

MASTER DEED
HORIZONTAL OR CONDOMINIUM PROPERTY LAW
OF KENTUCKY
FOR
CAMBRIDGE COURT CONDOMINIUMS
1954 GOLDSMITH LANE
LOUISVILLE, KENTUCKY 40218

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MASTER DEED

This MASTER DEED made in Jefferson County, Commonwealth of Kentucky, on the _____ day of _____, 1977, by JERRY L. SCOTT and WILLIAM C. BDONE, JR., (hereinafter referred to as the "Developer"), made pursuant to the provisions of the Horizontal Property Law of the Commonwealth of Kentucky. MARTHA W. SCOTT, wife of JERRY L. SCOTT, and JAMIE B. BDONE, wife of WILLIAM C. BDONE, JR., join herein and hereby release their respective potential rights of dower with respect to this Master Deed.

WITNESSETH THAT:

WHEREAS, SECTION 381.805 through 381.910, et seq., of the Kentucky Revised Statutes as amended (hereinafter referred to as the "Act"), provides for the creation of horizontal property regimes or condominiums in the Commonwealth of Kentucky; and

WHEREAS, the Developer is the owner in fee of a parcel of land situate in Louisville, Jefferson County, Kentucky, more particularly described in Exhibit A which is a description of the land constituting the Condominium Project and which is attached hereto, and made a part hereof by reference as fully as if set out in full herein and further more particularly described as "Cambridge Court Condominiums" on a plat entitled "Cambridge Court Condominiums", which is recorded in Apartment Ownership Book No. 11, Pages 19 through 22, in the office of the Clerk of the County Court of Jefferson County, Kentucky; which plans are incorporated herein by reference.

NOW, THEREFORE,

FIRST: The Developer hereby establishes a horizontal property regime in accordance with Section 381.815 et seq. of the Act, upon the LAND shown on Exhibit A and more particularly described as Cambridge Court Condominiums on plat recorded in Apartment Ownership Book 11, Pages 19 through 22 in said Clerk's office. It is the purpose of the Developer by this Master Deed to so divide and to impose covenants and restrictions upon the LAND, all of which shall run with the LAND, and the LAND, together with the improvements erected thereon, shall constitute a Condominium Project as defined in Section 381.810 of the Act known as "Cambridge Court Condominiums". The submission of the LAND to the horizontal property regime as aforesaid is subject to all covenants, conditions and restrictions now recorded or hereafter to be placed on the record.

SECOND: Developer hereby establishes the aforesaid LAND into a horizontal property regime as follows:

1. IDENTIFICATION OF UNITS AND BOUNDARIES: The Condominium Project consists of multi-family structures consisting of Fifty-Six (56) condominium units. For the purpose of identification, the location of all buildings which contain condominium units are given letters and divided into units which are identified by letters and numbers, and are shown graphically delineated and so numbered, divided and lettered in Cambridge Court Condominiums, which is made a part hereof, incorporated herein by reference, and is composed of 19 through 22 sheets, recorded in Apartment Ownership Book 11, Page 19 through 22, in said Clerk's Office. Every condominium unit bears an identifying number and no condominium unit bears the same identifying number as does any other condominium unit. The aforesaid identifying number as to the condominium unit is also the identifying number as to the real estate constituting such condominium unit. The boundary dimensions of each type of condominium unit and the Limited Common Element appurtenant thereto are shown graphically in Cambridge Court Condominiums, as aforesaid. All portions of the Condominium Project not designated as a part of the condominium unit or the Limited Common Elements are part of the General Common Elements. The Plats contain a survey of the LAND in which the condominium units are located, and a graphic description of the improvements thereon. Together with this Master Deed, Plats of Cambridge Court Condominiums, recorded in Apartment Ownership Book as aforesaid, are in sufficient detail to identify the location of dimensions and size of the General Common Elements, Limited Common Elements and of each condominium unit, as evidenced by the Certificate of the Registered Land Surveyor. The legend and notes contained within the said Exhibits are incorporated herein and made a part hereof by reference. Where the designations

"condominium unit" or "unit" are used, such terms are to be considered synonymous with the designation as defined in Section 381.810, et seq., of the Act. For percentage of common interests see Exhibit B attached hereto and made a part hereof. Said Condominium Project is further described as follows:

A. Condominium Project. The buildings in which the condominium units are located.

B. Condominium Units Boundaries. Each condominium unit shall include that part of the Condominium Project which lies within the following boundaries:

(1) Upper and Lower Boundaries. The upper and lower boundaries of the condominium unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(i) Upper Boundary. The horizontal plane which includes the bottom side of the ceiling.

(ii) Lower Boundary. The horizontal plane of the top surface of the floor.

(2) Perimetrical Boundaries. The perimetrical boundaries of the condominium unit shall be the vertical plane which includes the innermost surface of all walls bounding the condominium unit extended to intersections with each other and with the upper and lower boundaries. The co-owner of the condominium unit shall be deemed to own the walls and partitions which are contained in said co-owner's respective condominium unit, and also shall be deemed to own the windows, the entrance doors, and balcony doors of his unit.

(3) Exclusions from the Extensions of Ownership. Said condominium unit co-owner shall be deemed not to own the paint and other exterior finishes on the outermost side of the entrance doors, balcony doors and on all windows and not to own any pipes, wires, conduits, or other public utility lines, ventilation or other ducts, bearing walls or structural portions of the building running through said respective condominium unit, which are utilized for or serve more than one condominium unit, which items are by these presents hereby made a part of the General Common Elements. Where there are pipes, wires, conduits, or other public utility lines, ventilation or other ducts which serve only one condominium unit, such items shall be deemed to be owned by the co-owner of said condominium unit and the boundaries of such condominium unit shall be extended to include such structures. Where there is attached to the Condominium Project a balcony or porch, such boundaries shall not include the balcony or porch serving such condominium units, which balcony or porch shall be a Limited Common Element.

(4) Air Conditioning Compressor. Each condominium unit has, as an appurtenance, a separate air conditioning unit compressor. The ownership of these compressors shall be in the name of the owner of the applicable condominium unit, although they shall be physically located on the roof of the building. This ownership shall include the ducts and pipes leading from said units to the condominium unit to be serviced; provided no action of the Council of Co-Owners may prevent an owner from being properly and comfortably serviced by any commonly owned ducts and pipes.

C. Limited Common Elements. The balconies and porches shown and graphically described as such in Cambridge Court Condominiums, recorded in Apartment Ownership Book 11, Pages 17 through 22 aforesaid, are Limited Common Elements appurtenant to each of the condominium units to which they are attached. These Limited Common Elements are reserved for the use of the condominium units to which they are appurtenant, to the exclusion of other condominium units, and there shall pass with a condominium unit, as appurtenant thereto, the exclusive rights to use the Limited Common Elements so appurtenant. Any expense of maintenance, repair or replacement relating to such Limited Common Elements and all structural maintenance, repair or replacement thereof shall be treated as and paid for as a part of the Common Expenses of the Council of Co-Owners, unless the same shall be caused by the negligence or deliberate act of the individual condominium unit co-owner's actual or implied consent or permission in which case expenses of maintenance, repair or replacement relating to such Limited Common Elements referred to in this Paragraph shall be borne by and assessed against the individual condominium unit co-owner.

There is a full basement in Building A in which there are 56 storage spaces, a laundry room and a room for meetings or parties; such basement is part of the common area. Developer shall have the right to designate storage spaces as limited common elements for the use of designated units.

