apartment Ownership Book Pages 60 through 67 in the office of the County Court Clerk of Jefferson County, Kentucky, simultaneously with the recording of the Master Deed.

M. “Rules and Regulations” means the rules and regulations promulgated by the Board of Directors and governing, in part, the use and occupancy of the Units.

N. “Unit” means an enclosed space within the Buildings measured from interior unfinished surfaces of walls, ceilings and floors, having a direct exit to a thoroughfare or to a Common Element leading to a thoroughfare. Each Unit shall include the interior unfinished surface of any doors, windows, vents and other structural elements as ordinarily are regarded as enclosures of space, and any wallpaper, paint, carpets, tile and all other decorating or finishing materials affixed or installed as part of the physical structure of the Unit, and all closets, cabinets, storage areas, and visible fixtures, mechanical systems and equipment installed in and for the sole and exclusive use of an individual Unit; provided, however, that neither pipes, wires, conduits or other public utility lines or installations constituting part of the overall systems designed for the general service of an entire Building, nor property of any kind which is not removable without jeopardizing the soundness and safety of the remainder of an entire Building, shall be deemed to be included within any Unit. “Entire Building,” as used in the preceding sentence, shall include any other Unit and any Common Element, whether General or Limited.

O. “Unit Owner” means any Person having record title to a Unit.

Section 1.2. Name of the Reconstituted Condominium Project. Henceforth in all subsequent deeds, the master deed shall be referred to as the Juniper Beach Condominium Association and shall clearly state that it supersedes Glenview Landing Condominiums, Inc.

Section 1.3. Description of Land. The land, which is hereby submitted by Owner to the condominium form of ownership and use, is the following described land, herein called “the land”, located in Jefferson County, Kentucky, as follows.

EXHIBIT “A” ATTACHED HERETO:

Section 1.4 Description of Condominium Project There has been constructed upon the land seven (7) units in building herein called the “building”, the construction of which is substantially complete. The land also contains landscaping and driveways, the construction of which is substantially complete. The condominium project includes the land, building and all other improvements upon the land. The various elements of the reconstituted condominium project are more particularly delineated on the plats and surveys of Glenview Landings prepared by Jere R. Kiesel, Registered Professional Engineer, and dated April 5, 1997, which plats and surveys consist of a total of two (2) sheets attached hereto and made a part hereof as Exhibit B (hereinafter “the plans”). Anything in Article 11 hereof to the contrary notwithstanding, the Owner reserves the right to amend the plans by recording an amendment to this Master Deed without the requirement of obtaining the consent to such amendment by either the Council or any record owner or Mortgagee on any unit, so long as 100% of the units have not been sold.

Section 1.5. Description of Units. The building contains seven (7) individual units. No unit bears the same identifying number, as does any other unit. The distribution of units within the building is as follows:

<u>Unit Numbers</u>	<u>Area (Square Feet) —</u>	<u>Percentage</u>
1	2725	14.313
2	2701	14187
3	2695	14155
4	2696	14160
5	2718	14.276
6	2720	14.286
7	2784	14.623

The area and location of each of the units are more particularly delineated on the plans.

Section 1.6. Boundaries of Units. Each unit includes that part of the building containing the space that lies within the boundaries of the unit. The upper, lower and parametrical boundaries of each unit shall be as set forth in aforesaid plans with respect to each unit.

ARTICLE 2

Units

Section 2.1. Numbers, Location, Designation and Plans for Units. There shall be seven (7) Units within the Reconstituted Condominium Project. For purposes of identification, each Unit has been assigned a number and designated as Unit 1 through 7, as indicated on **Exhibit B** attached hereto and made a part hereof. No Unit bears the same identification number as any other Unit. The Plans set forth the layout, location within the applicable Building, Unit number designation, and dimensions of each Unit. Upon completion of construction of all Units, the Declarant shall be and hereby is authorized, without any requirement to obtain the consent of any Unit Owner or other Person, to amend this Master Deed and the Plans to the extent necessary in order that the area in square feet and percentage interest of each Unit as disclosed on **Exhibit B** attached hereto shall conform to the area in square feet and percentage interest of those Units as built.

Section 2.2. Ownership of Units. Each Unit Owner shall obtain fee simple ownership of the Unit acquired, the appurtenant undivided interest in the General Common Elements of the Reconstituted Condominium Project and, if applicable, any Limited Common Elements appurtenant to the Unit. Each Unit Owner shall be a member of the Council. The form of ownership of a Unit may be individual, corporate, in partnership, joint tenancy with right of survivorship, a tenancy in common, a tenancy by the entireties, or (subject to the other provisions of the Condominium Documents) any other estate in real property recognized by law and which may be conveyed and encumbered. All deeds to each Unit shall describe such Unit by reference to this Master Deed, the Plans, the name of this Reconstituted Condominium Project, and the identifying number of the Unit followed by the words “a Condominium Unit.” No Unit shall be subdivided, and no action for partition of a Unit shall

lie, except in the manner provided in the Horizontal Property Law of Kentucky and upon the prior written approval of the holder(s) of any mortgage(s) on such Unit and approved by a majority vote of the Council. Any conveyance of a Unit shall be deemed also to convey the undivided interest of the Unit Owner in the General Common Elements and any Limited Common Elements appurtenant to the Unit, whether or not the instrument evidencing such conveyance expressly shall so state.

Section 2.3. Taxation of Units. The owner of each Unit shall be responsible for all ad valorem or real estate taxes and special assessments that may be assessed against the Unit and its percentage of ownership in the Common Elements by any governmental authority with jurisdiction over the Unit. Nothing contained in this Master Deed shall be construed as giving to any Unit Owner any right of contribution or adjustment against any other Unit Owner because of any deviation by any governmental authority from the percentages of ownership set forth in any valuation or assessment against the Unit owned by such Unit Owner.

Section 2.4. Use of Units. Unless otherwise permitted by the Board of Directors (who shall take into consideration the interests of all Unit Owners), each Unit (except for one or more unsold Units which Declarant may use as a sales office or model) shall be occupied [i] as a residence by one family only, and [ii] in the case of Unit Owners which are businesses, to house business guests from time to time for stays of temporary duration, provided the remuneration, if any, received by such Unit Owner for any such stay is not a material inducement for permitting such use, and for incidental business meetings so long as such use is not the primary purpose of ownership and occupancy of the Unit. The Units shall be used for no other purpose. The word “family,” as used in subsection [i] of the preceding sentence, shall mean [a] one or more natural persons related by blood, adoption, or marriage, living together as a single housekeeping unit, or by no more than two (2) persons (plus any natural children of either of them) living together as a single housekeeping unit though not related by blood, adoption or marriage. No industry, trade, business or profession of any kind (other than incidental business meetings as set forth above or as permitted by the Board of Directors as set forth above) shall be conducted, maintained or permitted on any part of the Reconstituted Condominium Project except that the Declarant may use unsold Units and the Common Elements appurtenant to them as a sales office, model Unit, or otherwise as reasonably necessary to facilitate the sale of other unsold Units, such as erecting and storing signs and billboards within the Units and distributing promotional materials in and around the Reconstituted Condominium Project.

