

**DECLARATION OF HORIZONTAL PROPERTY REGIME
AND MASTER DEED
ESTABLISHING MOSS CREEK CONDOMINIUMS**

THIS MASTER DEED (the "Master Deed") has been prepared at the direction of and caused to be recorded by McBride & Son Homes Louisville, LLC, a Missouri limited liability company (hereinafter referred to as the "Declarant"), having an office at 331 Townepark Circle, Suite 100, Louisville, KY 40243.

WITNESSETH:

WHEREAS, Declarant is the Owner in fee simple of the land (the "land") described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, Declarant wishes to create a residential condominium project by submitting the land, together with the improvements and structures now existing and hereafter erected by, or at the direction of, Declarant thereon, and all easements, rights, and appurtenances belonging thereto (said land, improvements, structures, easements, rights and appurtenances are together referred to hereinafter as the "property") to the provisions of the Horizontal Property Law of the Commonwealth of Kentucky, KRS 381.805 to KRS 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 condominium project (hereinafter referred to as the "condominium project") as defined in and pursuant to said Horizontal Property Law, and pursuant to the following provisions:

**ARTICLE I
Definitions**

The words listed in this Article I when used in this Master Deed shall have the meanings as set forth in this Article I:

(A) "Articles of Incorporation" mean the articles of incorporation of the Council, a nonstock, nonprofit corporation, which shall govern and control, in part, the affairs and administration of the 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) "Buildings" mean the sixty-five (65) Buildings constructed or to be constructed on the land, containing all of the Units in the condominium project, subject to the provisions of Article XII herein. The location of the Buildings on the land and the area of the Buildings are as set forth on the plans (defined below at Paragraph (L)).

(D) "Bylaws" mean 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 condominium project.

(E) "Common Element(s)" mean all of the property (and any property annexed under Article XII below), except the Units. All roadways that may appear to be the property belonging to the condominium regime are actually public streets, subject to the jurisdiction of Metro Louisville.

(F) "Condominium Documents" mean, collectively, the Master Deed, Articles of Incorporation, Bylaws, and Rules and Regulations.

(G) "Council" means Moss Creek Condominiums Council of Co-Owners, Inc., a Kentucky nonstock, nonprofit corporation, the members of which shall be each an Owner of record of a Unit in the condominium project.

(H) "Moss Creek" means the name by which the condominium project will be known.

(I) "General Common Element(s)" means all of the Common Elements except for any Limited Common Elements as more fully described in Article IV below.

(J) "Limited Common Element(s)" mean and include 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 IV below.

(K) "Person" means any natural person, firm, corporation, partnership, association, trust, or their legal entity or any combination thereof.

(L) "Phase" shall mean each of certain groups of Units as shown on the Phasing Plan attached as Exhibit C.

(M) "Plans" mean the plans and specifications for the condominium project, including the plans dated May 30, 2007 prepared by Hartley Land Surveying, showing the layout, location, Unit numbers and dimensions of the Units, and recorded in Condominium and Apartment Ownership Book 120, Pages 30-34 in the Office of the Clerk of Jefferson County, Kentucky, simultaneously with the recording of this Master Deed.

File # 2443

(N) "Rules and Regulations" mean the Rules and Regulations promulgated by the Board of Directors and governing, in part, the use and occupancy of the Units.

(O) "Unit" means an enclosed space (KRS 381.810(1)) within the Buildings measured from interior unfinished surfaces of walls (meaning the interior surface of the studs within the exterior walls), ceilings, and floors, having a direct exit to a thoroughfare or to a Common Element leading to a thoroughfare, as such term is explicitly described below.

The boundaries of each Unit are shown on the Plans and are described as its walls, floor, and ceiling, and including windows, exterior doors, skylights (if any) locks and mechanisms of doors and windows and the utilities, systems, cabinets, appliances and fixtures

within the Units. All drywall, furring, wallboard, plasterboard, paneling, tiles, wallpaper, paint, carpeting, subfloor, finished flooring, and materials constituting any part of the finished surfaces thereof are a part of the Unit. All spaces, interior partitions that are non load-bearing, located within the boundaries of a Unit, are a part of the Unit.

Certain Units shall be called "Villas Units" and certain others shall be called "Commons Units." Both types of Units shall be subject to the provisions of this Master Deed equally unless specifically stated otherwise.

(P) "Unit Owner" means any person having record title to a Unit.

