

MASTER DEED

OLDHAM COUNTY
D1128 PG407

DECLARATION OF CONDOMINIUM
HORIZONTAL PROPERTY REGIME
OF
ROSE ISLAND RIVERSIDE CONDOMINIUMS

WHEREAS, the Rose Island Riverside Condominium governing boards wishes to restate and set forth a re-compiled Master Deed reflecting all amendments made thereto; and

WHEREAS, the original Declaration of Master Deed was filed June 13, 1995, recorded in Deed Book 486, Page 10, and amendments have been recorded as follows:

An Amendment of Master Deed, Declaration of Condominium Horizontal Property Regime was made and entered into the 27th day of February 2001, by H.S. Docks, Inc. a Kentucky Corporation whose address was 500 West Broadway, Louisville, Jefferson County, Kentucky 40202 and its successors and assigns. [Amendment Dated February 27, 2001; Amends Sections 1.1, and 11.8; Additions of Sections 11.11, 11.12, 11.13, and 11.14]

The then President and Secretary of the Yacht Club Estates certified that pursuant to Article 13 of the Master Deed attached thereto were signatures of a majority of the co-owners approving the following Master Deed Amendment and the Master Deed was so amended as follows: The Master Deed was amended by adding Section 4.4 as attached thereto. [Amendment Dated May 14, 2005 and June 14, 2005; Addition of Section 4.4]

Whereas, the Board of Administration of Rose Island Riverside Condominium Development (the "Board") amended the Master Deed of record in Book 486, Page 010, in the Office of the Clerk of Oldham County, Kentucky as set forth more particularly thereon: [Amendment Dated June 1, 2007; Addition of Section 2.1]

Whereas, the Board of Administration of Rose Island Riverside Condominium Development (the "Board") amended the Master Deed of record in Book D958, Pages 143-145, in the Office of the Clerk of Oldham County, Kentucky as set forth more particularly thereon. Pursuant to Section 13.2 of the Master Deed, a majority of owners have voted in favor of this Amendment. [Amendment Dated April 30, 2010 Eliminates Section 11.6B and Adds a new Section 11.6B]

And whereas the Master Deed was amended by document dated May 25, 2011 of record in Deed Book 486 page 10 of the office of the clerk of Oldham County Kentucky;

NOW THEREFORE, the re-compiled Master Deed is set forth with all such amendments, as follows:

THIS DECLARATION OF CONDOMINIUM, a Horizontal Property Regime (hereinafter referred to as the "Declaration") is made and entered into the 13th day of June, 1995, by H&S of Prospect, L.L.C., a Kentucky Limited liability company (hereinafter referred to as "Developer"), whose address is 1900 Victory Lane, Prospect, Kentucky 40059, and its successors and assigns.

W I T N E S S E T H

1. PURPOSE.

The purpose of this Declaration is for a Condominium Property Regime established under the Condominium Property Laws, Section 381.805 through 381.910, of the Kentucky Revised Statutes ("KRS"). This is a Condominium Property Regime for the uses as set forth herein, and such uses

shall constitute covenants running with the land which are binding on and for the benefit of present and future owners, lessees, and mortgagees of any part of the Regime.

- 1.1 Name. The name by which this Condominium Property Regime is to be identified is Rose Island Riverside Condominiums, a Condominium Property Regime. [Amendment Dated: February 27, 2001]
- 1.2 Real Property. The lands owned in fee simple by Developer which are submitted by this instrument to the Condominium Property Regime form of ownership are the lands lying in Oldham County, Kentucky, more particularly described in Exhibit A, attached hereto and incorporated herein (the "Property") or the "Condominium Property"). Being a part of the same property conveyed to the Developer by deed dated January 4, 1995, of record in deed book 475, page 218, in the office of the Court Clerk of Oldham County in LaGrange, Kentucky.
- 1.3 Recording of the Floor Plans. The Developer has filed, simultaneously herewith, floor plans of the buildings showing the layout, location, unit numbers and dimensions of the units of record in Condominium Plat Book Pages 15-20 in the office of the Oldham County Court Clerk's office in LaGrange, Kentucky.

2. DEFINITIONS.

The terms used in this Declaration and its exhibits shall have the meanings stated in KRS 381.805 through 381.910, unless the context otherwise requires and are as follows:

- 2.1 Condominium Unit. Condominium Unit (also referred to as the "Unit") means a part of the Condominium Property which is subject to private ownership in fee simple.

