

Master Deed

DECLARATION OF MASTER DEED

FOR "COLONIAL WOODS"

A CONDOMINIUM PROJECT

THIS DECLARATION made and entered into this 14th day of December, 1979, by PEAR ORCHARD CORP., a Kentucky Corporation, hereinafter sometimes referred to as "Developer", and GREATER LOUISVILLE FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, "Lender".

W I T N E S S E T H : -

THAT WHEREAS, Developer is the owner in fee simple of certain real estate located on Dorsey Lane, in Jefferson County, Kentucky, and when fully developed, shall consist of not more than 67 habitable Units; and,

WHEREAS, Developer desires to develop said land into a Condominium Project with an over-all plan consisting of various types of Townhouses; and

WHEREAS, Developer desires to, and does hereby file its Plans for certain Buildings and Units all as shown on plans and survey simultaneously recorded herewith and by recorded Amendments hereto and subjects same, except as hereinafter set forth, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privilege belonging or in anywise pertaining thereto, to the provisions of the Kentucky Condominium Project Law, KRS 381.805 to .910 as amended; and

WHEREAS, Developer desires to establish certain rights and easements in, over and upon said real estate for the benefit of itself and all future owners of any part of said real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial, and proper use and conduct of the property and all Units; and

WHEREAS, Developer desires and intends that the several Unit owners, mortgagees, occupants, and other persons hereafter acquiring any interest in the property shall at all times enjoy the benefits of, and shall hold their interest subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the co-operative aspect of condominium ownership of the property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the property.

NOW, THEREFORE, Developer DECLARES AS FOLLOWS:

- (1) LEGAL DESCRIPTION OF LAND AND DEFINITIONS.

The real estate which is hereby submitted and subject to the provisions of the Condominium Property Law of Kentucky, as amended, is legally described as follows:

BEGINNING at a point in the center line of Dorsey Lane at the North corner of the tract of land conveyed to Lyman Von Hoven by Deed recorded in Deed Book 1722, Page 455, in the Office of the Clerk of the County Court of Jefferson County, Kentucky, said point of beginning is also in the center line of Beargrass Creek; thence with Von Hoven and Beargrass Creek South 53 degrees 50 minutes 00 Seconds East 35.09 feet to a point on the new Southeast right-of-way line of Dorsey Lane; thence with said right-of-way line North 40 degrees 19 minutes 00 seconds East 112.41 feet to the true point of beginning; thence continuing with said right-of-way line North 40 degrees 19 minutes 00 seconds East 74.34 feet to a point in the North line of a tract of land conveyed to R. Lee Durning by Deed recorded in Deed Book 1718, Page 121, in the Office aforesaid; thence with said North line South 74 degrees 29 minutes 12 seconds East 627.85 feet to a point; thence with the East line of said Durning tract South 20 degrees 29 minutes 51 seconds East 736.63 feet to an iron pipe; thence with South line of said tract North 81 degrees 28 minutes 00 seconds West 535.02 feet to a point corner to Von Hoven; thence with a line of Von Hoven and the center line of Beargrass Creek the following courses and distances: North 7 degrees 02 minutes 27 seconds West 49.26 feet; North 39 degrees 42 minutes 29 seconds West 54.07 feet; North 24 degrees 01 minutes 32 seconds West 85.29 feet; North 40 degrees 22 minutes 29 seconds West 68.70 feet; North 2 degrees 19 minutes 39 seconds East 71.86 feet; North 25 degrees 20 minutes 02 seconds East 43.59 feet North 33 degrees 42 minutes 31 seconds West 114.26 feet to a point; thence North 15 degrees 24 minutes 00 seconds East 240.27 feet to a point; thence North 74 degrees 36 minutes 00 seconds West 268.00 feet to a point; thence with a curve having a radius of 25 feet and a chord of South 72 degrees 51 minutes 30 seconds West 26.90 feet to the true point of beginning, containing 8.025 acres.

BEING the same property acquired by Developer by Deed dated January 25, 1977 and recorded in Deed Book 4908, Page 262, in the Office of the Clerk aforesaid.

Developer reserves the right to dedicate to public use a 53-foot strip along the Northerly line if he is required so to do by any Governmental Agency.