Section 2.5. Maintenance and Repair of Units and Common Elements. It shall be the responsibility of the Council to maintain, repair or replace:

A. The Buildings (except to the extent of the Units comprising a part of the same), including the roofs, and the grounds and parking lots.

B. All portions of any Unit that contribute to the support of any Building, including main bearing walls (but excluding painting, wall papering, decorating or other work on the interior surface of walls, ceilings and floors within the Unit, which shall be the Unit Owner’s responsibility).

C. All portions of the Unit, which constitute a part of the exterior of any Building.

D. All Common Elements.

E. All incidental damage caused by work done at the direction of the Board of Directors. It shall be the responsibility of each Unit Owner with respect to the Unit owned by such Unit Owner:

F. To maintain, repair and replace at the expense of such Unit Owner all portions of the Unit except the portions to be maintained, repaired and replaced by the Council, including all decorating and redecorating, painting, tiling, carpeting, waxing, papering, plastering or varnishing which may be necessary to maintain the good appearance and condition of the Unit. Where the Limited Common Elements appurtenant to a particular Unit include a porch or balcony or patio, the Unit Owner who has the right to exclusive use of said porch or balcony or patio shall be responsible for the maintenance, preservation and care of the porch or balcony or patio, the fixed or sliding glass doors in the entrance thereto, and the replacement of any light bulbs, wiring, electrical outlets or any other fixtures thereon. Such maintenance, repair and replacement shall be done without disturbing the rights of other Unit Owners, and such maintenance, repair and replacement shall not change the appearance of any portion of the exterior of a Building or Unit without prior approval of the Board of Directors.

G. To maintain, repair and replace at the expense of such Unit Owner the appliances and fixtures located in the Unit, or located in the Limited Common Elements appurtenant to the Unit, or located in the General Common Elements but benefiting the Unit to the exclusion of any other Unit, including, but not limited to, any plumbing fixtures, water heaters, air conditioning equipment, lighting fixtures, refrigerators, dishwashers, disposals, ranges, range hoods and fans, sinks, lamps, doors, windows, telephones, or any electric, gas or water pipes or lines or wires or conduits or ducts serving any such appliances and fixtures.

H. To report promptly to the Council any defect or need for repairs for which the Council is responsible.

I. To maintain, repair, or replace at the expense of such Unit Owner all portions of the Unit, which may cause injury or damage to the other Units or to the Common Elements.

J. To perform the responsibilities of such Unit Owner in such a manner and at such reasonable hours so as not to unreasonably disturb other Unit Owners in the Building.

Section 2.6. Liability of Unit Owner for Certain Repairs A Unit Owner shall be liable for the entire expense of any maintenance, repair or replacement of any part of the Reconstituted Condominium Project, whether part of a Unit or part of the General Common Elements or Limited Common Elements, if such maintenance, repair or replacement is rendered necessary by any negligent act or omission of the Unit Owner, or any member of the family, or guests, employees, agents or lessees of such Unit Owner. If any Unit Owner fails to undertake any such maintenance, repair or replacement within ten (10) days after the Board of Directors notifies such Unit Owner in writing that the Board of Directors has determined that such maintenance, repair or replacement is the responsibility of such Unit Owner under this Section, the Board of Directors may undertake such maintenance, repair or replacement, and the cost thereof shall be a lien on the Unit owned by such Unit Owner until paid by the Unit Owner, and such lien shall be subject to the same remedies as are

provided in this Master Deed for nonpayment by a Unit Owner of common charges and assessments.

Section 2.7. Alteration or improvement of Units. No alteration or improvement to the Unit, which would alter or affect the Common Elements or any other Unit may be made by any Unit Owner other than the Declarant without the prior written consent of the Board of Directors. No application shall be filed by any Unit Owner other than Declarant with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, which alters or affects the Common Elements or other Units, unless approved and executed by the Board of Directors. Such approval and execution shall not evidence any consent to any liability on the part of the Board of Directors, or any individual member of the Board of Directors, to any contractor, subcontractor, material man, architect or engineer by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising there from. Consent shall be requested in writing through the manager or the managing agent, if any, or through the President or Secretary of the Council if no manager or management agent is employed. The Board of Directors shall have the obligation to answer within thirty (30) days. The Board of Directors may require that the Unit Owner making such improvement, alteration or addition obtain such insurance coverage has and in such amounts as the Board of Directors deems proper.

Common Element

Section 3.1. General Common Elements. The General Common Elements of the Reconstituted Condominium Project include the Land and all other areas, and all structures and improvements, within the boundaries of the Reconstituted Condominium Project not included within the Units and the Limited Common Elements. The General Common Elements include, but are not necessarily limited to, the Land, the foundations, structural columns, walls and floors and ceilings and roofs (other than the interior decorated surfaces thereof located within the boundaries of individual Units) of the Buildings; the gardens, outside walks and outside driveways, breezeways, automobile parking spaces (other than those designated as Limited Common Elements pursuant to the Article of this Master Deed entitled "Limited Common Elements"), outside retaining walls and landscaping, any recreational facilities located on the Land, and public utility lines.

Section 3.2. Interest in Common Elements. Each Unit shall have appurtenant to it that percentage interest in the Common Elements which the floor area of the Unit bears to the sum of the floor area for all Units (which percentage interest is set forth on Exhibit B attached and made a part of this Master Deed), and each Unit Owner shall bear the same percentage of the common expenses of the Reconstituted Condominium Project. The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the instrument of such conveyance.

Section 3.3. Common Elements to Remain Undivided. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Any covenant to the contrary shall be void.

Section 3.4. Adjustments in Percentage of Ownership. Except as provided in Section 2.1 of this Master Deed and as otherwise may be expressly provided herein, the percentages of ownership in the Common Elements set forth in Exhibit B attached to this Master Deed shall remain constant regardless of the purchase price paid for any Unit at any time. Except as provided in Section 2.1 of this Master Deed and as otherwise may be expressly provided herein, no adjustment in percentages of ownership shall be made without the prior written approval of all Unit Owners of Units for which the percentages of ownership are being adjusted and all holders of record of first mortgages on all Units in the Reconstituted Condominium Project for which the percentages of ownership are being adjusted.