The Unit boundaries shall be determined as follows: [Amendment Dated June 1, 2007]

- (a) The boundaries of each Unit are the floors, walls, and ceilings as designed on the Plats and Plans. The ceiling boundary shall be the horizontal plane of the bottom surface of the joists of the ceiling; if there is a dropped ceiling the boundary shall remain the above defined plane even if this plane is above the level of the dropped ceiling.
- (b) All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpapers, paint, finished flooring, finished ceiling, and any other materials constituting any part of the finished surfaces of the floors, walls or ceilings are a part of the Unit; and all other portions of the floors, walls, and ceilings are a part of the Common Elements.
- (c) If any chute, Flue, duct, wire, conduit, interior bearing wall, interior bearing column, heating, ventilating, or air conditioning system, or any other fixtures lies partially within and partially outside the designated boundaries of a Unit any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements;
- (d) Subject to the provisions of subdivision (c) of this section, all spaces, interior partitions, and other fixtures and improvements including HVAC equipment and ductwork located within the boundaries of a Unit are a part of the Unit; and
- (e) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, patio enclosures and garage doors, excluding sliding glass doors and front doors (with the

understanding if damage is caused by Unit owner or caused by their family, friends or workers then they are responsible for) or other fixtures, including heating, ventilating and air conditioning systems and ductwork, designed to serve a single Unit, but located outside this Unit's boundaries.

- (f) All elements specified in Subdivision (a) to (e) of this Section which are designated above as "a part of the Unit" or as "allocated solely to that unit" shall be maintained at the sole expense of each unit owner, unless the Board elects to designate an expense for general improvement of that element in all or substantially all Units as a Common Expense.
- (g) The Unit owner will be responsible for all repair and maintenance costs associated with any alterations, improvements or additions made by the Unit owner even though such alterations, improvements or additions were made with the approval of the Board.
- (h) Nothing herein shall diminish the power of the Board to approve alterations and or improvements as provided in the Master Deed.

2.2 Condominium Owner. Condominium Owner shall mean the fee simple owner of a Condominium Unit as defined herein.

2.3 Council of Co-Owners. Council of Co-Owners shall mean all of the Owners who own Condominium Units in this Condominium performing their duties through the Association.

2.4 Association. Association shall mean Rose Island Riverside Condominiums Homeowners' Association Inc., its successors and assigns acting on behalf of the Council of Co-Owners.

2.5 General Common Elements. General Common Elements shall include the land on which the improvements are located other than the Units, as well as the items stated in KRS 831.810(7).

2.6 Common Expenses. Common Expenses include expenses of administration, maintenance, operation, repair or replacement of the General Common Elements and of the portions of Condominium Units to be maintained by the Association, expenses declared to be such by this Declaration or by the By-Laws of the Association, and any valid charge against the Condominium Property as a whole. Common Expenses shall likewise include expenses for taxes, insurance, and assessments paid by the Association pursuant to this Declaration.

2.7 Condominium Property Regime. Condominium Property Regime (also referred to as the "Condominium") means the Condominium created by this Declaration.

2.8 Utilities. Utility services as used in this Declaration and By-Laws include, but are not limited to, electric power, gas, water, and garbage and sewage disposal.

2.9 References to the "Property Regime" and the "Condominium" shall have the same meaning in this instrument wherever used and may be used interchangeably. References to the "Declaration" and the "Declaration of Condominium" shall have the same meaning in this instrument wherever used and may be used interchangeably.

3. DEVELOPMENT PLAN.

The Condominium is described and established as follows:

- 3.1 Survey. A survey of the land showing proposed location of the improvements on it is attached hereto as Exhibit B. There shall be recorded prior to the first conveyance of any Condominium Unit an amendment to this Declaration to which shall be attached a verified statement certifying that the plans theretofore filed, or being filed simultaneously with such amendment, fully depict the construction of the Condominium Units, as built, as provided for in KRS 381.835.
 - 3.2 Plats and Plans. The improvements upon the land shall be constructed substantially in accordance with plans prepared by J.R. Kiesel and Associates, Inc., and are attached hereto as Exhibit C.
 - 3.3 Easements. Easements are reserved through the Condominium Property as may be required for utility services in order to serve the Condominium as a whole and each Unit adequately.
 - 3.4 Condominium Unit Boundaries. The Condominium Unit boundaries are defined as shown in Exhibit B & C.
 - 3.5 Common Elements. The General Common Elements shall remain undivided and shall not be the object of an action for partition or division of co-ownership.
 - 3.6 General Common Elements. The General Common Elements are the elements as described in the definitions in paragraph 2.5.
4. CONDOMINIUM UNITS.
- 4.1 There are to be a maximum of forty-four (44) Condominium Units. Each Condominium Unit is identified by numbers as shown in Exhibit B.
 - 4.2 Ownership of General Common Elements. Ratio. The share owned by each Condominium Unit Owner in the General Common Elements, and the calculation for sharing Common Expenses, shall be an undivided share for each Condominium Unit based upon the percentage representing the floor area of the individual unit, with relation to the floor area of the property as a whole, as set forth in KRS 381.830. The share owned by each Condominium Unit Owner is set forth on the Plats and Plans attached hereto as Exhibit B. The respective areas of the land and buildings is show on Exhibit B.
 - 4.3 Voting Rights. The owner or owners of each Condominium Unit shall have one (1) vote in the Association per dwelling unit. Any reallocation of Common Element interest and Common Expense liability shall not apply to voting rights, and each dwelling Unit shall retain one (1) vote in the Association.
 - 4.4 [Leasing]. [Note This section was deleted in Amendment 5/25/2011 with clarification at 11.6]