ARTICLE II Units

(A) Number, location, designation, and plans for Units

Subject to the provisions of Article XII herein, there shall be one hundred seventy-one (171) Units within the condominium project, and for purposes of identification, each Unit has been assigned a number 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.

(B) Ownership of the Units

Each Unit Owner shall obtain fee simple ownership of the Unit acquired, the appurtenant undivided interest of the General Common Elements of the 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 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 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.

(C) Taxation of Units

The Owner of each Unit shall be responsible for any and 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(s) on account 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.

(D) Maintenance and repair of Units

It shall be the responsibility of each Unit Owner with respect to the Unit owned by such Unit Owner:

(1) 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. Such maintenance, repair, and replacement shall not change the appearance of any portion of the exterior of the Building or Unit without prior approval of the Board of Directors.

(2) To maintain, repair, and replace at the expense of each 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 all windows, doors, drywall, any plumbing fixtures, water heaters, heating and air conditioning equipment, interior and exterior lighting fixtures, refrigerators, dishwashers, disposals, ranges, hoods and fans, sinks, lamps, interior doors, telephones or any electric, gas or water pipes or lines or wires or conduits or ducts serving any such appliances and fixtures.

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

(4) 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.

(5) 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.

(6) To pay any and all utility charges levied by utility companies providing services to the Unit.

(E) 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 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 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.

(F) Alteration or improvements of Units and Common Elements.

No alteration or improvement to any Common Element or to the exterior of any Unit or Limited Common Element may be made by any Unit Owner other than the Declarant without the prior written consent of the Board of Directors. This includes any change to any exterior colors or Building materials. Under no circumstances shall a Unit Owner install any doors, walls, or other enclosures of exterior space, whether Limited Common Element or General Common Element, without the prior written consent of the Board of Directors. No application shall be filed by any Unit Owner other than the 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, materialman, 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 therefrom. Consent shall be requested in writing through the manager or 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 30 days. The Board of Directors may require that the Unit Owner making such improvement, alteration, or addition obtain such insurance coverage and in such amounts as the Board of Directors deems proper. Each Owner shall maintain, repair and replace, at his own expense, any alteration, decoration, addition, removal or change made by the Owner outside his Unit, whether or not approval was properly obtained.

ARTICLE III Common Elements

(A) General Common Elements

The General Common Elements of the condominium project include the land and all improvements within the boundaries of the condominium project not included within the Units and Limited Common Elements as defined in Article I.

(B) 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 expense of the condominium project except as such share of common expenses may be modified by the Board of Directors as set forth herein.

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.

(C) 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 herein or by law.

(D) Adjustments in percentage of ownership

Except as provided in Article XII 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 Article XII 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, and all holders of record of first mortgages on all Units in the condominium project for which the percentages of ownership are being adjusted.

(E) 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. Nothing may be stored in the Common Elements, including but not limited to: play equipment, trash receptacles, any household items, trailers or boats.

(F) Maintenance of Common Elements

The maintenance and operation, including landscaping, gardening, snow removal, cleaning, painting and all other repair, of the Common Elements, (including, but not limited to, the repair of major cracks in the slabs on which the Units and garages are built) shall be the responsibility and expense of the Council, unless and except as otherwise expressly provided in the Condominium Documents, and the Board of Directors of the Council, pursuant to authority found at Article VI of this Master Deed, shall have the authority to make all decisions of the Council as respects repairs and maintenance and the costs incurred pursuant thereto. It shall be the responsibility of the Council to maintain, repair, or replace:

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

(2) All portions of any Unit which contribute to the support of any Building, including main bearing walls (but excluding surfacing (with drywall or plaster), painting, wallpapering, decorating, or other work on the interior surfaces of walls, ceilings, and floors within the Unit, which shall be the Unit Owner's responsibility).

(3) All portions of what would appear to be the Unit but which really constitute a part of the exterior of any Building and, therefore, in actuality are Common Elements, including, but not limited to, all exterior doors (including overhead garage doors) and windows (except all interior painting, interior caulking and interior repair of same).

(4) All Common Elements not heretofore mentioned, including but not limited to all water lines and fire hydrants that are not included in a particular Unit.

(5) All incidental damage caused by work done at the direction of the Board of Directors.

(6) All porches, decks, patios and all fences around any portion of the condominium project.

(G) 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 therefor 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.

No Unit Owner shall make any alteration to any part of the Common Elements, by erecting any fence, deck, play equipment or patio; decorating the exterior of any Building; or planting any landscaping; including trees, shrubs, flowers, etc.