Section 3.5. Use of Common Elements. The Common Elements shall be used for the benefit of the Unit Owners, the furnishing of services and facilities for which the same are reasonably intended, and for the enjoyment to be derived from such proper and reasonable use. Each Unit Owner may use the General Common Elements in accordance with the purposes for which they are intended so long as such use does not hinder the exercise of or encroach upon the rights of other Unit Owners. The Board of Directors shall, if any question arises, determine the purpose for which a Common Element is intended to be used. The Board of Directors shall have the right to promulgate the Rules and Regulations, which may limit the use of the Common Elements to Unit Owners, their guests, permitted tenants and invitees.

Section 3.6. Maintenance of Common Elements The maintenance and operation, including landscaping, gardening, snow removal, cleaning, painting and all other repair, of the Common Elements shall be the responsibility and expense of the Council, unless and except as otherwise expressly provided in the Condominium Documents.

Section 3.7. Alteration and Improvement of Common Elements The Board of Directors shall have the right to make or cause to be made such alterations and improvements to the Common Elements as in the opinion of the Board of Directors may be beneficial and necessary. The cost of any such alterations and improvements to the Common Elements shall constitute a part of the common expenses. When in the sole opinion of the Board of Directors the costs therefore shall be exclusively or substantially exclusively for the benefit of Unit Owner(s) that requested the alteration or improvement, the cost shall be assessed against such Unit Owner(s) in such proportion as the Board of Directors, in its discretion, reasonably shall determine is fair and equitable.

ARTICLE 4

Limited Common Elements

Section 4.1. Limited Common Elements. The Limited Common Elements of the Reconstituted Condominium Project are areas, which are reserved for the use of by Unit Owners of a certain Unit or Units to the exclusion of the Unit Owners and/or occupants of other Units. The Limited Common Elements of the Reconstituted Condominium Project include any patios and balconies adjacent to or associated with a particular Unit and intended for use exclusively by occupants of that particular Unit, and shall include automobile parking spaces and storage areas designated as being intended for the exclusive use of a Unit or Units pursuant to the plans.

Section 4.2. Limited Common Elements to Remain Undivided. The Limited Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Any covenant to the contrary shall be void.

Section 4.3. Parking Spaces. Any parking spaces not a part of a Unit and not expressly designated on the Plans as being appurtenant to any Unit as a Limited Common Element shall remain General Common Elements and shall be available for use generally by all Unit Owners, their tenants, or guests without reservation or restriction, other than any reasonable restrictions imposed by the Board of Directors and applicable to all Unit Owners; provided, however, that the Council may, but shall not be required to, rent such parking spaces to any Unit Owners who make application therefore, at such rates and for such periods as the Board of Directors deems advisable, and any such unassigned parking spaces that are rented to Unit Owners shall be reserved for the exclusive use of those Unit Owners for the period during which they are rented.

ARTICLE 5

Assessments

The making and collection of assessments against Unit Owners for Common expenses of the Reconstituted Condominium Project, including but not limited to maintenance and repair of, and insurance charges and utility expenses related to, the Common Elements, shall be pursuant to the Bylaws and subject to the following provisions:

Section 5.1. Share of Common Expense. Each Unit Owner shall be personally liable for the proportionate share of the common expenses and shall share in the common surplus (after due allowance for the retention of any reserve to cover future common expenses), such shares being the same as the Unit Owner's undivided share in the Common Elements as set forth in Exhibit A to this Master Deed. No Unit Owner shall be exempt from contributing toward such expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit owned by such Unit Owner or by claiming that the quantity or quality of services does not warrant such payment or is not as contemplated by such Unit Owner as of the time of purchase; provided, however, the Board of Directors may, but is not required to, abate or reduce a Unit Owner's contribution for a reasonable period of time during which the Unit owned by such Unit Owner is uninhabitable as the result of damage or destruction.

Section 5.2. Interest; Application of Payments. Assessments and installments on such assessments paid on or before ten (10) days after the day when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due, including any sums due as a result of acceleration of unpaid assessments as may be provided in the Bylaws, shall bear interest from the date when due until paid at the rate of interest per annum provided in the Bylaws. All payments upon account shall be first applied to interest and then to the assessment payment first due.

Section 5.3. Lien for Assessments. Except as provided in the Section of this Master Deed entitled "Limitation on Mortgagee Liabilities," any unpaid common expenses assessed to a Unit Owner shall constitute a lien against the Unit owned by such Unit Owner and against such an Owner's interest in the Reconstituted Condominium Project prior to all other liens except the lien of a first

mortgage on the Unit and tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to State, County, City and School District taxing agencies. The lien created by this Section shall be deemed to be incorporated by reference in and reserved by each deed or other instrument conveying any interest in a Unit whether or not such deed or instrument by its express terms refers to said lien. In addition to any other remedies or liens provided by law, if any Unit Owner is in default in the payment of any common expenses assessed to such Unit Owner for thirty (30) days, including any sums due as a result of acceleration of unpaid assessments as may be provided in any of the Condominium Documents, the Council may bring suit for and on behalf of itself and as representative of all Unit Owners to enforce collection of the assessment and all costs of collection thereof, including reasonable attorneys' fees, and to foreclose the aforesaid lien in accordance with the laws of the Commonwealth of Kentucky, in like manner as a mortgage on real property. The lien for unpaid assessments shall also secure legal interest and reasonable attorneys' fees incurred by the Council incident to the collection of such assessment or enforcement of such lien. In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit Owners as a common expense.

Section 5.4. Transfer of Units. A Unit Owner shall not be liable for any common expenses accruing after the sale of his Unit and the recording of a deed to the purchaser. The purchaser of a Unit subject to any lien arising under this Master Deed prior to the date of purchase and the recording of the deed shall take title to the Unit subject to the lien; provided, however, that at the request of any Unit Owner or a prospective purchaser of the Unit, the Board of Directors shall provide a statement disclosing whether the Unit Owner is then in default under any of the obligations hereunder and whether and in what amount a lien exists against the Unit owned by the Unit Owner under the Section hereof entitled "*Lien for Assessments,*" which statement shall be conclusive as to the facts stated therein as against the Council and the other Unit Owners and may be relied upon by a prospective purchaser or mortgagee or assignee of any mortgage upon the Unit of such Unit Owner.