5. MAINTENANCE ALTERNATION AND IMPROVEMENT.

Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement, shall be as follows:

5.1 Condominium Units.

- A. By the Association. The Association shall maintain, repair and replace at the Association's expense:
- (1) All of the common areas, including but not limited to, roadway, parking areas, lawns, yards, walkways, landscape and all of the other General Common Elements not specifically set forth herein.
- B. By the Condominium Unit Owner. The responsibility of the Condominium Unit Owner shall be as follows:
- (1) To maintain and repair at its expense all portions of the Condominium Unit not shown as a General Common Elements. (See 5.1 (A) (1).
 - (2) Not to paint or otherwise change or decorate the exterior appearance of a Condominium Unit or any other portion of the Condominium without obtaining written permission from the Board of Directors.
 - (3) To repair all incidental damages caused to a Condominium Unit by the normal use of the Condominium Unit.
 - (4) To promptly report to the Association any defects or need for repair for which the Association is responsible.
- C. Alterations and Improvements. Except as otherwise set forth herein, neither the Condominium Unit Owner nor the Association will make alterations in any portion of a Condominium Unit, or remove any portion of such, or make any additions to such, or do anything that would jeopardize the safety or soundness of the Condominium Unit or its adjoining contiguous Condominium Units, or impair any easement, or modify or interfere with the mechanical, electrical, plumbing or other systems serving other Condominium Units, without first obtaining approval in writing of the owners of all the Condominium Units contiguous or adjacent to the area in which such work is to be done and obtain written approval from the Board of Directors. The Board of Directors shall have the power to approve or disapprove any such proposed improvement or alteration. If the Unit Owner desires to construct any improvements on the premises, he shall first submit plans and specifications to the Board of Directors of the Association for its approval, which approval shall not unreasonably be withheld.
- (1) A Request Form for Modification of Exterior Features (MEF) is required to be submitted to the Board for approval.
 - a. No work on modifications will commence until written approval from the Board is obtained. The Board shall make such decision in its sole and unfettered discretion.
 - b. The modifications will be erected, maintained, repaired and replaced solely at Unit Owners expense and responsibility shall pass to respective heirs and successors to the property.

- c. Unit Owner account is current and there are no outstanding monthly maintenance dues, assessments, late fees, legal fees or interest.
 - d. Kentucky law requires that two days before the Unit Owner starts to dig the Buried Utilities Information (B.U.D.) to have the location of all utilities marked.
 - e. Unit Owner must comply with any and all applicable Oldham County, Kentucky zoning and building codes as required.
 - f. MEF approval is contingent on the modifications being completed as depicted in the MEF and any deviations must be approved in writing prior to commencing.
 - g. Modifications may not conflict with any recorded easements, including sight distance easements, and the Unit Owner is solely responsible for ascertaining the location of such easements. Additionally, modifications may not adversely affect the drainage in the area so as to impact neighboring properties.
 - h. No construction vehicles may enter upon turf to deliver materials or facilitate construction. Any disturbed Common Element must be restored to the satisfaction of the Board within 10 days of written notice to the Unit Owner. If not restored, the Association will restore all disturbed areas and assess the cost plus administrative charges to the Unit Owner.
 - i. Any approval granted by the Board will automatically expire should the proposed project not begin within 189 days or completed within one year of the approval.
 - j. Members of the Board, and their agents, may enter onto the Unit Owners property to make routine inspections. Such inspections will be conducted at reasonable times so as not to disturb the Unit Owner's use of the property.
 - k. The Condominiums, the Association and the Board, employees or agents, accept no responsibility for violations of building code compliance, recorded easements, clearance requirements, poor workmanship, structural integrity, nor damage resulting from the requested exterior modification.
- (2) No future second floor deck enclosures are allowed.
 - (3) Second and third floor hot tubs are not allowed.
 - (4) No improvements or additions are to be approved on Common Elements that would impinge on the 100 year flood plain, which if breached would require the Association to obtain flood insurance coverage.
 - (5) No future spiral staircases may be placed outside the Unit's patio footprint.

5.2 General Common Elements.

A. By the Association. The maintenance, repair, replacement and operation of the General Common Elements shall be the responsibility of the Association and a Common Expense.