Until all units in the regime are sold by Developer, Developer shall have the right to designate any portion of the parking area as a limited common element (as defined in the Condominium Property Law) reserved for the use (for the parking of an automobile) of any unit to the exclusion of all other units in the regime. Each unit shall have one designated parking space which shall be designated by Developer and shall be so numbered in the parking lot and shall be as close to the owner's unit as it practicable. Other spaces are reserved for the owner's additional cars and guests' cars, but shall not be exclusively reserved. This condition is deemed to be a condition running with the land and any subsequent owner or owners taking title in this condominium regime shall be entitled to and subject to these rights and conditions. The words "Parking Area" whenever used herein mean the area provided for the parking of automobiles as shown on condominium plans.

D. General Common Elements. All portions of the Condominium Project not described above as a part of a condominium unit or part of a Limited Common Element are hereby declared to be General Common Elements. Any expense of maintenance, repair or replacement relating to such General Common Elements and all structural maintenance, repair or replacement thereof shall be treated as and paid for as a part of the Common Expenses of the Council of Co-Owners, unless the same shall be caused by the negligence or deliberate act of the individual condominium unit co-owner or other person having access to such General Common Elements with said co-owner's actual or implied consent or permission in which case expenses of maintenance, repair or replacement relating to such General Common Elements referred to in this Paragraph shall be borne by and assessed against the individual condominium unit co-owner.

(1) Each co-owner of a condominium unit shall have an undivided interest in the General Common Elements and Limited Common Elements and shall share in the expense of operating and maintaining the same in accordance with the ratio of percentages as set forth in Exhibit B, Schedules of Percentages, attached hereto and incorporated herein by reference, and made a part hereof.

(2) Except as provided herein the aforesaid ratio of sharing the percentage of Common Expenses and assessments as shown in Exhibit B, shall remain unchanged without regard to the purchase price of the condominium units, their locations or the Condominium Project square footage included in such condominium unit. Any common excess funds of the Council of Co-Owners shall be owned by each of the condominium unit co-owners in the same proportion as their respective ownership percentage interest in the General Common Elements.

II. LEGAL INTEREST: Cambridge Court Condominiums shall consist of fifty-six (56) condominium units, together with General Common Elements and Limited Common Elements as defined herein. Each condominium unit may be individually conveyed and encumbered and may be the subject of ownership, possession or sale, and of all types of juridic acts inter vivos or mortis causa, as if it were the sole and entirely independent real property of the purchasing co-owner, and of all his successors in title.

A. Joinder of Units. The owners are hereby granted the right to join together any two or more units provided same can be joined without impairing the structural integrity of the building and further providing that said joinder will not transverse any hall or common area other than the distance between the two walls of the units so joined. Easements are hereby granted for that purpose across the common area between the walls of various units.

III. ADMINISTRATION: The administration of Cambridge Court Condominiums shall be conducted in accordance with the provisions of this Master Deed, the By-Laws of the Council of Co-Owners, as defined in Section 381.860 of the Act, herein-after referred to as By-Laws. Every co-owner, or co-owners, of a condominium unit shall automatically become a member of the Council of Co-Owners of this Condominium Project and shall remain a member of said Council until such time as his ownership ceases, for any reason, at which time his membership in said Council shall automatically cease. Other than as an incident to a lawful transfer of the title to a condominium unit, membership in the Council of Co-Owners shall be non-transferable and any attempt to transfer the same shall be null and void.

IV. USE AND OWNERSHIP OF GENERAL ELEMENTS AND LIMITED COMMON ELEMENTS:

A. The use of the General Common Elements shall be limited to co-owners of condominium units in residence, to their tenants in residence and to their guests, invitees, and licensees. The use of Limited Common Elements shall be restricted to the co-owner of the condominium unit to which it is appurtenant, to their tenants in residence and to their guests, invitees and licensees.

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B. The General Common Elements and Limited Common Elements shall remain undivided and no co-owner may bring any action for partition or division of these common elements.

C. The undivided interest in the General Common Elements and Limited Common Elements shall not be separate from the condominium unit and shall be deemed to be conveyed or encumbered with the condominium unit even though such interest is not expressly mentioned or described in the document of conveyance or encumbrance.

D. The use of the General Common Elements and Limited Common Elements shall be governed by the By-Laws and as they may hereafter be amended, and by house rules and regulations adopted by the Council of Co-Owners.

E. The Council of Co-Owners may suspend or limit the right of any co-owner or other person to use any part of the General Common Elements or Limited Common Elements upon the failure of such co-owner or other person to observe all By-Laws, house rules and regulations promulgated by the Council of Co-Owners governing the use of such General Common Elements or Limited Common Elements.

V. GOVERNING DOCUMENTS:

A. Each co-owner and each tenant of a co-owner shall comply with all of the provisions of this Master Deed and with the By-Laws, decisions and resolutions of the Council of Co-Owners, as each may be properly amended from time to time. Failure to comply with such provisions, By-Laws, decisions and resolutions shall be grounds for an action to recover damages or for injunctive relief as provided hereinafter in Section XIV hereof.

B. All co-owners and tenants, present and future, or any other person who may be in or use the facilities of the Condominium Project in any manner, are subject to the provisions of this Master Deed and any By-Laws, rules or regulations established by the Council of Co-Owners, and the mere acquisition or rental of any of the condominium apartment units of the Condominium Project or the mere act of occupancy of any of said condominium units or the General Common Elements or Limited Common Elements appurtenant thereto, shall signify that the provisions of this Paragraph of the Master Deed are accepted and ratified.

VI. TELEVISION: The Developer or the Council of Co-Owners may from time to time authorize the installation of one or more master television or radio antenna distribution systems, which shall remain part of the General Common Elements. Any such installation shall be at the expense of the co-owners.

VII. LIABILITY FOR ASSESSMENTS:

A. No co-owner of a condominium unit may exempt himself from liability for assessments to his condominium unit for the cost of the maintenance and operation of the General Common Elements and Limited Common Elements by waiver of the use or enjoyment of any of the General Common Elements or Limited Common Elements or by the abandonment of his condominium unit.

B. The assessments imposed by the Council of Co-Owners in accordance with the provisions of its By-Laws for the maintenance and operation of the General Common Elements shall constitute a lien upon each of the condominium units superior to all other liens, other than liens for real estate taxes and liens for first trust or first mortgage financing. In addition, each co-owner shall be personally liable for all such assessments imposed by the Council of Co-Owners which may be due and payable during any time which he owns a condominium unit. This lien shall be a lien on the real estate subordinate to the above mentioned real estate taxes and first mortgages, but will be fully assessed against the real estate and will be enforceable in a Court of competent jurisdiction and if the condominium unit is sold this lien must be satisfied or it will be a burden upon the subsequent Grantees taking title to the condominium unit in Cambridge Court Condominiums. Provided, however, any Mortgagee taking title to a unit by foreclosure or by deed in lieu of foreclosure, or otherwise, will take title free of any unpaid past due assessments. Such Mortgagee's liability for assessments shall commence upon the date it takes title. A Mortgagee who obtains title by foreclosure, deed in lieu of foreclosure, or otherwise, can sell and convey said unit to any one for any price without permission or approval by the Council of Co-Owners, and free of any assessment liens prior to date of taking title.

C. In the case of any conveyance of any condominium unit, the conveyee of the condominium unit shall be jointly and severally liable with the conveyor for all unpaid assessments by the Council of Co-Owners against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the conveyee's right to recover from the conveyor the amounts paid by the conveyee therefor. However, upon payment of a fee (not to exceed \$15) therefor any such conveyor shall be entitled to a statement from the management agent or the Board of Directors of the Council of Co-Owners, as the case may be, setting forth the amount of the unpaid assessments against the conveyor of such condominium unit due the Council of Co-Owners and such conveyee shall not be liable for, nor shall the condominium unit conveyed be subject to a lien for any assessments made by the Council of Co-Owners against the conveyor of the condominium unit in excess of the amount therein set forth. Provided, however, any Mortgagee taking title to a unit by foreclosure or by deed in lieu of foreclosure, or otherwise, will take title free of any unpaid past due assessments. Such Mortgagee's liability for assessments shall commence upon the date it takes title. A Mortgagee who obtains title by foreclosure, deed in lieu of foreclosure, or otherwise, can sell and convey said unit to any one for any price without permission or approval by the Council of Co-Owners, and free of any assessment liens prior to date of taking title.