Section 5.5. Limitation on Mortgagee Liabilities. Where the mortgagee of a first mortgage of record, or the purchaser or purchasers of a Unit obtains title to the Unit as a result of foreclosure of a first mortgage, or by voluntary conveyance in lieu of such foreclosure, said mortgagee or purchaser shall not be liable for the shares of such Unit or common expenses or assessments by the Council pertaining to such Unit or chargeable to a former Unit Owner of such Unit which became due prior to acquisition of title by said mortgagee or purchaser as a result of the foreclosure or voluntary conveyance in lieu of said foreclosure. Such unpaid share of common expenses or assessments shall be deemed common expenses collectible from all of the other Unit Owners of Units, including a successor or assign of the mortgagee. The waiver of liability granted herein for the payment of past due assessments shall not apply to a Unit Owner who takes back a purchase money mortgage, or to any other mortgagee which is not an "institutional mortgagee." The term "institutional mortgagee" herein used shall mean a first mortgage holder, which is a bank, savings and loan association, life insurance company, pension fund, trust company, credit union or other similar institutional lender.

Section 5.6. Rental Pending Foreclosure. in any foreclosure of a lien for assessments, the Unit Owner of the Unit subject to the lien shall be required to pay a reasonable rental for the Unit, and the council shall be entitled to the appointment of a receiver to collect the same.

ARTICLE 6

Council of Co-Owners

Section 6.1. Council Manages Reconstituted Condominium Project. The management and operation of the Reconstituted Condominium Project shall be the responsibility of the Council, acting through the Board of Directors and the elected officers thereof, and the Council shall fulfill its functions pursuant to the provisions of the Condominium Documents.

Section 6.2. BY Laws. The Bylaws adopted by the Council from time to time shall be the Bylaws of the Reconstituted Condominium Project.

Section 6.3. Rules and Regulations. Each Unit Owner's ownership and use of the Unit(s) owned by such Unit Owner shall be subject to the Rules and Regulations promulgated by the Board of Directors from time to time, applicable to all Unit Owners including Declarant. The Council shall furnish a copy of the Rules and Regulations, including any amendments thereto, to all Unit Owners and residents of the Reconstituted Condominium Project upon request.

Section 6.4. Limitation Upon Liability of Council. Notwithstanding the duty of the Council to manage, operate, maintain and repair the Reconstituted Condominium Project, subject to and in accordance with the provisions of the Condominium Documents, the Council shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the Reconstituted Condominium Project required to be maintained and repaired by the Council, or caused by the weather or other elements, or by other Unit Owners or Persons, including, but not limited to, defects which are the result of characteristics common to the materials used, damage due to ordinary wear and tear and normal use, and damage due to wind, rain, snow, hail and condensation on or expansion or contraction of materials due to weather.

Section 6.5. Board of Directors. The members of the Board of Directors shall be elected and serve and shall have the duties and powers as provided in the Articles of Incorporation and Bylaws. The Board of Directors shall have the right to delegate its duties to a managing agent. The Board of Directors shall be the final arbiter of any dispute concerning the operation of the Reconstituted Condominium Project, and the interpretation and effect of the Condominium Documents.

Section 6.6. Declarant's Written Consent Necessary for Certain Actions. Anything to the contrary contained in any of the Condominium Documents notwithstanding, during the interval (the "Declarant's Marketing Interval") from the date of recordation of this Master Deed until the earlier of such time as [i] Declarant or its designee(s) shall cease to own any Units in the Reconstituted Condominium Project, or [ii] four (4) years from the date of recording this Master Deed, the Board of Directors may not, without the Declarant's prior written consent [a] amend any of the Condominium Documents; [b] make any addition, alteration or improvement to the Common Elements or to any Unit; [c] assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund if the effect of such assessment would be to increase the amount of such reserve, contingency or surplus fund in excess of an amount equal to that proportion of the

then existing budget which the amount of reserves in the initial budget of estimated expenses for the Reconstituted Condominium Project bears to the total amount of such initial budget of estimated expenses; [d] hire any employee in addition to the employees, if any, provided for in the initial budget; [e] enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit; [f] borrow money on behalf of the Reconstituted Condominium Project; or [g] reduce the quantity or quality of services to or maintenance of the Reconstituted Condominium Project. During the Declarant's Marketing Interval, in addition, Declarant may unilaterally amend any Condominium Document so long as any such amendment does not [h] alter the undivided interest in the Common Elements appurtenant to any Unit not owned by Declarant or its nominee at the time of such amendments [i] increase the share of common expenses which are the obligation of Unit Owners other than Declarant at the time of such amendment, or materially alter the responsibilities and obligations of Declarant as developer of the Reconstituted Condominium Project to other Unit Owners under the Condominium Documents.

Section 6.7. Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of a Council meeting, such decision shall be expressed by the same Person who would cast the vote of such Unit Owner if in a Council meeting, unless joinder of all Unit Owners of record is specifically required by the applicable provision of the Condominium Documents.

ARTICLE 7

Easements

Section 7.1. Existing Easements. Easements are hereby declared and granted by each Unit Owner in favor of each other Unit Owner, and reserved by Declarant, for all utility purposes as they exist on the date of the recording of this Master Deed or as are contemplated by the Plans, or as may be required to be incorporated in the final construction of the Buildings and the Common Elements. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving the Unit(s) of such Unit Owner. Each Unit shall be subject to an easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. Easements are further declared and granted and reserved for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as are now and from time to time may exist upon the Common Elements; and for vehicular traffic over, through and across such driveways, parking areas (subject to the rights of applicable Unit Owners in parking spaces which are Limited Common Elements) and other portions of the Common Elements as are now and from time to time may be paved and intended for such purposes. All easements and rights described in this Master Deed are easements appurtenant, running with the land, and shall inure to the benefit of and be binding upon the Declarant, Unit Owners and any other Person having any interest in the Reconstituted Condominium Project, but shall be subject to and limited by the provisions of the Condominium Documents. The deed of conveyance of any Unit, or any mortgage or trust deed or other evidence of obligation, shall be subject to the easements and rights described in this Master Deed, and reference to this Master Deed shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagee and trustees of such Units as fully and completely as if such easements and rights had been recited fully and set forth in their entirety in such documents.

Section 7.2. Future Easements. The Council may grant further easements for utility purposes for the benefit of the Reconstituted Condominium Project, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, cable television wires and equipment, and electrical conduits and wires over, under, along and on any portion of the Reconstituted Condominium Project, and each Unit Owner hereby grants the Council (acting through its President) an irrevocable power of attorney to execute, acknowledge and record, for and on behalf of each Unit Owner, such instruments or documents as may be necessary to effectuate such easements; provided, however, that any easement through a Unit shall be only according to the plans and specifications for the Building in which such Unit is located, or as such Building is constructed, unless approved in writing by the Unit Owner. The power of attorney granted by this Section shall survive any disability or death of the Unit Owner and shall be binding on each successive Unit Owner.