Said real estate is also described and delineated on a Plat or survey attached hereto as Exhibit "A" which by reference thereto is made a part hereof.

Said real estate and all improvements thereon and appurtenances thereto shall be known as "Colonial Woods, a Condominium".

Except to the extent hereinafter modified or changed, the following words and terms, whenever used herein, shall have the same meaning as provided for such words and terms in the Condominium Property Law as amended.

"Unit", "Condominium", "Master Deed", "General Common Elements", "Common Expenses", "Person", "Property", and "Limited Common Elements".

(2) DESCRIPTION OF THE BUILDINGS

Buildings situated on said real estate are fully described in a set of floor plans of the buildings filed simultaneously with the recording hereof pursuant to KRS 381.835, and by reference thereto, made a part of this Master Deed and are fully shown by the Plans attached hereto and made a part hereof.

Said buildings are constructed of the following principal materials:

Masonry, wood frame, concrete and aluminum and/or steel

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"Colonial Woods", a Condominium Project, shall consist of units in several buildings, buildings of which are to be constructed first and followed by Units in other Buildings which will be created, added, and subjected to this Condominium regime by addendums to this Declaration upon the filing of its plans together with the common elements appurtenant thereto. Developer specifically reserves the right, from time to time, within 2 years of the date of recording to this Declaration, to amend this Master Deed to the extent of adding additional buildings, Units, and common area and once added by addendum described below, the units therein shall have the same rights and privileges, duties and obligations as appear herein. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby granted and reserved unto Developer, its successors and assigns, to shift and reallocate from time to time the percentage of ownership in the common elements appurtenant to each Unit to the percentages set forth in each addendum pursuant to this paragraph. (Individual Unit Owners shall not be included within the meaning of Successors and Assigns as used in this paragraph.) Each execution of a Deed of Conveyance, Mortgage, or other instrument with respect to a Unit and the acceptance thereof, shall be deemed a grant, and an acknowledgment of and conclusive evidence of the parties thereto to the consent of such reservation of power to Developer as Attorney in Fact and shall be deemed to reserve to Developer and its successors and assigns the power to shift and reallocate from time to time the percentages of ownership, in the common elements appurtenant to each Unit set forth in each such recorded addendum. Further, Developer specifically reserves unto itself and its successors and assigns, the rights to determine the location of all future Units and Buildings within the above described property on areas not yet included as common areas, and the further right to construct recreational facilities if Developer so desires.

Each owner of a Unit by acceptance of a Deed thereto, further acknowledges, consents and agrees to each such amendment that is recorded, as follows:

(a) The portion of the additional common areas described in each such Amended Declaration shall be governed in all respects by the provisions of this Declaration.

(b) The percentage of ownership in the Common Elements appurtenant to each Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded Amended Declaration of Master Deed and upon the recording

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of each such Amended Declaration of Master Deed the amount by which such percentage appurtenant to a Unit is reduced, as set forth in each such recorded Amended Declaration, shall thereby be and be deemed to be released and divested from such Unit Owner and reconveyed and reallocated among the other Unit Owners as set forth in each such recorded Amended Declaration of Master Deed.

(c) Each deed, mortgage, or other instrument affecting a Unit shall be deemed given subject to the conditional limitation that the percentage of ownership in the Common Elements appurtenant to each Unit shall, upon the recording of each Amended Declaration, be divested pro-tanto to the reduced percentage set forth in such Amended Declaration and vested among the other Owners, mortgagees and others owning an interest in the other Units in accordance with the terms and percentages of each such recorded Amended Declaration.

(d) A right of revocation is hereby reserved by the Grantor in each such Deed, Mortgage or other instrument of a Unit to so amend and reallocate the percentages of ownership in the Common Elements appurtenant to each Unit.

(e) The percentage of ownership in the Common Elements appurtenant to each Unit shall include and be deemed to include any additional Common Elements annexed hereto by a recorded Amended Declaration and each Deed, Mortgage or other instrument affecting a Unit shall be deemed to include such additional Common Elements and the ownership of any such Unit and lien of any such mortgage shall automatically include and attach to such additional Common Elements as such Amended Declarations of Master Deed are recorded.