VIII. INSURANCE:

A. The Council of Co-Owners shall obtain and maintain at all times, to the extent available, at least, the following insurance (hereinafter referred to as Condominium Project Insurance"):

(1) Insurance on the Condominium Project in an amount equal to the full replacement value (i.e., 100% of "replacement cost") of the Condominium Project (as determined annually by the Council of Co-Owners) and with a replacement cost endorsement which provides for the payment of all losses without deduction or allowance for depreciation. Such coverage shall afford protection against, at least, the following:

(i) Loss or damage by fire or other hazards covered by the standard extended coverage endorsement and additional extended coverage endorsement;

(ii) Such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to vandalism, malicious mischief, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(2) Public liability insurance in such amounts and in such forms as may be considered appropriate by the Council of Co-Owners including, but not limited to, water damage legal liability, hired automobile, non-owned automobile, and any and all other liability incident to the ownership and/or use of the Condominium Project or any portion thereof; and

(3) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(4) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature, as are or shall hereafter be considered appropriate by the Council of Co-Owners.

B. The premiums for the insurance coverage shall be a Common Expense to be paid by monthly assessments levied by the Council of Co-Owners against each of the co-owners. The premiums attributable to coverage on the condominium units and the General Common Elements shall be apportioned among the co-owners in accordance with their respective percentages of interest as set forth in Exhibit B attached hereto.

C. The Council of Co-Owners, or its designee, shall have the exclusive authority to adjust losses under the said insurance policies.

D. In no event shall the insurance coverage obtained and maintained by the Council of Co-Owners be brought into contribution with insurance purchased by individual co-owners, or their mortgagees.

E. Each co-owner may obtain additional insurance at his own expense upon his condominium unit provided that no co-owner shall maintain insurance coverage which will tend to decrease the amount which the Council of Co-Owners may realize under any insurance policy which it may have in force on Cambridge Court Condominiums.

F. All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees of the condominium apartment units.

G. Damage or Destruction Except as hereinafter provided, the Council of Co-Owners shall receive and hold the amount payable under said Condominium Project Insurance and apply the same to the cost of reconstruction or repair of a damaged or destroyed condominium unit. The co-owner of a damaged or destroyed condominium unit shall be obligated to commence the work of repairing or reconstruction of the condominium unit within thirty (30) days from the date of the damage or destruction. The work shall be accomplished in accordance with the plans and specifications by which the condominium unit was originally constructed, subject, however, to the prior written approval of the Council of Co-Owners. The Council of Co-Owners shall make available and pay to the co-owner the amount of insurance proceeds received by said Council for the reconstruction and repair of the condominium unit. The payment of the proceeds of insurance shall be made as the work progresses at such time and upon compliance by the co-owner with such conditions as the Council shall impose, in order to assure full restoration or repair of the damaged portions of the condominium unit in a workmanlike manner, free and clear of any mechanic's and materialmen's liens and any encumbrances, liens, claims, or charges. If the insurance proceeds exceed the amount necessary for repair or replacement costs, then any such excess shall be paid to the unit owner and the mortgagee of said unit owner as their interests may appear. If the cost of the reconstruction or repair exceeds the amount paid to the Council of Co-Owners, the excess shall be paid by the co-owner.

(1) In the event of damage or destruction of less than two-thirds (2/3) of any building or the regime, the insurance proceeds, if sufficient to reconstruct the building, shall be applied to such reconstruction. If the insurance proceeds are not sufficient to cover the costs of reconstruction, then the provisions of Chapter 381, Kentucky Revised Statutes shall be applicable. As used in Chapter 381, in the phrase "all the co-owners directly affected by the damage" and in the phrase "all the co-owners benefitted thereby", the word "co-owners" shall be deemed to refer to the owners of units in the building.

(2) In the event of destruction of all or more than two-thirds (2/3) of any building, the provisions of KRS 381.890(2) shall be applicable. As used in KRS 381.890(2) in the phrase "the indemnity shall be delivered pro rata to the co-owners entitled to it in accordance with provision made in the by-laws or in accordance with a decision of three-fourths (3/4) of the co-owners", the word "co-owners" shall in each case used be deemed to refer to the owners of an "interest" in the building destroyed. The words "pro rata" in KRS 381.890(2) shall mean the ratio of the value of each unit to the total value of the building damaged.

(3) In the event the unanimous agreement of the co-owners to reconstruct required by KRS 381.890(2) is not evidenced by an agreement in writing executed by the co-owners of the building destroyed within one month following the catastrophe, the decision not to reconstruct shall be presumed to have been made.

(4) In the event the unanimous agreement of the co-owners to reconstruct required by KRS 381.890(2) is not obtained and the insurance proceeds are delivered to the owners in the destroyed building, the acceptance of the insurance proceeds ratably payable to such co-owner by such owner or his duly authorized agent, executor, administrator, guardian or committee, or the payment of such insurance proceeds to mortgagees and other lienholders entitled thereto under loss-payable clauses, the real estate then remaining shall be sole and the net proceeds divided according to the percentage interest of each co-owner.

(5) Any new building shall not exceed the total number of units in the destroyed building, and shall be built according to the general plan and scheme and in architectural conformity to the remaining buildings in the project, and such purchaser shall not withdraw property from the terms and provisions of this Master Deed.

IX. EASEMENTS:

A. If any portion of a condominium unit, General Common Element, or Limited Common Element encroaches upon another, a valid easement for the encroachment and the maintenance of same, so long as it stands, shall and does exist. In the event the multi-family structure is partially or totally destroyed, and then rebuilt, encroachments or parts of the condominium units, General Common Elements or Limited Common Elements, as aforesaid due to construction, shall be permitted, and a valid easement for said encroachments and the maintenance thereto shall exist. An easement is reserved for any encroachments within the above described areas due to variances in construction or settling of the building causing changes in the as-built structure of this Condominium Project.

B. There are reserved easements through each of the condominium units for the benefit of any adjoining or other condominium unit contained in the Condominium Project as may be required for the installation, existence, repair and maintenance of all structural elements of the building in which the condominium unit is located, for any television and radio antenna distribution system, for electrical lines and conduits, heating, air conditioning and ventilating ducts, water lines, drain pipes and other appurtenances to all other utility systems in order to adequately serve each of such condominium units. Such easements through a condominium unit shall be according to the plans and specifications for the Condominium Project, or as the Condominium Project was constructed, unless a variance for same is approved in writing by the co-owners subject to such easement. The aforesaid easement shall be in addition to all other easements contained herein.

C. Every condominium unit co-owner shall have a perpetual easement for support and a perpetual easement in, upon, through and over any portion of the Condominium Project, to keep, maintain, use, repair and replace his condominium unit, in its original position, and in every subsequent position to which it changes, by reason of the gradual forces of nature and the elements, whether such subsequent position be, in whole or in part, adjacent, subjacent, or superjacent to said original position and every condominium unit co-owner shall have a perpetual easement in every portion of the Condominium Project for the installation, maintenance and repair of any pipe, cable, wire, other conduit of liquids or energy, supplying water, sewage, telephone, radio, television, electricity, heat, air conditioning, steam or other similar service to the condominium unit owned by him, subject, however, to the provisions that the work of installation or repair shall be performed by the Council of Co-Owners or the agent of said Council or other person to whom the Council has delegated such authority and further subject to the provisions set forth in the By-Laws.