Section 7.3. Access to Units by the Council. The Council shall have a right to access to each Unit upon reasonable prior notice and at reasonable hours: [i] to inspect the same for compliance with the provisions of the Condominium Documents; [ii] for the maintenance, repair, replacement or improvement of any portion of the Common Elements (or any portion of the Unit which is the responsibility of the Board of Directors) including any pipes, wires, ducts, cables, conduits and public utility lines located in or adjacent to any Unit; [iii] to prevent damage to the Common Elements or any other Unit; [iv] to abate any violation of law, order, rules or regulations of any governmental authority having jurisdiction thereof; [v] to abate any violation of any provision of any of the Condominium Documents. The Council shall have such other right of access to each Unit as may be provided under any other provision of the Reconstituted Condominium Documents. The Council shall be obligated to repair any damage to a Unit incurred because of exercise of this right of access.

Section 7.4. Declarant's Easement for Marketing Purposes. Declarant reserves the right with respect to its marketing of Units to use the Common Elements for the ingress and egress of itself and for prospective purchasers and lessees of Units, including the right of such prospective purchasers and lessees to park in parking spaces, which are not Limited Common Elements. Any damage to the Common Elements resulting from this easement shall be repaired by Declarant promptly after the same occurs.

Section 7.5. Declarant's Easement for Completion of Units. Declarant reserves the right for the purpose of completing the development of the Reconstituted Condominium Project, including the Buildings and Units, to have access to the Common Elements and (but only to the extent reasonably necessary and only upon reasonable prior notice to the applicable Unit Owner and at reasonable hours) to any Units presently existing, for the ingress and egress of itself and its subcontract, material men, and suppliers for the purpose of construction, installing, maintaining and repairing equipment and fixtures pursuant to such development, and for other activities reasonably necessary in connection with such development, including the right to use the roadways and to park in those parking spaces which are not Limited Common Elements at the Reconstituted Condominium Project. Declarant agrees to repair any damage, which may be caused to the Building or to any Unit resulting from the actions of Declarant permitted by this Section promptly after Declarant is notified that such damage has occurred.

Section 7.6. Easements for Encroachments. An easement shall exist for any portion of a Unit or the Common Elements which encroaches upon any other Unit or the Common Elements as a result of [i] the original or future construction or settling or shifting of any part of a Building, or [ii] any repair or restoration undertaken by the Board of Directors, or [iii] any construction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings. Such easements as provided in this Section shall exist so long as the Building in which the encroachment exists (or any replacement thereof permitted under any Condominium Document) shall stand.

Section 7.7. Additional Easements. The Board of Directors shall have the right to grant such additional easements burdening the Common Elements as are reasonable determined by it to be compatible with the intended uses and future development of the Reconstituted Condominium Project, including, without limitation, additional easements for ingress and egress to and from and over the Land.

ARTICLE 8

Insurance

The Council shall maintain insurance coverage upon the Reconstituted Condominium Project in accordance with the provisions of this Article:

Section 8.1 Authorities to Purchase; Named Insured. All insurance policies upon the Reconstituted Condominium Project shall be purchased by the Council. The named insured shall be the Council individually and as agent for the Unit Owners, without naming them, and as agent for the mortgagees of the Unit Owners. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners. Such policies shall provide that payments by the insurer for losses shall be made to the Insurance Trustee designated below, and all policies and their endorsements shall be deposited with the Insurance Trustee. Unit owners may obtain coverage at their own expense for their own Units, their own personal property and other risks.

Section 8.2. Coverage.

A. All Buildings, Common Elements and other improvements upon the Land shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the Board of Directors on behalf of the Council; provided, however, the Council shall not be required to insure any part of the Reconstituted Condominium Project within the boundaries of individual Units except structural columns, load-bearing walls and pipes, conduits, wires or other installations for the provision of services to the entire Buildings. All personal property included in the Common Elements shall be insured for its value, as determined annually by the Board of Directors on behalf of the Council. Such coverage shall afford protection against:

[1] Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

[2] Such other risks as from time to time shall be customarily covered with

respect to buildings similar in construction, location and use as the Buildings on the Land: including, but not limited to, vandalism and malicious mischief, earthquake and plate glass insurance

B. Public liability insurance coverage shall be provided in such amounts and with such coverage as shall be required by the Board of Directors and with cross liability endorsement to cover liabilities of the Unit Owners jointly and severally and of the Council.

C. Workers' compensation insurance to meet the requirements of Kentucky law.

D. Such other insurance as the Board of Directors from time to time shall determine is desirable.

Section 8.3. Premiums. Premiums upon insurance policies purchased by the Council shall be paid by the Council as a common expense; provided, however, that should the amount of any insurance premium be affected by a particular use of a Unit or Units, the owner or owners of such Unit or Units shall be required to pay any increase in premium resulting from such use

Section 8.4. Insurance Trustee. All insurance policies purchased by the Council shall be for the benefit of the Council and the Unit Owners and the mortgagees of the Units as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to, as Trustee, or to such other bank in Kentucky with trust powers as may be designated as insurance trustee by the Board of Directors, which trustee is referred to in this instrument as the "insurance Trustee." Payment of premiums, renewal and sufficiency of policies, settlement of claims with insurers and collection of insurance proceeds shall be the responsibility of the Board of Directors, and the sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes elsewhere stated in this Article.

Section 8.5. Shares of Proceeds: Mortgagees. The Insurance Trustee shall hold all insurance proceeds covering property losses in shares, which shares need not be set forth on the records of the insurance Trustee, as follows: Each Unit Owner shall have an undivided share in such proceeds, such share being the same as the undivided share in the Common Elements appurtenant to the Unit(s) owned by such Unit Owner as set forth in **Exhibit B** to this Master Deed. In the event a mortgagee endorsement has been issued with respect to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds which, pursuant to the provisions of this Article, are to be held by the Insurance Trustee, except distributions of such proceeds made pursuant to this Article.

Section 8.6. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of the Trust. All expenses of the Insurance Trustee shall be paid first or provision made for such payment.