B. Alterations and Improvements.

There shall be no alteration nor further improvement of the real property constituting the General Common Elements without prior approval in writing by the owners of not less than 75 percent of the General Common Elements, except as provided by the By-Laws. Any such alteration or improvement shall not interfere with the rights of any Condominium Unit Owners without their consent. The cost of such work shall not be assessed against a bank, life insurance company or savings and loan association that acquires its title as the result of owning a mortgage upon the Condominium Unit owned, unless such owner shall approve the

alteration and improvement, and this shall be so whether the title is acquired by deed from the mortgagor or through foreclosure proceedings. The share of any cost not so assessed shall be assessed to the other Condominium Unit Owners in the amount equal to that of their percentage in the General Common Elements. There shall be no change in the percentage of common interest and rights of a Condominium Unit Owner in the General Common Elements altered or further improved, whether or not the Condominium Unit Owner contributes to the cost of such alteration or improvements.

6. ASSESSMENTS.

The making and collection of assessments against Condominium Unit Owners for expenses shall be pursuant to the By-Laws and subject to the following provisions:

- 6.1 Common Expenses. Each Condominium Unit Owner shall be liable for his pro-rata share of the Common Expenses based upon their percentage of common interest in the General Common Elements. Where the mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of the first mortgage, or where such acquirer of title received title as a result of a deed given in lieu of foreclosure, such acquirer of title, his successors and assigns shall not be liable for the share of Common Expenses or assessments by the Association pertaining to a Condominium Unit Owner which became due prior to the acquisition of title, unless such share is secured by claim of lien for assessments that was recorded prior to the recording of the mortgage in questions. Such unpaid share of Common Expense or assessments shall be deemed to be a Common Expense collectable from all of the Condominium Unit Owners, including the acquirer of title, its successors and assigns. A first mortgage acquiring title as aforesaid, shall, during the period of its ownership of such a Condominium Unit, whether or not such Condominium Unit is occupied or unoccupied, be liable for its share of Common Expenses.
- 6.2 Special Assessments. Any Common Expenses associated with the maintenance, repair, or replacement of a Unit shall be assessed as a special assessment against that Unit..
- 6.3 Penalty, Interest, Application of Payments. Assessments and installments on such assessments paid on or before ten days after the date when due shall not bear interest. Any amounts not paid on or before 10 days after the date when due shall bear a one-time penalty of 15 % of the balance outstanding as set forth by the Board and then beginning with the second month interest will be charged on the total amount outstanding at the rate of one and one half percent (1.5%) monthly from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payments first due.
- 6.4 Lien for Assessments. The lien for unpaid assessments shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessments or enforcement of such lien.
- 6.5 Rental Pending Foreclosures. In any foreclosure of lien for assessment, the Owner of the Condominium Unit subject to the lien shall be required to pay a reasonable rental for the

Condominium Unit, and the Association shall be entitled to the appointment of a receiver to collect the same.

6.6 Liens for assessments may be foreclosed in the manner provided by Kentucky Statutes.

7. ASSOCIATION AND BOARD OF DIRECTORS.

The operation of the condominium shall be by the Council of Co-Owners, under the laws of the State of Kentucky. A purchaser of a Condominium Unit will automatically acquire membership in the Council of Co-Owners. The Council of Co-Owners shall fulfill its functions pursuant to the following provisions:

7.1 Articles of Incorporation. A copy of the Articles of Incorporation of the Association is attached as Exhibit D.

7.2 By-Laws. The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached as Exhibit E.

7.3 Limitation of Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to the Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association or caused by the elements of other owners or persons.

7.4 Restraint Upon Assignment of Shares in Assets. The shares of members of the Association in the funds and assets of the Association cannot be assigned, or transferred in any manner except as appurtenant to a Condominium Unit.

7.5 The Board of Directors. The Board of Directors of the Association shall be established according to and have all the powers and duties set forth in the By-Laws.

8. INSURANCE. (This section has been reviewed by our attorney, Dennis Stilger and our insurance agent, Bob Detherage)

The Board of Directors shall carry a master policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, in a minimum amount of One Million Dollars (\$1,000,000.00) for each occurrence, and if required by law, workers' compensation insurance (hereinafter referred to as "Master Policy"), with respect to Common Elements and the Council's administration thereof in accordance with the following provisions.

8.1 The Master Policy shall be purchased by the Board for the benefit of the Council, the Unit owners, and their mortgagees as their interest may appear, subject to the provisions of this Declaration and the Bylaws (and provisions shall be made for the insurance of appropriate mortgage endorsements to the mortgagees of the Unit owners). The Board and the Unit owners shall use their best efforts to see that all property and liability insurance carried by a Unit owner or by the Council shall contain appropriate provisions whereby the insurer waives its right of subrogation

as to any claims against the Unit owners or the Council and the respective employees, agents, and guests of the Unit owners or the Council as the case may be.