D. In interpreting any or all of the provisions of this Master Deed or the Schedules or Exhibits attached hereto, subsequent deeds and mortgages to individual condominium units, et cetera, the actual location of the condominium unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding the fact that any minor variations in location do now or shall exist and a valid easement for such variations and for the maintenance thereof does and shall exist.

X. REPAIRS: The Developer, its agents, its successors, or assigns, or the Council of Co-Owners or its agent, when it takes over operation and maintenance of Cambridge Court Condominiums, shall have the right to enter any condominium unit when necessary to carry out any repair, maintenance or construction for which the Council or Co-Owners is responsible or for which any co-owner is responsible and has not completed after appropriate notice from the Council of Co-Owners. Except in emergencies, the entry by the Grantor or Council of Co-Owners shall be made with as little inconvenience to the co-owner as practicable. Any damage caused during any entry shall be repaired at the expense of the council of Co-Owners unless the entry is made to perform any obligation for which the co-owner is responsible, in which event the entry and all work done shall be done at the risk and expense of the co-owner.

XI. RIGHTS OF MORTGAGEES AND TRUSTEES: Bona Fide first mortgagees holding first mortgages secured by an individual condominium unit within the Condominium Project or upon any other portion of the Condominium Project shall be entitled to the following rights provided that such mortgagees shall have notified the Council of Co-Owners of the fact that they hold such a first mortgage.

A. The holder of any first mortgage as aforesaid is entitled to a written notification from the Council of Co-Owners at least thirty (30) days prior to the effective date of any change in the Condominium Project documents and any change of the management agent (not including change in employees of any corporate manager) of the Condominium Project.

B. The holder of any mortgage as aforesaid is further entitled to written notification from the Council of Co-Owners of any default by the mortgagor of such condominium unit in the performance of such mortgagor's obligations under the Condominium Project documents which is not cured within thirty (30) days.

C. Unless all holders of first mortgage liens on individual condominium units shall have given their prior written approval, the Council of Co-Owners of the Condominium Project shall not:

(1) Change the pro rata interest or obligations of any condominium unit as shown on Exhibit B hereto for purposes of levying assessments and charges and determining shares of the common elements and proceeds of the Condominium Project except in case of taking by eminent domain provided for in Section XIII hereof.

(2) Partition or subdivide any condominium apartment unit or the common elements of the Condominium Project.

(3) By act or omission seek to abandon the condominium status of the Condominium Project except as provided herein in case of substantial loss to the condominium apartment units and common elements of the Condominium Project.

XII. REVOCATION, TERMINATION AND AMENDMENT OF HORIZONTAL PROPERTY REGIME:

A. The Condominium Project established by this Master Deed shall not be revoked nor any of the LAND or improvements removed from Cambridge Court Condominiums nor any of the provisions of the Master Deed amended unless all the co-owners, or the sole owner of the LAND covered hereby, if any there be, shall by deed make such amendment or waive this regime and regroup or merge the records of the filial estates with the principal property, provided, that the filial estates are unencumbered, or if encumbered, that the creditors in whose behalf the encumbrances are recorded accept as security the undivided portions of the property owned by the debtor, or otherwise agree to such revocation, amendment or removal by appropriate documentation. Provided, however, the provisions set out in this paragraph are subject to the provisions set out in this paragraph are subject to the provisions set out in Section III above.

B. In the event Cambridge Court is terminated for any cause or reason other than revocation as aforesaid, then the entire Cambridge Court Condominiums shall be deemed to be owned by all of the Co-Owners as tenants in common in the same proportions as their percentages of interest in the General Common Elements expressed in Exhibit B of this Master Deed. Any liens affecting any of the condominium units shall be transferred in accordance with existing priorities to the percentage of the undivided interest of the co-owner of the condominium unit upon which the lien was originally imposed. Subsequent to termination the entire Cambridge Court Condominiums shall be subject to an action for partition at the suit of any co-owner, in which event the net proceeds of sale shall be considered as one fund and shall be divided among all of the co-owners in proportion to their percentages of interest as set forth in Exhibit B attached hereto; provided, however, that before any proceeds of sale are distributed to any co-owner, all mortgages and liens imposed upon the condominium unit previously owned by the co-owner shall be first paid and there- after all assessments imposed upon the condominium unit by the Council of Co-Owners shall be satisfied in full, out of the share otherwise payable to said co-owner.

C. Notwithstanding any other provisions contained herein concerning termination, the first mortgage liens on damaged or destroyed condominium units shall be satisfied out of the insurance or other proceeds to the extent sufficient for this purpose. prior to a partition suit being instituted and thereafter, the interest in the property owned, or in the distribution of the proceeds derived from a partition suit, or all such condominium unit co-owners whose first mortgages have been so satisfied shall be proportionately adjusted.

XIII. TAKING BY EMINENT DOMAIN: Payment for the taking of a portion of a condominium unit or of the common elements by eminent domain or the conveyance under threat thereof shall be deemed to be proceeds from insurance on account of casualty and shall be deposited with the Council of Co-Owners. Even though the awards may be payable to a co-owner, every such condominium unit co-owner shall deposit the award with the Council of Co-Owners. And, in the event of failure to do so, in the discretion of the Council of Co-Owners, a special assessment shall be made against a defaulting co-owner in the amount of his award, and the amount of such award shall be set off against the sums hereinafter made payable to such co-owner. The proceeds of the award shall be distributed or used in a manner heretofore provided for insurance proceeds except that when the horizontal property regime is not to be terminated, and one or more condominium units are taken in part, the taking shall have the following effects:

A. If the Condominium Unit is Reduced but Tenable. If the condominium unit taking reduces the size of the condominium unit, and the remaining portion of the condominium unit can be made tenable, the award for the taking of a portion of the condominium unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the horizontal property regime:

(1) The condominium unit shall be made tenable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the co-owner of the condominium unit.

(2) The balance of the award, if any, shall be distributed to the co-owner of the condominium unit and to each mortgagee of the condominium unit included in the mortgagee records list, the remittance being payable jointly to the co-owner and the mortgagees.

(3) If the taking reduces a two bedroom condominium unit to a one bedroom condominium unit, the percentage assessment against the co-owner of the condominium unit for the Common Expenses and share in the common elements shown in Exhibit B attached hereto shall be reduced to be the same as the percentage shown for the other co-owners of similar condominium units and the shares of all condominium unit co-owners and the liability for Common Expenses shall be recomputed, and adjusted.

B. Condominium Unit Made Untenable. If the taking destroys or so reduces the size of the condominium unit that it cannot be made tenable, the award for the taking of the condominium unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the horizontal property regime.

(1) The market value of such condominium unit immediately prior to the taking shall be paid to the co-owner of the condominium unit and to each mortgagee of the condominium unit included in the mortgagee roster, the remittance being payable jointly to the co-owner and the mortgagees.

(2) The remaining portion of such condominium unit, if any, shall become a part of the common elements and shall be placed in condition for use by all of the condominium unit co-owners in a manner approved by the Council of Co-Owners; provided, if the cost of such work shall exceed the balance of the fund from the award for the taking, such work shall be paid for by assessment as a Common Expense among all the remaining co-owners.

(3) The shares in the common elements and liability for expenses appurtenant to the condominium units which continue as a part of the horizontal property regime shall be equitably adjusted to distribute the ownership of the common elements and liability for expenses among the reduced number of co-owners. This shall be done by recomputing the shares of such continuing co-owners in the common elements as pro rata percentages of the total of the shares of such co-owners as they existed prior to the adjustment.