(f) Each Owner shall have a perpetual easement, appurtenant to his Unit, for the use of any additional Common Elements annexed thereto by and described in any recorded Amended Declaration of Master Deed for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners of specific Units as may be provided in any such Amended Declaration of Master Deed.

(g) The recording of each such Amended Declaration of Master Deed shall not alter the amount of the lien for expenses assessed to a Unit prior to such recording.

(h) Each Owner by acceptance of the Deed conveying his Unit, agrees, for himself and all those claiming under him, including Mortgagees, that this Declaration and each Amended Declaration of Master Deed is and shall be deemed to be in accordance

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with the Act and for purposes of this Declaration and the Act, any changes in the respective percentages of ownership in the Common Elements as set forth in each such Amended Declaration of Master Deed shall be deemed to be made by agreement of all Unit Owners.

(i) Developer reserves the right to amend this Declaration in such manner, and each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this paragraph to comply with the Act as it may be amended from time to time.

(j) The foregoing provisions of this Declaration of Master Deed and in Deeds and mortgages of the Units and Common Elements contain and will contain clauses designed to accomplish a shifting of the Common Elements. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Elements can be accomplished.

(3) UNITS (buildings and units, as built, and shown on plans filed herewith)

(a) The unit numbers of each of the units are fully set forth in said Floor Plans attached hereto and are as follows:

<u>BLDG. NO.</u>	<u>UNIT</u>
1	1-1
	1-2
	1-3
	1-4
	1-5
	1-6
	1-7
	1-8
2	2-1
	2-2
	2-3
	2-4
	2-5
	2-6
3	3-1
	3-2
	3-3
	3-4
	3-5

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(b) The location, dimensions, and limited common area to which each Unit has access are set forth in said floor plans. The legal description of each Unit shall consist of its number as aforesaid followed by the words, "In Colonial Woods, a Condominium Unit established by the Master Deed recorded in Deed Book 5140 Page 336." Each Unit shall consist of the space enclosed and bounded by the horizontal plane of the undecorated interior finished surfaces of the ceiling, floor, (in Townhouse Apartments, also the space between floors), and perimeter walls of each Unit as are shown on said plans attached hereto, and shall include the exclusive right to use the limited common elements immediately adjacent to said Unit as shown by said plan or Plat.

(c) No Unit shall by Deed, Plat, Court Decree, or otherwise be subdivided or in any other manner separated into tracts or parcels smaller than the whole Unit as shown on the Floor Plans.

(4) DESCRIPTION OF THE COMMON ELEMENT

The general common elements shall consist of that property as set forth on Plans recorded herewith, excepting the individual Units and fixtures therein and excepting any portion of the property or appurtenances thereto described as limited common elements, and shall include but not be limited to the land as set forth on attached Plans and designated as common area on Sheet 1 of 4, and any improvements and fixtures attached thereto, entrances and exits, attics, chimneys, dormers, parking areas, roofs and pipes, ducts, electrical wiring and conduits, public utility lines, floor and ceilings (other than the interior undecorated surfaces thereof located within the Units), perimeter walls of the Units (other than the interior undecorated surfaces thereof), structural parts of the building outside walls and outside driveways, landscaping, and all other portions of the property except the individual Units and any limited common elements attached thereto. Structural columns and load-bearing walls located within the boundary of the Unit shall be part of the general common elements. Common elements shall include tangible personal property used for the maintenance and operation of said Condominium Property Regime. As the amendments are made pursuant to paragraph 2 aforesaid, (page 2) general common elements shall consist of additional land designated common area, and other recreational facilities as constructed and as set forth on amended plans recorded together with any said amendment hereto. All areas designated as common elements are to be maintained by the Board.

(5) DEFINITION AND DESCRIPTION OF LIMITED COMMON ELEMENTS

A limited common element is a common element, the right of exclusive use and position of which is appurtenant to one or more Units as designated on the floor plans attached hereto or added by addendum. It is a common element which shall be maintained (except as specified herein) by the Unit Owner, and limited to the use, enjoyment, and occupancy of the particular unit or units.