B. Reconstruction or Repairs. If the damage for which the proceeds are paid is to be repaired or reconstructed substantially in accordance with the original Plans for the Buildings, the

remaining proceeds shall be paid to defray the cost of such as provided in the Article of this Master Deed entitled "Reconstruction or Repair after Casualty." Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. All mortgages and other liens existing against any Unit(s) at the time of the damage shall attach to such repaired or reconstructed Unit(s) in the same priority as existed prior to such damage. All such repaired or reconstructed Units shall bear the same Unit numbers as those of the original Units and shall retain the same percentage of ownership in the Common Elements as those of the original Units (subject to "as built" adjustment as set forth in Section 2.1 above). If the damage for which the proceeds are paid is not to be repaired or reconstructed in accordance with the original plans for the Buildings as permitted by the Article of this Master Deed entitled "Reconstruction or Repair after Casualty," the mortgagees of Units in that Building may demand that the remaining proceeds be applied to reduction of the mortgage debt on such Units up to the total amount of the mortgage debt then due. Any proceeds remaining after such application to reduction of the mortgage debt shall be paid to defray the costs of repair and reconstruction as provided in the Article of this Master Deed entitled "Reconstruction or Repair after Casualty." This Section is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

C. Failure to Reconstruct or Repair. If it is determined in the manner provided in the Article of this Master Deed entitled "Reconstruction or Repair after Casualty" that the damage for which proceeds are paid shall not be reconstructed or repaired, the net proceeds remaining after all mortgages on the damaged or destroyed Buildings have been paid shall be distributed in the manner determined by all of the Unit Owners at the special meeting of the Council provided by the Section of this Master Deed entitled "Determination to Reconstruct or Repair," provided that such distribution complies with the provisions of the Horizontal Property Law as amended.

D. Certificate. In making distribution to Unit Owners and/or the mortgagees of the Units, the Insurance Trustee may rely upon a certificate of the Council made by its President and Secretary as to the names of the Unit Owners and their respective shares of the distribution, and the Insurance Trustee shall have no liability to the Council or to any Unit Owner for any distribution made in reliance upon such a certificate.

Section 8.7. Council as Agent. The Council is irrevocably appointed agent for each Unit Owner and for each holder of a mortgage or other lien upon a Unit and for each owner of any other interest in the Reconstituted Condominium Project to adjust all claims arising under insurance policies purchased by the Council and to execute and deliver releases upon the payment of claims.

ARTICLE 9

Reconstruction or Repair after casualty

Section 9.1. Determination to Reconstruct or Repair. If any part of the Reconstituted Condominium Project shall, be damaged or destroyed by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

A. Common Element. If the damaged or destroyed improvement is a Common Element (other than portions of any of the Buildings), the damaged or destroyed Property shall be reconstructed or repaired.

B. Buildings. If the damaged or destroyed improvement is one or more of the Buildings, such Building or Buildings also shall be reconstructed or repaired except that, as to each Building (if any) as to which more than two-thirds (2/3) of such Building has been destroyed, such Building shall not be reconstructed or repaired if (and only if) [i] all of the Unit Owners of Units in such Building shall agree in writing within thirty (30) days after the date of the occurrence of such destruction that they desire that such Building not be repaired or reconstructed, and request the Secretary of the Council in writing to call a special meeting of the Unit Owners for the purpose of deciding whether such Building shall be repaired or reconstructed, and [ii] Unit Owners of Units in the entire Reconstituted Condominium Project to which greater than eighty percent (80%) of the Common Elements are appurtenant shall vote not to repair or reconstruct such Building at the meeting of all of the Unit Owners, which shall be duly called by the Secretary of the Council within ten (10) days after the receipt by the Secretary of the written request from the Unit Owners of the affected Building. In the event the Building is not reconstructed or repaired, the Unit Owners of such Building (and their mortgagees) shall be entitled to receive their proportionate share of the insurance proceeds payable as a result of such destruction, and the Board of Directors shall cause the Master Deed to be amended to revise the allocation of the Common Elements among the Units located in the remaining Buildings according to the proportion which the floor area of each such Unit bears, respectively, to the sum of the floor area for all of such remaining Units.

C. Certificate. The Insurance Trustee may rely upon a certificate of the Council made by its President and Secretary to determine whether the damaged or destroyed property is to be reconstructed or repaired.

Section 9.2. Manner of Reconstruction. The original Plans for the Reconstituted Condominium Project shall be the property of the Council and shall be kept by the Board of Directors in a fireproof safe or safe deposit box. Any reconstruction or repair must be substantially in accordance with the original Plans, or, if not, then according to plans and specifications approved by the Board of Directors and, if the damaged property is all or part of any Building, by all mortgagees of Units in the damaged or destroyed Building(s), and by all of the Unit Owners of Units in that Building.

Section 9.3. Responsibility. If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Council.

Section 9.4. Estimate of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Council has the responsibility of reconstruction and repair, the Council shall obtain reliable and detailed estimates of the cost to rebuild or repair.

Section 9.5. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Council, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the proceeds are determined to be insufficient,

assessments shall be made against the Unit Owners in amounts sufficient to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units. Such assessments because of damage to Common Elements shall be in proportion to the share in the Common Elements appurtenant to the Unit owned by such Unit Owner as set forth in **Exhibit B** to this Master Deed.

Section 9.6. Construction Funds. The funds for payments of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Council from assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner:

A. Council. If the total of assessments made by the Council in order to provide funds for payment of costs of reconstruction and repair that is the responsibility of the Council is more than \$ 15,000 then the sums paid upon such assessments shall be deposited by the Council with the Insurance Trustee. In all other cases the Council shall hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction and repair.

B. Insurance Trustee: Construction Fund. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Council from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund, which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

[1] **Council--Lesser Damage.** If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Council is less than \$2,500.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Council; provided, however, that, upon request to the Insurance Trustee by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

[2] **Council--Major damage.** If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Council is more than \$2,500.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors and upon approval of an architect licensed to practice in Kentucky and employed by the Council to supervise the work.

[3] **Unit Owner.** The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a Unit Owner shall be paid by the Insurance Trustee to the Unit Owner, or if there is a mortgagee endorsement as to the Unit, then to the Unit Owner and the mortgagee, jointly, who may use such proceeds as they determine.

[4] **Surplus.** It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere stated; provided, however, that the part of a distribution to a beneficial owner that represents assessments paid

by such owner into the construction fund shall not be made payable to any mortgagee.

[5] **Certificate.** By provisions of this Master Deed to the contrary notwithstanding, the Insurance Trustee shall not be required to determine whether or not sums paid by the Unit Owners upon assessments shall be deposited by the Council with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Council or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Council made by its President and Secretary as to any and all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Council, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect named by the Council shall be first obtained by the Council upon disbursements in payment of costs of reconstruction and repair.