- 8.2 All buildings, improvements, Association personal property, and other Common Elements shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value thereof, or at least eighty percent (80%) thereof, as determined from time to time by the Board. The Council, acting through the Board, may elect to carry insurance to cover such other perils and from time to time shall be similar in construction, location and use.
- 8.3 The Board shall use its best efforts to see that the liability insurance carried by the Council shall contain cross-liability endorsements or appropriate provisions to cover liability of the Units' owners, individually and as a group (arising out of their ownership interests in the Common Elements), to another Unit owner.
- 8.4 All premiums upon insurance purchased by the Council shall be Common Expenses.
- 8.5 Proceeds of all insurance policies owned by the Council shall be received by the Board for the use of the Unit owners and their mortgagees as their interests may appear, provided, however, that the proceeds of any insurance received by the Board because of property damage shall be applied to repair and reconstruction of the damaged property except as may otherwise be permitted by Section 9 of this Declaration.
- 8.6 Each Unit owner shall be deemed to appoint the Board as his true and lawful attorney in fact to act in connection with all matters concerning the maintenance of the Master Policy. Without limitation on the generality of the foregoing, the Board, as said attorney, shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Council, the Unit owners and their respective mortgagees, as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Unit owners and the Common Elements as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Board in regard to such matters. The Board shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit nor the liability of any Unit owner for injuries therein, not caused by or connected with the Council's operation or maintenance or use of Common Elements.
- 8.7 Responsibility of Unit Owner. The Council shall not be responsible for procurement or maintenance of any insurance covering the contents, wall covering, fixtures, floor coverings, cabinets, paint, trims, appliances, or the interior of any Unit, nor the liability of any Unit owner for injuries therein not caused by or connected with the Council's operation, maintenance or use of Common Elements. Each Unit Owner shall obtain insurance coverage at his or her own expense upon his or her Unit's furnishings and his or her personal property; and in addition, shall obtain comprehensive personal liability insurance covering liability for damage to persons or property of others located within such Unit owner's Unit, or in another Unit in the project or upon the Common Elements, resulting from the negligence of the insured Unit Owner, in such amounts as shall from time to time be determined by the Council. Unit Owner shall require all contractors to provide proof of insurance including worker's compensation insurance, naming unit owner and the Association as additional named insureds on all such policies before allowing contractor to enter in or upon the premises. Unit Owner shall hold harmless including and not limited for attorney fees and costs and indemnify the Association for any claim made by any contractor or their subcontractors, employees or agents.

9. RECONSTRUCTION OF REPAIR AFTER CASUALTY.

- 9.1 In case of fire or other destruction or damage the regime's insurance indemnity, except as provided in subsection 9.3 of this section, shall be applied to reconstruct and repair the Common Elements affected.
- 9.2 Where the destruction and damage is not insured or where the insurance indemnity is not sufficient to cover the cost of reconstruction or repair, the cost (or added cost) shall be paid by the Co-Owners of the Units as a Common Expense, the Council of Co-Owners by a majority vote being authorized to borrow funds therefore and to amortize the repayment of same over a period of time, not exceeding the reasonable life of the reconstruction or repairs.
- 9.3 Reconstruction shall not be compulsory where two-thirds (2/3) or more of a building is destroyed provided there are provisions in this Declaration or By-Laws of the Regime making adequate provision for reasonable compensation to those Co-Owners who are deprived of their interest as the result of the failure to reconstruct and further providing for the recalculation and redistribution of the percentage of common interest.

10. EMINENT DOMAIN

- 10.1 Unit Taking. If a unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for purpose permitted by this Declaration, the award shall compensate the Unit Owner for his Unit and his interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's allocated interests are automatically reallocated to the remaining Units in proportion to taking, and the Association shall promptly prepare, execute, and reallocations. Any remnant of a Unit remaining after part of a Unit is taken under this subsection is thereafter a Common Element.
- 10.2 Partial Taking. Except as provided in subsection 10.1 of this Article, if part of a Unit is acquired by eminent domain, the award shall compensate the Unit Owner for the reduction in value of the Unit and its interest in the Common Elements, whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, (1) that reduction in the value of the Unit, and (2) the portion of the allocated interests divested from the partially acquired Unit are automatically reallocated to that Unit and the remaining Units in proportion to the respective allocated interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduce allocated interests.
- 10.3 Common Element Taking. If part of the Common Elements are acquired by eminent domain, the portion of the award attributable to the Common Elements taken shall be paid to the Association.

11. USE RESTRICTIONS / MAINTENANCE OF COMMUNITY INTERESTS.

In order to maintain a community of congenial owners who are financially responsible and thus protect the value of the Condominium Units, the transfer of Condominium Unit by any Unit Owner shall be subject to the following provisions as long as the Condominium exists upon the land, which provisions each owner covenants to observe:

11.1 Condominium Units. Each Condominium Unit shall be used only as a single family residence; however, this restriction shall not be construed in such a manner as to prohibit a Unit Owner from (i) maintaining a personal professional library therein; (ii) keeping personal business or professional accounts therein; (iii) or handling personal business or professional telephone calls or correspondence there from.