(4) If the amount of the award for the taking is not sufficient to pay the market value of the condemned condominium unit to the co-owner, and to condition the remaining portion of the condominium unit for use as part of the common elements, the additional funds required for such purposes shall be raised by assessments against all of the condominium unit co-owners who will continue as co-owners of condominium units after the changes in the horizontal property regime

affected by the taking. Such assessment shall be made in proportion to the shares of such co-owners in the common elements after the changes effected by the taking. In the event that the market price cannot be determined by negotiation, it shall be determined by binding arbitration in accordance with the rules of the American Arbitration Association.

C. The Council of Co-Owners shall thereafter have the right to file among the land records a Deed of Correction to incorporate all necessary changes.

XIV. CONSTRUCTION AND ENFORCEMENT: The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a Condominium Project. Enforcement of these covenants and restrictions and of the By-Laws shall be any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restrictions, either to restrain or enjoin violation or to recover damages, or both, against any condominium unit, to enforce any lien created thereby; and the failure or forbearance by the Council of Co-Owners or the co-owner of any condominium unit to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. There shall be, and there is hereby created and declared to be, a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

XV. SEVERABILITY: Invalidation of any one of these covenants or restrictions or other provisions of this Master Deed by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect. In the event that any provision, condition, covenant or restriction hereof is, at the time of recording of this instrument, void, voidable or unenforceable as being contrary to any applicable Federal, State, or local laws, the Developer, its successors or assigns, and all persons claiming by, through, or under the Cambridge Court Condominiums, covenants and agrees that any future amendments or supplements to the said laws having the effect of removing such invalidity, voidability or unenforceability, shall be deemed to apply retrospectively to this instrument and the provisions contained therein which otherwise might be invalid and it is covenanted and agreed that any such amendments and supplements to said laws shall have the effect herein declared as fully as if they had been in effect at the time of the execution of this instrument.

XVI. ASSOCIATION'S OPTION AND RIGHT OF FIRST REFUSAL:

A. Any unit owner other than Developer or a mortgagee of a unit who has acquired title thereto in lieu of or through foreclosure who wishes to sell or lease his unit (or any lessee of any unit wishing to assign his lease or sublease such unit) to any person shall give to the Association no less than ten (10) days' prior written notice of any such sale, lease, assignment, or sublease, setting forth in detail the terms of any contemplated sale, lease, assignment, or sublease, which notice shall specify the name and address of the proposed purchaser, assignee or lessee. The Association shall have the first right and option to purchase or lease such unit upon the same terms, which option shall be exercisable for a period of ten (10) days after receipt of such notice. If said option is not exercised by the Association within said ten (10) days, the unit owner (or lessee) may, at the expiration of said ten-day period and at any time within sixty (60) days after the expiration of said ten-day period, contract to sell or lease (or sublease or assign) such unit to the proposed purchaser, assignee, or lessee named in such notice upon the terms specified therein.

B. In the event any unit owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his unit, the Association shall have the right to cure such default by paying the amount so owing to the party entitled thereto, and shall thereupon have a lien therefor against such unit, which lien may be foreclosed in like manner as a lien for unpaid common expenses as provided herein.

C. The Association shall not exercise any option hereinabove set forth to purchase or lease any unit without the written consent of seventy-five (75%) per cent of the unit owners. The Association through its duly authorized representatives may bid to purchase at any auction or sale of the unit or interest therein of any unit owner, deceased or living, which said sale is held pursuant to an order or direction of a court upon the prior written consent of seventy-five (75%) per cent of the unit owners, which said consent shall set forth a maximum price which the Association is authorized to bid and pay for said unit or interest therein.

D. Upon the written consent of all of the members of the Board, any of the options contained in this Paragraph XVI may be released or waived and the unit or interest therein which is subject to an option set forth in this paragraph may be sold, conveyed, leased, given or devised free and clear of the provisions of this paragraph.

E. A certificate executed and acknowledged by a majority of the Board stating that the provisions of this Paragraph XVI as herein set forth have been met by a unit owner or duly waived by the Board, and that the rights of the Board hereunder have terminated, shall be conclusive upon the Board and the unit owners in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any unit owner who has in fact complied with the provisions of this paragraph and whose unit or interest therein has not been acquired as in this paragraph provided, upon request, at a reasonable fee not to exceed Fifteen (\$15.00) Dollars.

F. The terms of this Paragraph XVI hereinabove contained shall not be applicable to the transfer by gift, sale, testate or intestate succession, operation of law, or otherwise, of any interest of Developer or of the interest of a co-owner of any unit to any other co-owner of the same unit, where such co-owners hold title to such unit as tenants in common or as joint tenants.

G. Where title to any unit is held by a trust, the assignment, sale, conveyance or other transfer by a beneficiary of such trust of his or her beneficial interest in such trust (other than as security for a bona fide indebtedness) shall be deemed an assignment, sale, conveyance, or other transfer of the unit owned by such trust.

H. Where title to any unit is held by a corporation, or a partnership, the transfer of fifty (50%) per cent or more of the issued and outstanding shares of such corporation, or of fifty (50%) per cent or more of the interest in such partnership, shall be deemed a transfer of the unit owned by such corporation or partnership.

I. The terms of this Paragraph XVI hereinabove contained shall not be applicable to the sale, conveyance or leasing of a unit by any mortgagee of Developer if said mortgagee shall acquired title to such unit by foreclosure of a mortgage or deed in lieu of foreclosure on the property, or any unit.

J. Acquisitions of units or interests therein under the provisions of this paragraph shall be made from the maintenance or common expense fund. If said fund is insufficient, the Board shall levy a special assessment against each unit owner in the ratio that his percentage of ownership in the common elements as set forth in Schedule B bears to the total of all such percentages applicable to units subject to said special assessment, which assessment shall become a lien upon each such unit and may be foreclosed in like manner as a mortgage. The Association may borrow money to finance the acquisition of a unit or interest therein which said acquisition is authorized by this paragraph; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the property other than the unit or interest therein to be acquired.

K. Units or interests therein acquired pursuant to the terms of this paragraph shall be held of record in the name of the Board or such nominee or entity as it shall designate, for the use and benefit of all the unit owners in the same proportion that the Board could levy a special assessment under the terms of sub-paragraph (j) hereof. Said units or interests therein shall be sold or leased by the Board for the benefit of the unit owners upon such price and terms as the Board shall determine. All proceeds of such sale and/or leasing shall be deposited in the maintenance or common expense fund and may thereafter be disbursed at such time and in such manner as the Board shall determine.

XVII. ASSOCIATION (Council of Co-Owners); By-Laws

The provisions of this Paragraph XVII, shall constitute the by-laws by which, in addition to the other provisions of this Master Deed, the administration of the property shall be governed as follows:

A. The term "Association" as used herein and throughout this Master Deed shall have the same meaning as "the Council of Co-Owners" defined in KRS 381.810 (5) and shall mean Cambridge Court Condominiums, Inc., a non-profit corporation of Kentucky, the members of which are all owners from time to time of units in Cambridge Court Condominiums. Any specified percentage of the unit owners, whether majority

or otherwise, for purposes of voting and for all purposes and wherever provided in this Master Deed, shall mean such percentage in the aggregation in interest of the undivided ownership of the common elements. If any unit is owned by more than one person, the voting rights with respect to such unit shall not be divided but shall be exercised as if the unit owners consisted of only one person in accordance with the proxy or other designation made by the persons constituting such unit owner. The unit owners shall have one vote for each unit owned in this condominium.