Section 9.7. Eminent Domain. Appropriation, taking, injury to or destruction of, or condemnation by eminent domain by federal, state or local government or any instrumentality thereof of any portion of the Reconstituted Condominium Project, respectively, shall be considered to be included in the term “damage and destruction” for purposes of this Article, and the decision whether or not to restore, insofar as is possible any Building of which two-thirds (2/3) or more is taken, and the proceeds of the eminent domain taking, respectively, shall be treated in the same manner as is provided in this Master Deed upon the occurrence of damage and destruction to the Reconstituted Condominium Project. The Board of Directors shall give to all holders of first mortgages on Units prompt notice of any eminent domain proceedings, and the distribution of the proceeds of any eminent domain proceeding shall be subject to the provisions of the Section of this Master Deed entitled “Distribution of Proceeds” with respect to the rights of the holders of mortgages on Units.

ARTICLE 10

Sale, Lease and Mortgaging of Units

Section 10.1. Right to Sell or Lease Units. The Unit Owner of each Unit shall have the right to sell or lease such Unit and the Common Elements appurtenant thereto, providing, with respect to any lease (or assignment thereof or sublease), that written notice of the fact of the lease, the identity of the lessee, and the term of the lease, is disclosed to the Council or managing agent or manager of the Reconstituted Condominium Project in writing prior to commencement of the term of the lease. Any tenancy or subtenancy of a Unit shall be subject and subordinate to all of the provisions of the Condominium Documents.

Section 10.2. Mortgaging of Units. No Unit Owner may mortgage any Unit owned by such Unit Owner or any interest therein without the approval of the Board of Directors and, if the Declarant is a Unit Owner at the time such mortgage is granted, without the prior written approval of Declarant, except as to a mortgage or mortgages granted to a bank, life insurance company, credit union or savings and loan association, or to Declarant or to the Unit Owner from whom the Unit was purchased.

The Board of Directors may, and is hereby authorized to, impose reasonable conditions upon which approval as to any other mortgage shall be given. Every mortgage which is not held by [i] a bank, [ii] a life insurance company, [iii] a credit union, [iv] a savings and loan association, [v] the Unit Owner from whom the Unit was purchased or [vi] Declarant shall be invalid as a lien against the Unit without the written approval of the Board of Directors and, if required under the terms hereof, Declarant.

Section 10.3. Grantee to be Liable with Grantor for Unpaid Common Charges. In any conveyance of a Unit either by operation of law or judicial proceeding in accordance with this Master Deed or the Bylaws, the grantee of the Unit shall be jointly and severally liable with the former Unit Owner for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the former Unit Owner the amounts paid by the grantee therefor. "Grantee" as used in this Section shall not include either the holder of an institutional mortgage of record or a purchaser of a Unit at a foreclosure sale of an institutional mortgage.

Section 10.4. Unauthorized Transfer is Voidable. Any lease or mortgage which is not authorized by the terms of this Master Deed or for which authorization has not been obtained pursuant to the terms hereof is voidable and may be voided by the Board of Directors, or by the Declarant if Declarant at the time of such avoidance is a Unit Owner, by an instrument duly recorded in the office of the County Court Clerk of Jefferson County, Kentucky.

ARTICLE 11

Default and Foreclosure of Mortgages or Other Liens on Units

Section 11.1. Mortgagees to Notify Declarant of Unit Owner's Default. Upon the happening of a default under the terms of any mortgage which would permit the holder to declare the entire principal sum due, and upon which such holder intends to rely in accelerating the indebtedness secured by the mortgage, notice of the intention of the holder to do so shall be given to the Council and to Declarant, if Declarant is the record Unit Owner of a Unit at the time such notice is given.

Section 11.2. Rights of Declarant and Council with Respect to Mortgages in Default. The Declarant and/or the Council shall have the right, at its option, to exercise the following powers and privileges with respect to mortgages of Units, which are in default at a time when Declarant and/or the Council or its other nominee(s) shall be a Unit Owner:

A. To remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Declarant shall make the advances necessary to remedy the defaults, the Declarant shall be deemed to hold a lien position in the Unit, junior to the lien of the first mortgage, but prior and superior to all other liens, to secure the amount so advanced, together with interest thereon (at the Prime Rate then in effect at major Louisville banks), costs, disbursements, counsel fees, insurance, taxes or other charges so advanced, and with the right to foreclosure of such junior lien against the defaulting Unit Owner. The holder of the mortgage shall in no event be required, or have the obligation, to collect the junior lien position so created on behalf of the Declarant. Acceptance of a deed to any Unit constitutes a present grant by the Unit Owner of such

junior lien position in favor of Declarant and the Council.

B. To acquire the mortgage by assignment from the holder of said mortgage in consideration of the payment by certified check from Declarant or the Council to the mortgagee of an amount equal to (calculated as of the time of the assignment) the unpaid balance plus accrued but unpaid interest on the indebtedness secured by the mortgage, plus collection costs (including reasonable attorneys' fees) expended by the mortgage either before or after institution of foreclosure action, in the name of the Declarant or in the name of its designated nominee, with all the powers and rights of the holder against the defaulting Unit Owner including the right to foreclose the same.

C. To require the defaulting Unit Owner to transfer the Unit and its common interest to Declarant or the nominee of Declarant or the Council, in exchange for the agreement of Declarant or the Council to remedy all defaults existing under the terms thereof, and to assume the indebtedness secured thereby.

D. To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subdivision B of this Section, or to take a deed in lieu of foreclosure of the mortgage. In no event shall a Unit Owner be relieved from liability already incurred for past due common expenses and charges, including expenses of legal counsel, nor be relieved from personal liability on the bond, note or other obligation secured by the mortgage by reason of any conveyance made under subdivision C hereof or under this subdivision.

E. All of the rights of the Declarant under this Section shall also be available at all times to the Council, but such rights as vested in Council at all times shall be junior and subordinate to those rights as vested in Declarant as long as the Declarant is a Unit Owner.

Section 11.3. Council and Declarant Shall be Necessary Parties in All Mortgage or Other Lien Foreclosures. The Declarant, at any time when Declarant is a Unit Owner, and the Council, shall be necessary parties in every action brought to foreclose any mortgage or other lien encumbering a Unit, and shall be entitled to bid such amounts as they deem appropriate at any sale, whether the action be in their names or they be a defendant therein, and to purchase any Unit as such sale.