11.2 Subdivision of Units. No additional units may be created by any Unit Owner by the subdivision of any Condominium Unit.

11.3 General Common Elements. The General Common Elements shall be used only for the purpose for which they are intended.

11.4 Nuisance. No nuisances shall be allowed upon the condominium property, nor any use or practice that is the source of annoyance to other Condominium Unit Owners or which interferes with the peaceful possession and proper use of the property by clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. If these rules are ignored penalties and fines may be assessed by the Board and any damages incurred become the responsibility of the Unit Owner causing the damages. No Condominium Unit Owner shall permit any use of his Condominium Unit or make any use of the General Common Elements that will increase the cost of insurance upon the Condominium Property.

11.5 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part of it, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the property concerned.

11.6 Leasing. Leasing of RIRC Units: As used in this provision, "Lease" shall include but not be limited to any arrangement whereby anyone other than the Unit owner occupies the premises whether for the payment of money for rent or even merely paying utilities, taxes or any other costs of owning a unit, or even for no payment whatsoever.

11.7 Age Restrictions. There shall be no age restrictions imposed against users of the premises; provided, however, the Condominium Unit Owners shall closely supervise minors to insure that they do not become a nuisance to other owners.

11.8 Sign Limits. No sign for advertising or for any other purpose shall be displayed on any Unit or on any General Common Element or on any building or structure except one neat and attractive

sign for advertising a sale or lease of a Unit, which shall not be greater in area than nine (9) square feet and shall be acceptable in condition, format, appearance and content to the Board of Directors of the Association. [Amendment Dated: February 27, 2001]

11.9 By-Laws. By-Laws concerning the use of the Condominium Property may be made and amended from time to time by the Council of Co-owners in the manner provided by its By-Laws. Copies of such by-laws and amendments shall be furnished by the Council of Co-owners to all Condominium Unit Owners and owners of the Condominium.

[No longer relevant]

11.10 Animals. No animals, including, without limitation, reptiles, livestock or poultry of any kind shall be raised, bred or kept in any Unit or on any General Common Element, except that a reasonable number of dogs, cats or other traditional household pets (meaning the domestic pets traditionally recognized as household pets in the metropolitan Louisville, Kentucky vicinity) may be kept in a Condominium Unit provided they are not kept, bred or maintained for any commercial breeding purposes. No dog or other pet runs, stakes, gates or electronic fencing are permitted on any General Common Element. Pets are required to be kept on leashes or under Unit Owners control at all times while on General Common Elements. The Unit Owner keeping any such pets shall keep the General Common Element free of pet waste and feces and any person in charge of a dog, cat or other pet in the General Common Elements shall dispose of any feces dropped by the pet in a prompt and sanitary manner. [Amendment Dated: February 27, 2001] ~~11.11 No time-shares~~. No Unit shall be subjected to any time-share program or any similar division of interest or program whereby the right to use of the Unit rotates among members of the program or holders of interest in the Unit on a recurring or reservation basis. [Entire Section added with Amendment Dated: February 27, 2001]

11.11 Restrictions on Vehicles and Parking. [Entire Section added with Amendment Dated: February 27, 2001]

- (i) No bus, mobile home, motor home, trailer, truck, motorcycle, commercial vehicle, golf cart, personal watercraft, four-wheeler, or boat shall be parked or kept on any of the General Common Elements or in any designated parking areas at any time unless housed in a closed garage, accept as otherwise may be approved by a Board of Directors of the Association in its sole discretion.
- (ii) Each Unit Owner and resident of Rose Island Riverside Condominiums is hereby advised that any vehicle determined to be objectionable or unsightly by the Board of Directors of the Association must, upon notice from the Board, as applicable, be thereafter kept in a closed garage or basement, or be removed from Rose Island Riverside Condominiums.
- (iii) No vehicle which is inoperable or without current registration shall be habitually or repeatedly parked or kept on any General Common Element or designated parking area (accept in a garage) or on any driveway, access road or designated area in Rose Island Riverside Condominiums.

- (iv) No trailer, boat, golf cart, four-wheeler, pod, dumpster or commercial vehicle shall be parked on any driveway, access road, General Common Element, or common parking area of Rose Island Riverside Condominiums for a continuous period in excess of twenty-four (24) hours. accept as otherwise approved by the Board of Directors of the Association in its sole discretion
- (v) No motor vehicle or other vehicle shall be continuously or habitually parked on any driveway, access road, common parking area, or General Common Element or any public right of way in Rose Island Riverside Condominiums, it being the intent of this Declaration that vehicles be kept in designated parking areas and garages. No semi-tractor trailers or other large trucks, vans or other vehicles as determined by the Board of Directors of the Association, in its sole discretion, shall be permitted in Rose Island Riverside Condominiums, except for limited periods as determined by the Board of Directors of the Association in its sole discretion for moving vans being utilized by residents for moving in or out of the Unit, and except for such construction, delivery or other vehicles as may be permitted from time to time.