B. The direction and administration of the property on behalf of the unit owners shall be vested in the Board of the Association (herein referred to as the "Board"), consisting of five (5) persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the unit owners; provided, however, that in the event a unit owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity shall be eligible to serve as a member of the Board.

C. At each annual meeting of the Association, the unit owners shall by a vote of a majority of the unit owners present at such meeting elect the entire Board for the forthcoming year. Members of the Board shall serve without compensation for a term of one (1) year, and until their successors are elected. Vacancies in the Board shall be filled by the unanimous vote of the remaining members of the Board. A majority of the members of the Board shall constitute a quorum. The Board shall act by the vote of the majority of those members present at a meeting of the Board when a quorum is present.

D. A regular annual meeting of the Board shall be held immediately after, and at the same place as the annual meeting of the Association. Other meetings of the Board may be called, held, and conducted in accordance with such regulations as the Board may from time to time adopt.

E. Any member of the Board may be removed from office by the affirmative vote of sixty-six and two-thirds (66-2/3%) per cent of the unit owners at a special meeting of the unit owners called for such purpose.

F. The Board shall have the power:

- (i) To engage the services of a manager or managing agent, who may be any person, firm, or corporation, upon such terms and compensation as the Board deems fit, and to remove such manager or managing agent at any time;
- (ii) To engage the services of any persons deemed necessary by the Board at such compensation deemed reasonable by the Board in the operation, repair, maintenance and management of the property, and to remove at any time any such personnel;
- (iii) To make arrangements to share the services of any persons, firm, or corporation with another condominium association.
- (iv) To establish or maintain one or more bank accounts for the deposit of any funds paid to, or received by the Board.

G. The Board shall acquire and make arrangements for, and pay for out of the maintenance fund, in addition to the manager, managing agent, or other personnel above provided for, the following:

- (i) Water, waste removal, heat and other necessary utility service for the common elements and such services to the units as are not separately metered or charged to the owners thereof;
- (ii) A policy or policies of insurance for the property against loss or damage by fire and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the common elements and the units. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association for the benefit of each of the unit owners in the percentages set forth in Schedule B. The Board may also purchase such other insurance as the Board deems advisable in the operation, and for the protection of the property and the units. Premiums for all insurance provided for in this Master Deed shall be common expenses.

(iii) A policy or policies insuring the Association and the unit owners against any liability to the public or to the owners of units and of the common elements, and their invitees or tenants, incident to the ownership and/or use of the common elements, the liability under which insurance shall be not less than One Hundred Thousand (\$100,000.00) Dollars for any one person injured, Three Hundred Thousand (\$300,000.00) Dollars for any one accident, and Ten Thousand (\$10,000.00) Dollars for property damage (such limits to be reviewed at least annually by the Board and increased in its discretion);

(iv) Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(v) Landscaping, gardening, snow removal, painting, cleaning, tuck-pointing, maintenance, decorating, repair and replacement of the common elements including the parking area (but not including the interior surfaces, windows, and doors of the units, which the respective unit owner shall paint, clean, decorate, maintain and repair), and such furnishings and equipment for the common elements as the Board shall determine are necessary and proper, and the Board shall have the exclusive right and duty to acquire the same for the common elements;

(vi) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Board deems necessary or proper for the maintenance and operation of the property as a first-class condominium regime or for the enforcement of any restrictions or provisions contained herein;

(vii) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the property or any part thereof which may in the opinion of the Board constitute a lien against the property or against the common elements, rather than merely against the interests therein of particular unit owners. Where one or more unit owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said unit owners and shall, until paid by such owners, constitute a lien on the interest of such owners in the property, which lien may be foreclosed in like manner as a mortgage.

(viii) Maintenance and repair of any unit or any other portion of the property which a unit owner is obligated to maintain or repair under the terms thereof, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements, or any other portion of the property, and the owner or owners of said unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said owner or owners; provided that the Board shall levy a special assessment against such unit for the cost of said maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of such unit owner or owners in the property, which lien may be foreclosed in like manner as a mortgage.

H. (i) Developer will maintain control over the management of this condominium until the time hereinafter set out for the purpose of maintaining a continuity of management and to assure the orderly transfer of authority for the protection and convenience of the co-owners of this condominium.

(ii) The management of the condominium shall be turned over to the Association within thirty (30) days of the closing of the last unit of said condominium by Developer.

(iii) The first annual meeting of the Association shall be called by Developer upon ten (10) days written notice within thirty (30) days of the sale and conveyance of the last of the 56 units in this condominium, or Developer may exercise this option at any time prior to the sale of the last unit. Thereafter an annual meeting of the Association shall be held three hundred sixty-five (365) days after the first annual meeting.

I. All meetings of the Association shall take place at 8:00 P.M. in some section of the property designated by the person or persons calling a special meeting, or at such other reasonable place or time designated by the Board. Written notice of the holding of any regular or special meeting of the Association stating the date, hour, and place of such meeting shall be delivered or sent in person or by mail to each unit owner in care of his apartment at least five (5) days before the date of such meeting. A majority of the unit owners shall constitute a quorum at all such meetings. A unit owner may vote either in person or by proxy at

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regular or special meeting of the Association. Every proxy must be in writing and no proxy shall be valid after eleven (11) months from the date of its execution.

J. A president, one or more vice presidents, a secretary and a treasurer shall be elected at each annual meeting of the Board from among its members. Any such officer may be removed by the vote of a majority of the Board at any time. A vacancy in any office may be filled by the Board for the unexpired term.

K. The president shall preside over the meetings of the Board and the Association; he may sign, together with any other officer designated by the Board, any contracts, checks, drafts, or other instruments designated or approved by the Board. In the absence of the president, or in the event of his inability to act, the vice presidents (in the order elected) shall perform the duties of the president.

L. The secretary shall keep the minute book wherein all resolutions shall be recorded and shall see that all notices (except the notice for the first annual meeting of the Association) are duly given as herein provided.

M. The treasurer shall keep all financial records and books of account. All expenses, charges and costs of the maintenance, repair, or replacement of the common elements and other expenses, charges or costs which the Board may incur or expend pursuant hereto, shall be approved by the Board, and a written voucher thereof prepared and signed by the treasurer. There shall be no structural alterations, capital additions to, or capital improvements on, the common elements (other than for purposes of replacing or restoring portions of the common areas and facilities) requiring an expenditure in excess of One Thousand (\$1,000.00) Dollars without the prior approval of a majority of the unit owners.

N. Annual Budget and Assessment Against Each Owner: Each year on or before December 1, the Board shall estimate the annual budget of common expenses (the "annual budget") including the total amount required for the cost of wages, materials, insurance, services, and supplies which shall be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements, and shall on or before December 15 notify each unit owner in writing as to the amount of such estimate with reasonable itemization thereof. Said annual budget shall be assessed to the owners according to each owner's percentage of ownership in the common elements as set forth in Schedule B, after one month from the date of recording of the deed to the individual unit which shall continue for the first year based upon the estimate from the operating expenses of the preceeding year and as certified by the accounting firm used by Developer. Thereafter all assessments shall be made by the Board pursuant to their annual budget as hereinabove and hereinafter set out in this paragraph. All sums so assessed shall be common expenses.

O. Right to Contract for Services: The Board shall have the right to contract with persons, corporations, or any legal entities to provide services to said regime, which shall include but not be limited to the right to contract with the association of another condominium regime for the sharing of any service or facility with said regime.

P. Merger of Associations: Nothing contained herein shall be construed to prevent the merger of this association with the association of another condominium regime, provided that the prior approval of seventy-five (75%) per cent of the owners of the units in this section approve such merger.