ARTICLE IV Limited Common Elements

(A) Limited Common Elements

The Limited Common Elements of the condominium project are areas which are reserved for the use of 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 condominium project include any patios, decks or porches adjacent to or associated with a particular Unit and intended for use exclusively by occupants of that particular Unit and shall also include automobile parking areas and storage areas designated as being intended for the exclusive use of a Unit or Units pursuant to the plans. If any flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements; by way of example this includes plumbing, wastewater, electrical, and heating and air conditioning systems. Any air conditioning pad and equipment, plumbing and lighting fixture, and any other fixture, designated or designed to serve a single Unit, but located outside the Unit's boundaries, is an LCE allocated exclusively to that Unit.

(B) 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.

(C) 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 and as may be set forth in the Rules and Regulations. All parking spaces or driveways designated as Limited Common Elements shall be so designated for purposes of exclusive parking rights only, and no Owner shall undertake any maintenance thereof, including but not limited to patching, sealing, etc.

(D) Porches and Patios

Any porch or patio constructed adjacent to a particular Unit and marked as a Limited Common Element on the plans shall be maintained and repaired by the Unit Owner to which the porch or patio is appurtenant. The Council shall be responsible for replacement of the porch or patio (replacement being defined as damage greater than 50% of the replacement value of the porch or patio), unless such damage is covered by Article II (E) above.

ARTICLE V Assessments

The making and collection of assessments against Unit Owners for common expenses of the 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:

(A) 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 B 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. The Board of Directors may, from time to time, in the event of a shortfall in the funds of the Council, declare a special assessment, which shall be made in accordance with the Bylaws and shall be paid in accordance with the proportionate share of the Common Elements owned by each Unit Owner as shown on Exhibit B to this Master Deed. Pursuant to KRS 381.870, the Council may adjust the proportionate share of common expenses owed by the Unit Owners to take into consideration the area of the Unit, number of occupants, demand on utilities and access to Limited Common Elements.

All Unit Owners shall be liable for and shall pay a one-time initiation fee of \$400.00 to the Council for the purpose of defraying the initial set-up expenses of the Council.

(B) Interest; application of payments

Assessments and installments on such assessments shall be due and payable on the first calendar day of each month. Assessments not paid on or before 10 days after the day when due shall not bear interest, but all sums not paid on or before 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.

(C) Lien for assessments

Except as provided in Article V (E) of this Master Deed, any unpaid common expenses assessed to a Unit Owner shall constitute a lien against the Unit owned by such Unit Owner and against such Unit Owner's interest in the 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 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 attorney 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 attorney 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.

(D) 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 mortgagee upon the Unit of such Unit Owner.

(E) Limitation on mortgage liabilities

Where the mortgagee of a first mortgage of record or the purchaser or purchasers of a Unit obtain 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 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 to be common expenses collectible from all of the other Unit Owners, 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.

(F) 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.

(G) The Commons Units shall be subject to an additional assessment to pay for the provision of water and sewer service to those Units. The Council shall be responsible for the administration and collection of this additional charge. The Villas Units shall be separately metered and not be required to contribute funds for those expenses.

(H) Anything to the contrary contained in this Master Deed or in the Bylaws of the Council notwithstanding, until the Declarant transfers control and management to the Council, the Declarant shall not be liable for the payment of any assessment, monthly or otherwise, for common expenses or for reserve or contingency accounts, and the Units owned by the Declarant, prior to the Declarant transferring control to the Council, shall not be subject to any lien therefor; and the Declarant shall not have any liabilities of a Unit Owner. The Declarant shall, however, until the Declarant transfers control to the Council, be responsible for the maintenance costs of the condominium project incurred over and above assessments or amounts paid by Unit Owners for common expenses and other appropriate charges.

ARTICLE VI

Council of Co-Owners

(A) Council manages condominium project

The management and operation of the 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 provision of the Condominium Documents.

(B) Bylaws

The Bylaws adopted by the Council from time to time shall be the Bylaws of the condominium project.

(C) 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. Such Rules and Regulations shall have the same force and effect as, and shall be enforceable in the same manner as, the provisions of this Master Deed. A copy of the Rules and Regulations, including any amendments thereto, shall be furnished by the Council to all Unit Owners and residents of the condominium project upon request. The Board of Directors may enact rules governing the use of the Limited Common Elements and may review and approve any fence or other proposed enclosure of any Limited Common Element.