11.12 Ornamental Yard Objects. No ornamental yard objects, statuary, sculpture, outside play equipment, including swing sets, jungle gyms, or similar equipment, shall be placed on any of the General Common Elements. All Unit Owners and residents of Rose Island Riverside Condominiums are hereby advised that all existing lighting, ornamental porch lights, and other ornamental yard decorations located or proposed to be located on any exterior of any unit or building are subject to the prior written approval of the Board of Directors of the Association at its sole discretion. [Entire Section added with Amendment Dated: February 27, 2001]

11.13 Lighting. Except for seasonal Christmas/holiday season decorative lights, and attendant displays and decorations which may be displayed from November 20 of each year through the following January 10, and only as shall be acceptable to the Board of Directors of the Association in its sole discretion, all exterior lights must receive the prior written approval of the Board of Directors of the Association. [Entire Section added with Amendment Dated: February 27, 2001]

12. COMPLIANCE AND DEFAULT.

Each Condominium Unit Owner shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation of the Association and the By-Laws and the regulations adopted pursuant to those documents, as all of such may be amended from time to time. Failure of a condominium Unit Owner to comply with such documents and regulations shall entitle the Association or other Condominium Unit Owners to the following relief in addition to the remedies provided by the Condominium Act:

12.1 Negligence. A Condominium Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. A Condominium Unit Owner shall pay the Association the amount of any increase in its insurance premiums occasioned by use,

misuse, occupancy or abandonment of a Condominium Unit or its appurtenances, or of the General Common Elements, by the Condominium Unit Owner.

12.2 Costs and Attorney Fees. In any proceeding arising because of an alleged failure of a Condominium Unit Owner or the Association to comply with the terms of the Declaration of Condominium, Articles of Incorporation of the Association, the By-Laws or the regulations adopted pursuant to them, and the documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be awarded by the court.

12.3 No Waiver of Rights. The failure of the Association or any Condominium Unit Owner to enforce any covenant, restriction or other provisions of KRS 381.805 through 381.910, the Declaration, the Articles of Incorporation of the Association, the By-Laws or the regulations shall not constitute a waiver of the right to do so thereafter.

13. AMENDMENTS.

Except as elsewhere provided, this Declaration of Condominium, including the plats and plans, and the By-Laws of the Association may be amended in the following manner:

13.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

13.2 Resolution. A resolution for the adoption of a proposed amendment may be proposed by the Council of Co-Owners or by any Unit Owner. Provided, however, such amendment shall not change the configuration or size of any Condominium Unit, in any material fashion or materially alter or modify the appurtenances to such Condominium Unit nor change shares the Common Expenses and the General Common Elements, unless the record owner thereof shall join in the execution of the amendment. Except as otherwise provided, such approvals must be by affirmation of more than 50% of the Council of Co-Owners.

13.3 Proviso. Provided, however, that no amendment shall discriminate against any Condominium Unit Owner nor against any Condominium Unit or class or group of Condominium Units unless the Condominium Unit Owners so affected shall consent; and no amendment shall change any Condominium Unit nor the share in the Common Expenses, unless the record owner of the Condominium Unit concerned and all record owners of the mortgages on such Unit shall join in the execution of the amendment. Neither shall an amendment make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair After Casualty" unless the record owners of all mortgages upon the Condominium shall join in the execution of the amendment.

13.4 Termination. Except in the case of taking of all the Condominium Units by eminent domain, the Condominium may be terminated only by not less than 80% of the votes of the entire membership of the Association. No amendment to the Declaration may be made concerning the termination

of the Condominium without the prior written approval of all the mortgages (based upon one (1) vote for each mortgage owned).

13.5 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment which was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective which such certificate and copy of the amendment are recorded in the public records of Oldham County, Kentucky.

[DELETE THIS SECTION]

13.6

14. EASEMENTS.

In addition to any easement granted by the Act, the following easements are hereby granted over the Property contained in the Condominium:

14.1 Easement for Ingress and Egress through Common Elements, Access to Units, Encroachments and Support.

- A. Each Unit Owner is hereby granted an easement in common with each other Units Owner for ingress and egress through all Common Elements subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. Each Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to use the same.
- B. To the extent necessary, each Unit shall have an easement for structural support over every other Unit in the Buildings, the Common Elements and each Units and the Common Elements shall be subject to an easement for structural support in favor of every other Unit in the Buildings and the Common Elements.
- C. In the event that (i) by reason of the construction, repair, reconstruction, settlement or shifting of the Buildings, any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereinafter encroach upon any part of the Common Elements, or any other Unit; or (ii) by reason of the design or construction of any Unit, it shall be necessary or advantageous to a Unit Owner to use or occupy any portion of the Common Elements for any reasonable use appurtenant to said Unit, which will not unreasonably interfere with the use or enjoyment of the Common Elements by other Unit Owners, or, if by reason of the design or construction of utility ventilation systems, any pipes, ducts, flues, shafts, or conduits serving more than one Unit encroaches or shall hereafter encroach upon any part of any Unit; then in any such case a valid easement for any encroachment or use of the Common Elements or Units shall be created in favor of any Unit Owner if such encroachment or use is not detrimental to an does not interfere with the reasonable use and enjoyment of the Property by the other Unit Owners.