Q. Central Heat, and Water: The units in this regime, have central heat, as well as central water, all of which are centrally metered. A pro-rata share of the total bill for these utilities and services will be added to the condominium maintenance fee monthly; said bills for utilities as hereinabove outlined shall be based upon the same percentage of interest that the unit contains in the common elements.

These utility charges do constitute part of the condominium maintenance fee, but shall be added to the maintenance fee for collection by the association because of the central billing. In the event of the non-payment of said utility charges, they shall constitute a lien in like and similar manner as provided for the non-payment of the condominium maintenance fee.

R. Condominium Maintenance Charge:

(i) On or before January 1 of the ensuing year, and the first of each and every month of said year, each unit owner shall be obligated to pay to the Board, or as it may direct, one-twelfth (1/12) of the assessment made pursuant to Paragraph XVII. On or before the first day of February of each calendar year the Board shall supply to all unit owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited according to each owner's percentage of ownership in the common elements to the next monthly installments due from owners under the current year's estimate, until exhausted, and any net shortage shall be added according to each owner's percentage of ownership in the common elements to the installments due in the succeeding six months after rendering of the accounting.

(ii) The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserve. If said annual budget proves inadequate for any reason, including non-payment of any owner's assessment, the Board may at any time levy a "further assessment" which shall be assessed to the unit owners according to each owner's percentage of ownership in the common elements. Said further assessment shall also be deemed common expenses. The Board shall serve notice of such further assessment on all unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All unit owners shall be obligated to pay the adjusted monthly amount. The Board shall collect all such assessments and any other assessments herein provided for.

(iii) When the first Board elected hereunder takes office, it shall determine the estimated budget, as hereinabove defined, for the period commencing thirty (30) days after said election and ending on December 31 of the calendar year in which said election occurs. Assessments shall be levied against the unit owners during said period as provided in this paragraph.

(iv) The failure or delay of the Board to prepare or serve the annual or adjusted budget on the unit owners shall not constitute a waiver or release in any manner of the unit owner's obligation to pay the maintenance and other costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget the unit owners shall continue to pay the monthly assessment charges at the then existing monthly rate established for the previous period until the monthly assessment payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

(v) In the event of the foreclosure of a lien for unpaid common expenses, the unit owner who is the defendant in such proceedings shall be required to pay a reasonable rental for such unit.

S. The Board shall keep full and correct books of account; and the same shall be open for inspection by any unit owner or any representative of a unit owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the unit owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the unit owners in the percentage set forth in Schedule B hereof.

T. In addition to any remedies or liens provided by law, if any unit owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the Association may bring suit for and on behalf of itself and as representative of all unit owners, to enforce collection thereof or to foreclose the lien hereinafter provided; and there shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorney fees to be fixed by the Court. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common elements or abandonment of his or her unit. The unpaid common expenses assessed to a unit

owner shall constitute a lien against the unit of such owner and against such owner's interest in the property, as provided in the Kentucky Condominium Property Act, as amended.

U. Upon ten (10) days notice to the Board, and the payment of a reasonable fee fixed by the Board not to exceed Fifteen (\$15.00) Dollars, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

V. The Board may from time to time adopt or amend such administrative rules and regulations governing the operation, maintenance, beautification and use of the common elements, the limited common elements, and the units not inconsistent with the terms of this Master Deed, as it sees fit, and the unit owners shall conform to and abide by such rules and regulations. Written notice of such rules and regulations shall be given to all unit owners and occupants. A violation of such rules or regulations shall be deemed a violation of the terms of this Master Deed. Such administrative rules and regulations shall be effective upon, and may be amended at any time upon, the affirmative vote of a majority of the unit owners.

W. Developer or the Board may grant to any unit owner, or any other person, the privilege to use any portion of the parking area (not designated by Developer as a limited common element reserved for the use of a certain unit pursuant to the terms of Paragraph 1(c) hereof) for the parking of an automobile for any period of time Developer or the Board sees fit.

X. Developer or the Board may number and assign to any unit the exclusive privilege to use for storage purposes any portion of the property designated for such purposes. Any such designation by the Board or Developer shall not thereafter be changed except upon the affirmative vote of a majority of the unit owners.

Y. Whenever any notice whatever is required to be given under the provisions of this Master Deed, or by-laws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice.

Z. Nothing hereinabove contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the unit owners or any of them.

The Paragraph XVII shall not apply to the management of the Association for thirty (30) days following the sale of the last unit of the condominium, and the management operation is exclusively reserved by the Owner Developer until the last unit is sold by Developer, and shall be handled in its entirety by Developer in order to complete the development and to assure the placing of the Association on a sound basis for the protection of all the owners in this condominium unit. Developer shall be responsible for the normal maintenance of each unit until it is sold, and upon conveyance the maintenance charge shall first commence to run against the unit conveyed.

XVIII. USE AND OCCUPANCY OF UNITS AND COMMON AREAS AND FACILITIES:

The units and common elements shall be occupied and used as follows:

A. No part of the property shall be used for other than housing and the related common purposes for which the property was designed. Each unit shall be used as a residence for a single family and for no other purpose.

B. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise shall be conducted, maintained or permitted on any part of the property. No "For Sale" or "For Rent" signs, advertising, or other displays shall be maintained or permitted on any part of the property except at such location and in such form as shall be determined by the Board. The right is reserved by Developer or its agent or agents to place "For Sale" or "For Rent" signs on any unsold or unoccupied units and on any part of the common elements, and the right is hereby given to any mortgagee who may become the owner of any unit to place such signs on any unit owned by such mortgagee. Developer shall have the right to use any unsold unit or units for sales or display purposes.

C. There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board except as herein expressly provided. Each unit owner shall be obligated to maintain and keep his own unit, its windows and doors, and the patio or balcony which is a limited common element reserved for the use of his unit in good, clean order and repair.

D. Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on the building or contents thereof applicable for residential use without the prior written consent of the Board. No unit owner shall permit anything to be done or kept in his unit or in the common elements or limited common elements which will result in the cancellation of insurance on the building or contents thereof, or which would be in violation of any law. No waste shall be committed in the common elements or limited common elements.

E. Unit owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the building, and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior consent of the Board.

F. No animals, rabbits, livestock, fowl or poultry of any kind shall be raised, bred, or kept in any unit or in any part of the property, except that dogs, cats, or other household pets may be kept in units subject to rules and regulations adopted by the Board; provided that they are not kept, bred, or maintained for any commercial purpose, and any pet permitted under this section when outside the confines of the owner's unit must be kept on a leash and accompanied by a responsible person; and provided, further that any such pet creating or causing a nuisance or unreasonable disturbance shall be permanently removed from the property upon three (3) day's written notice from the Board.

G. No noxious or offensive activity shall be carried on in any unit or in the property, nor shall anything be done therein, either wilfully or negligently, which may be or become an annoyance or nuisance to the other unit owners or occupants.

H. Nothing shall be done in any unit or in, on, or to the common elements which will impair the structural integrity of the building or which would structurally change the building, except as otherwise provided herein.

I. No clothes, sheets, blankets, laundry of any kind, or other articles shall be hung out or exposed on any part of the common elements. The common elements and the limited common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

J. There shall be no playing, lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches, chairs or other personal property on any part of the common elements or limited common elements without the prior consent of, and subject to any regulations of, the Board.

K. Nothing shall be altered on, constructed in, or removed from the common elements or limited common elements, except upon the written consent of the Board.