(D) Limitation upon liability of Council

Notwithstanding the duty of the Council to manage, operate, maintain, and repair the 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 condominium project required to be maintained and repaired by the Council, or caused by the weather or other element, 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.

(E) 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 condominium project and the interpretation and effect of the Condominium Documents.

(F) 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 (1) 120 days from the date Declarant or its designee(s) shall cease to own at least 25% of the Units in the condominium project, or (2) ten (10) years from the date of recording this Master Deed, or (3) prior thereto, at the sole election of the Declarant, the Board of Directors may not, without the Declarant's prior written consent, (1) amend any of the Condominium Documents; (2) make any addition, alteration, or improvement to the Common Elements or to any Unit; (3) 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 condominium project bears to the total amount of such initial budget of estimated expenses; (4) hire any employee in addition to the employees, if any, provided for in the initial budget; (5) 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; (6) borrow money on behalf of the condominium project; or (7) reduce the quantity or quality of service to or maintenance of the condominium project. During the Declarant's marketing interval, an irrevocable power of attorney coupled with an interest is hereby granted and reserved unto Declarant, its successors and assigns (however, individual Unit Owners are not included within the meaning of successors and assigns as used in this paragraph) to amend any condominium document so long as any such amendment does not (1) increase the share of common expenses which are the obligation of Unit Owners other than Declarant at the time of such amendment, or (2) materially alter the responsibilities and obligations of Declarant as developer of the condominium project to other Unit Owners under the Condominium Documents.

(G) 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.

(H) Availability

The Council shall make available to Unit Owners, lenders and the holders and insurers of the first mortgage on any Unit, current copies of the declaration, by-laws and other rules governing the condominium, and other books, records and financial statements of the Council. The Council shall make available to prospective purchasers current copies of the declaration, by-laws, other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared.

ARTICLE VII

Easements

(A) 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 Building 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 or private 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 of the Unit Owners to use the pipes, ducts, cables, wires, conduits, public or private utility lines, and other Common Elements, which service such other Units and are located in such Unit. Easements are further declared and granted and reserved for ingress and egress for pedestrian traffic over,

though, 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, 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 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, mortgagees, 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.

(B) Future easements

The Council may grant further easements for the benefit of the 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 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 contracted, 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.

(C) Access to Units by Council

The Council shall have a right of access to each Unit upon reasonable prior notice and at reasonable hours: (1) to inspect the same for compliance with the provisions of the Condominium Documents; (2) 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; (3) to prevent damage to the Common Elements or any other Unit; (4) to abate any violation of law, order, rules, or regulations of any governmental authority having jurisdiction thereof; and (5) 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 provisions of the Condominium Documents. The Council shall be obligated to repair any damage to a Unit incurred by reason of exercise of this right of access.

(D) 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.

(E) Declarant's easement for completion of Units

Declarant reserves the right for the purpose of completing the development of the condominium project 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 subcontractors, materialmen, and suppliers for the purpose of constructing, 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 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.

(F) 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 (1) the original construction or settling or shifting of any part of a Building, or (2) any repair or restoration undertaken by the Board of Directors, or (3) 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.

(G) Additional easements

The Board of Directors shall have the right to grant such additional easements burdening the Common Elements as are reasonably determined by it to be compatible with the intended uses and future development of the condominium project, including, without limitation, additional easements for ingress and egress to and from and over the land.

ARTICLE VIII Insurance

Each Unit Owner shall maintain insurance on the contents of his or her Unit, including not only the Unit Owner's personal property, but the amount of insurance necessary to have the interior of the Unit refinished to the state immediately prior to the event that led to the claim.

The Council shall maintain insurance coverage upon the condominium project in accordance with the provisions of this Article.

(A) Authority to purchase; named insured

All insurance policies upon the 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.

(B) Coverage

(1) The 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 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 Building. 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:

(a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(b) Such other risks as from time to time shall be customarily covered with respect to Building similar in construction, location, and use as the Building on the land, including, but not limited to, vandalism and malicious mischief, earthquake, and plate glass insurance.

(2) 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.

(3) Workers' compensation insurance to meet the requirements of Kentucky law.

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

(C) 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.

(D) Insurance trustee

All insurance policies purchased by the Council shall be for the benefit of the Council and the Unit Owners and mortgagees of the Units as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Council, as trustee, or to a bank in