14.2 Common Elements Easement in Favor of the Association. The Common Elements shall be and are hereby made subject to an easement in favor of the Association and the agents, employees and independent contractors thereof for the purpose of the inspection, upkeep, maintenance, repair and replacement of the Common Elements.

14.3 Common Elements Easement in Favor of Unit Owners. The Common Elements shall be and are hereby made subject to the following easements in favor of the Units benefitted:

- A. For the installation, repair, maintenance, use, removal and/or replacement of pipes, ducts, heating and air-conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements. However, the Board may require the Unit Owner to obtain Board approval prior to using said easement.
- B. For the installation, repair, maintenance, use, removal and/or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element adjacent to such Unit; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonable interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.
- C. For driving and removing nails, screws, bolts and other attachment devices into the Unit side surface of the stone, block, brick or other masonry walls bounding the Unit and the Unit side surface of the studs which support the dry wall or plaster perimeter walls bounding the Unit, the bottom surface of floor joists above the Unit and the top surface of the floor joists below the Unit to the extent such nails, screws, bolts and other attachment devices may encroach into a part of a Common Element adjacent to such Unit; provided that any such action will not unreasonable interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.
- D. For the maintenance of the encroachment of any lighting devices, outlets, medicine cabinets, exhaust fans, ventilation ducts, registers, grilles and similar fixtures which serve only one Unit but which encroach into any part of any Common Elements.

14.4 Units Easement in Favor of Association. The Units are hereby made subject to the following easements in favor of the Association and its agents, employees and independent contractors:

- A. For inspection of the Units in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible. Said inspections to be done only at a reasonable time in a reasonable manner.
- B. For inspection, maintenance, repair and replacement of the Common Elements accessible from such Units;
- C. For correction of emergency conditions in one or more Units or casualties to the Common Elements and/or the Units.

15. ENCROACHMENTS.

If any portion of the General Common encroaches upon any Condominium Unit, or if any Condominium Unit encroaches upon any other Condominium Unit or upon any portion of the General Common as a result of settling or shifting of the Condominium Units or as a result of alterations or refurbishing of the General Common one or more Condominium Units made by or with the consent of the Board of Directors, a valid easement for the encroachment and for the maintenance of the same shall exist as long as the Condominium Units shall exist. In the event the improvements the Condominium Units shall exist. In the event the improvements the Condominium Unit, and adjoining Unit, or any adjoining General Common, shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the General Common upon any Unit, or of any Unit upon any other Unit or upon any portion of the General Common, due to such encroachments and the maintenance thereof shall exist so long as the buildings or Condominium Units shall stand.

[THIS SECTION IS NO LONGER APPLICABLE]

16. PRIORITY.

As to priority between the lien of a recorded mortgage and the lien for an assessment, the lien for assessment shall be subordinate and inferior to any recorded institutional first mortgage regardless of when said assessment was due, unless such share is secured by a claim of lien for assessments that is recorded prior to the recordings of the mortgage, but no to any other mortgage.

[NOT RELEVANT AT THIS TIME]

17. RESTRICTION.

All Rose Island Riverside Condominiums shall be conveyed subject to the following restrictions:

- A. Taxes for current year.
- B. Easements.
- C. This Master Deed.
- D. All lawful statutes, ordinances, rules and regulations relating to zoning, public health, safety and Unit occupancy.

[NOT RELEVANT]

18. GENERAL PROVISIONS.

18.1 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, sentence, clause, phrase or word, or other provision of this Declaration and the Articles of Incorporation, By-Laws and Regulations of the Association shall not affect the validity of the remaining portions.

18.2 Exhibits. All exhibits referred to in this Declaration are incorporated by reference and are a part of this Declaration. Purchasers are cautioned to examine all exhibits in conjunction with this Declaration.

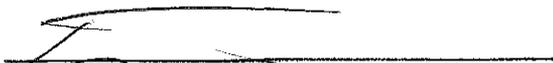
18.3 Captions. The captions of the various sections and subsections are for purposes of references only and are not deemed to have any substantial effect.

18.4 Singular, Plural, Gender. Whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, the President and Secretary of the Board of the Association have executed this Declaration of Condominium Property the day and year last noted below.

OLDHAM COUNTY
D1128 PG426

THIS DOCUMENT PREPARED BY:


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