Section 11.4. Incorporation in Instruments of Encumbrance. The provisions of this Article shall be deemed incorporated by reference in each mortgage or other lien encumbering a Unit as though fully set forth therein.

ARTICLE 12

Obligations of Unit Owners and Remedies Upon Default

Section 12.1. All Unit Owners and Tenants Subject to Condominium Documents, Which Run with the Land. All present or future Unit Owners, tenants, occupants or any other Person that might use the Reconstituted Condominium Project in any manner, are subject to the terms and provisions of the Condominium Documents, as they may be amended from time to time, and the decisions of the Council acting through the Board of Directors acting, in turn, through its resolutions,

the officers of the Council, and the managing agent. The acceptance of a deed or conveyance or the entering into of a lease, or the entering into of occupancy of any Unit shall signify that the provisions of the Condominium Documents, and the decisions of the Board of Directors, are accepted and ratified by such Unit Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any Person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease of the Unit.

Section 12.2. Remedies upon Default. Failure of a Unit Owner (or other Person subject to the Condominium Documents) to comply with the provisions of the Condominium Documents shall entitle the Council (and the Declarant, in the property case) to the following remedies for such violation or breach in addition to all remedies provided by the Horizontal Property Law and by any other provisions of the Condominium Documents:

A. The right to enter any Unit or any portion of the Reconstituted Condominium Project upon which, or as to which, such violation or breach exists which requires emergency attention or emergency repairs, and on an emergency basis to abate and remove, at the expense of the defaulting Unit Owner, any structure or thing or condition that may exist in violation of the Condominium Documents; and the Council, or its employees or agents, shall not thereby be deemed guilty of trespass.

B. The right to enjoin, abate or remedy by appropriate legal proceedings, at law or equity, the continuance of any breach; and, pursuant to appropriate court action, the right, if any Unit Owner or any occupant of his Unit shall continue to be in violation of the aforesaid documents and rules and regulations for thirty (30) days after notice in writing from the Council, to issue to the defaulting Unit Owner a ten (10) day notice in writing to terminate the rights of said Unit Owner to continue as a Unit Owner and to continue to occupy, use or control his Unit and to file a suit in equity against the defaulting Unit Owner for a mandatory injunction against the Unit Owner or occupants or in the alternative, a decree declaring the termination of the defaulting Unit Owner's right to occupy, use or control the Unit and ordering that the Unit shall be sold at a judicial sale upon such notice and terms as the court shall establish, except that the defaulting Unit Owner shall not be entitled to reacquire the Unit at such sale or by virtue of right of redemption.

Section 12.3. Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Council to comply with the terms of the Condominium Documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the court.

Section 12.4. No Waiver of Rights. The failure of the Council or any Unit Owner to enforce any covenant, restriction or other provision of the Horizontal Property Law or the Condominium Documents shall not constitute a waiver of the right to do so thereafter.

Section 12.5. Rights are Cumulative. All rights, remedies and privileges granted to the Council, Declarant, the Board of Directors, its designated agent(s), or a Unit Owner, pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of

remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party hereunder, under the other Condominium Documents, or at law or in equity.

ARTICLE 13

AMENDMENT

Section 13.1. Amendment to Declaration. This Master Deed may be modified, altered, amended or added to [i] by Declarant pursuant to an instrument recorded by Declarant in the office of the County Clerk of Jefferson County, Kentucky, subject to and in accordance with the Section of this Master Deed entitled “Declarant’s Written Consent Necessary for Certain Actions,” or [ii] by an instrument signed by each Unit Owner of record (and by Declarant, if the consent of Declarant to such Amendment is required under the terms of the Condominium Documents), or [iii] by a vote of greater than fifty percent (50%) in interest in the Common Elements at any duly called meeting of Unit Owners provided that:

A. A notice of the meeting containing a full statement of the proposed modification, alteration, amendment or addition has been sent to all Unit Owners as listed on the books and records of the Council and to all mortgagees of Units who have requested same; and

B. The Board of Directors (and Declarant, if the consent of Declarant is required by the provisions of the Condominium Documents) approves the change; and

C. An instrument evidencing the change and signed by the President or any Vice President of the Council is duly recorded in the office of the Jefferson County Clerk. Such instrument need not contain the written consent of any Unit Owners but shall contain the verified statement and certification by the Secretary or other officer of the Council not otherwise signing the instrument that the requirements of this subsection [iii] above has been satisfied.

ARTICLE 14

General

Section 14.1. Severability. The invalidity of any provision of this Master Deed shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Master Deed, and, in such event, all of the other provisions of this Master Deed shall continue in full force and effect as if such invalid provision had never been included herein.

Section 14.2. Waiver. No provision contained in this Master Deed 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, which may occur.

Section 14.3. 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 this Master Deed nor the intent of any provision hereof.

Exhibit A
to
Master Deed

(Legal Description of Land)

EXHIBIT "A"
LEGAL DESCRIPTION

BEING the consolidation of Lots 4 and 5, Juniper Beach Subdivision as consolidated by Exhibits A and B attached hereto and made a part hereof, except for the Eleven Boat Docks which are the property of RHR Development Company, by separate Bill of Sale.

BEING the same property conveyed to Grantors by Deed dated March 1, 1996, recorded in Deed Book 6706, Page 109, in the office of the Clerk of the County Court of Jefferson County, Kentucky.

BEING FURTHER a certain private easement agreement dated July 24, 1994, between Donna R. Hart, William F. Hart, her husband, and Three Bills, Inc., a Kentucky corporation, to Robert H. Rice, Sr., which has been assigned to declarant by assignment dated April 14, 1997 of record in Book 6871, Page 036, in the Jefferson County Court Clerk's Office.

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4-14-97

BEING FURTHER the subject of a Release of Easement from Three Bills, Inc., a Kentucky Corporation, Donna R. Hart and William F. Hart, to Robert H. Rice, Sr., by Release dated October 3, 1995, of record in Book 6685, Page 747, in the aforesaid Clerk's Office, which Release was assigned to RHR Development Company, by assignment dated April 14, 1997, of record in Book 6871, Page 036, in the aforesaid Clerk's office.

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4-14-97

CONDOMINIUM
OR
APT. OWNERSHIP
BOOK 60 PAGE 6-7
FILE NO. 894

Document No: 1997040035
Lodged By: SWYERS
Recorded On: Apr 14, 1997 03:36:00 P.M.
Total Fees: \$106.00
County Clerk: Rebecca Jackson
Deputy Clerk: GILL

END OF DOCUMENT

Exhibit B
to
Master Deed

(Percentage Interest of each Unit in Common Elements)

EQUAL SHARES 14.285% Each