L. The backing of any drapes which may be seen through any window shall be made of white material.

XIV. VIOLATION OF DECLARATION: The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provisions herein contained or contained in the Condominium Property Law, as amended, shall give the Board the right, in addition to any other rights provided for in this Master Deed: (a) to enter upon the unit or any portion of the property upon which, or as to which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Furthermore, if any unit owner (either by his own conduct or by the conduct of any other occupant of his unit) shall violate any of the covenants of this Master Deed or the regulations adopted by the Board and such violation shall continue for thirty (30) days after notice in writing from the Board or shall reoccur more than once thereafter, then the Board shall have the power to issue to the defaulting unit owner a ten (10) day notice in writing to terminate the rights of the said defaulting owner to continue as a unit owner and to continue to occupy, use or control his unit, and thereupon an action in equity may be filed by the Association against the defaulting unit owner for a decree of mandatory injunction against the unit owner or occupants or, in the alternative, a decree declaring the termination of the defaulting unit owner's right to occupy, use or control the unit owned by him on account of the breach of covenant and ordering that all the right, title and interest of the unit owner in the property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the Court shall enjoin and restrain the defaulting unit owner from reacquiring his interest at such judicial sale or by virtue of the exercise of any right of redemption which may be established. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney fees, and all other expenses of the proceeding and sale, and all such items shall be taxes against the defaulting unit owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the unit owner. Upon the confirmation of such sale, the purchaser thereof shall thereupon be entitled to a deed to the unit and immediate possession of the unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any sale, and the decree shall so provide, that the purchaser shall take the interest in the property sold subject to this Master Deed.

XIX. ENTRY BY BOARD: The Board or its agents or employees may enter any unit when necessary in connection with any painting, maintenance or reconstruction for which the Board is responsible, or which the Board has the right or duty to do. Such entry shall be made with as little inconvenience to the unit owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the maintenance fund.

XX. GRANTEES: Each grantee of Developer by the acceptance of a deed of conveyance, accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges and the jurisdiction, rights and powers created or reserved by this Master Deed, and the provisions of the Condominium Property Law, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall inure to the benefit of such owner in like manner as though the provisions of this Master Deed were recited and stipulated at length in each and every deed of conveyance.

XXI. INCORPORATION: Developer has heretofore caused the formation of a Kentucky not-for-profit corporation known as CAMBRIDGE COURT CONDOMINIUMS INC. to act as the governing body for all unit owners in administration and operation of the property.

(a) Each unit owner or owners shall be a member of such corporation until sale of such unit, at which time the new unit owner or owners shall automatically become a member therein.

(b) The provisions of Paragraph XXI of this Master Deed shall be part of the by-laws of such corporation.

XXII. FAILURE TO ENFORCE: No terms, obligations, covenants, conditions, restrictions, or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

XXIII. NOTICES: Notices required or permitted to be given to the Association, the Board, or any unit owner may be delivered to any officer of the Association, member of the Board, or such unit owner at his unit.

XXIV. FLOWAGE EASEMENT: In Building A. there are sump pumps located in the basement which sump pumps are common elements, and there is expressly reserved an easement for flowage or drainage to drain the ground water in, under and around said building, which easement shall not be obstructed in any way that would interfere with the flow of ground water to said sump pumps. Included in this easement is the right of the Board to have personnel enter into said units for the purpose of maintenance, repair and service of these sump pumps.

XXV. CAPTIONS: The captions contained in this Master Deed are for convenience only and are not a part of this Master Deed and are not intended in any way to limit or enlarge the terms and provisions of this Master Deed.

IN WITNESS WHEREOF, JERRY L. SCOTT and WILLIAM C. BOONE, JR. have caused this Master Deed to be signed.

Martha W. Scott
Martha W. Scott

Jerry L. Scott
Jerry L. Scott

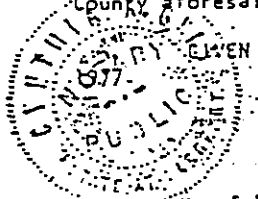
Jamie B. Boone
Jamie B. Boone

William C. Boone, Jr.
William C. Boone, Jr.

STATE OF KENTUCKY)
) SS
COUNTY OF JEFFERSON)

I, CYNTHIA A. GRAY, a Notary Public in and for the State and County aforesaid, do hereby certify that JERRY L. SCOTT and MARTHA W. SCOTT, his wife; and WILLIAM C. BOONE, JR. and JAMIE B. BOONE, his wife, whose names are signed to the foregoing Master Deed bearing date on the 21st day of DECEMBER, 1977, personally appeared before me in the State and County aforesaid, and acknowledged said writing to be their acts and deeds.

WITNESSED under my hand and Seal this 21st day of December.



Prepared by Henry S. Mann
225 So. 5th St.
Louisville, Ky.

Henry S. Mann

Cynthia A. Gray
Notary Public, Jefferson County, Kentucky
State at Large

My Commission expires: May 3, 1978

BOOK 198 PAGE 002

EXHIBIT A

DESCRIPTION OF LAND

This is the Exhibit A referred to in the MASTER DEED of CAMBRIDGE COURT CONDOMINIUMS, and is made a part thereof and incorporated therein by reference and is a description of the LAND which comprises said Condominium Project:

BEING LOT 2, Meadowcreek Subdivision, Section 3-C, plat of which is of record in Plat and Subdivision Book 24, Page 77 in the office of the Clerk of the County Court of Jefferson County, Kentucky, and a part of Lot 4, Meadowcreek Subdivision Section 3-A, plat of which is of record in Plat and Subdivision Book 20, Page 33 in the aforesaid office, and more particularly described as follows:

BEGINNING in the Southeasterly line of Goldsmith Lane, at the Northwesterly corner of Lot 2, Meadowcreek Subdivision, Section 3-C, aforesaid; thence with the Southeasterly line of Goldsmith Lane, North 62° 42' East 3.06 feet; thence continuing with the Southeasterly line of Goldsmith Lane, with a curve to the left, North 59° 07' East 53.65 feet, as measured along the chord of said curve; thence continuing with the Southeasterly line of Goldsmith Lane, North 55° 32' East 628.68 feet; then continuing with the Southeasterly line of Goldsmith Lane, with a curve to the left, North 44° 23' 30" East 168.58 feet, as measured along the chord of said curve; thence continuing with the Southeasterly line of Goldsmith Lane, North 33° 15' East 56.19 feet to the most Northerly corner of Lot 2, Meadowcreek Subdivision, Section 3-C, aforesaid; thence with the Northerly line of said Lot, being also the center line of the 100 foot easement granted Louisville and Jefferson County Metropolitan Sewer District by instrument of record in Deed Book 3055, Page 473 in the aforesaid office, South 64° 16' East 231.35 feet to a pipe at the most Easterly corner of Lot 2, Meadowcreek Subdivision, Section 3-C, aforesaid; thence with the Southeasterly line of said Lot 2, South 54° 59' West 313.13 feet to the most Northerly corner of Lot 4, Meadowcreek Subdivision, Section 3-A aforesaid; thence with the Northeasterly line of said Lot 4, South 25° 26' 09" East 10.14 feet; thence South 54° 59' West 84.80 feet to the Southwesterly line of Lot 4, Meadowcreek Subdivision, Section 3-A, aforesaid; thence with the Southwesterly line of said Lot 4, North 32° 13' 17" West 10.01 feet to the Southeasterly line of Lot 2, Meadowcreek Subdivision, Section 3-C aforesaid; thence with the Southeasterly line of said Lot 2, South 54° 59' West 231.21 feet to a stone at the most Southwesterly line of said Lot 2, North 44° 20' 40" West 159.04 feet to the point of beginning.

BEING the same parcel acquired by WILLIAM C. BOONE, JR. and JERRY L. SCOTT by Deed dated September 26, 1976, recorded in Deed Book 4686, Page 825, in the office of the Clerk of the County Court of Jefferson County, Kentucky.

BOOK 1984 PAGE 002