The patio, entrance and exits to the units, balconies, basements, court yards and that limited common area designated for patios or court yards or as shown on plans filed herewith or on any amendment, adjoining or specifically designed for a Unit shall be a limited common element (as defined in the Condominium Property Law as amended), reserved for the use of the respective unit adjoining the aforesaid to the exclusion of all other unit owners in the development.

(6) PERCENTAGE INTEREST (buildings and Units, as built, and shown on Plans filed herewith)

Percentage interests in the common elements are calculated to the equivalent of the percentage representing the floor area of the individual Unit with relation to the floor area of the total existing units as built, all as set forth in KRS 381.830, as amended.

<u>BLDG. NO.</u>	<u>UNIT</u>	<u>SQ. FT.</u>	<u>% INTEREST</u>
1	1-1	1076.92	4.213
	1-2	1292.48	5.056
	1-3	1559.53	6.100
	1-4	1559.53	6.100
	1-5	1292.48	5.056
	1-6	1292.48	5.056
	1-7	1292.48	5.056
	1-8	1076.92	4.213
2	2-1	1076.92	4.213
	2-2	1292.48	5.056
	2-3	1292.48	5.056
	2-4	1292.48	5.056
	2-5	1292.48	5.056
	2-6	1076.92	4.213
3	3-1	1559.53	6.100
	3-2	1559.53	6.100
	3-3	1559.53	6.100
	3-4	1559.53	6.100
	3-5	1559.53	6.100
		<u>25564.23</u>	<u>100.000%</u>

The total square foot area to be built in Colonial Woods shall not exceed 160,000 square feet of floor area. The remaining undesignated square foot area of 134,435.77 represents the maximum, contemplated, unbuilt portion of Colonial Woods and as each amendment is placed of record, the percentage of interest in the common element will be set forth therein.

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Upon the filing of the final amendment, Developer reserves unto itself the exclusive right to readjust the percentage interest to correct any mathematical errors and to permanently establish and affix the final percentage interest in the Project as built as per KRS 381.830 (b).

Each unit owner shall own an undivided interest in the percentage hereinabove set forth (and as set forth in Amendments to this Master Deed) in the Common Elements as a tenant in common with all the other unit owners, and except as otherwise limited in this Master Deed, shall have the right to use and occupy the common elements for all purposes incident to the use and occupancy of his unit as a place of residence, and such other incidental uses permitted by this Master Deed, which right shall be appurtenant to and run with his unit.

By this declaration of Master Deed each Unit's percentage interest in the common elements, as said common elements relate to land, includes only that land set forth and designated on the plans recorded herewith as common area. Any unit as herein set forth or as included by amendment receives no present interest in and to any land not designated "common area", and specifically reserved by the Developer. At the end of twelve (12) years from date hereof, said units shall then own (as their respective percentage interests are then established) a common interest in and to all of the tract described herein.

The Land described herein not designated as common area on plans recorded herewith, is hereby reserved by Developer for future construction as previously set forth in Paragraph 2.

The term "unit" as used herein and throughout this Master Deed shall mean a "unit" as defined in KRS 381.810 (1) as amended, together with the percentage of undivided ownership interest in the common elements allocated to such unit in accordance with paragraph 6 subject to readjustment of such percentage of undivided interest in the common elements in accordance with paragraph 2 herein. Any conveyance of an individual unit shall be deemed also to convey the undivided interest of the owner in the common elements, both general and limited, appertaining to said unit without specifically or particularly referring to same. Such interests shall remain undivided and shall not be the object of an action for partition or division of the co-ownership, except as to the adjustment of the percentages of

interest in the common elements as otherwise provided herein.

(7) PURPOSE

(a) The Buildings and the Units therein are intended for and restricted exclusively to single family residential use. Additional provisions with respect to the use and occupancy of the Units and common areas and facilities are contained in Paragraph 12 hereof. Two Parking Space shall be assigned each Unit Owner and when once assigned shall not be re-assigned without the express consent of Developer or the Board.

(b) From time to time Developer shall file amendments to this Declaration and said amendments shall have attached thereto, plans showing size, area, location and Unit number of each Unit being created thereby, and additional common area being annexed, and such amendments shall further designate the undivided interests in the general common elements appurtenant to each Unit being created thereby in each Building. All Lenders on Units in the existing buildings and all purchasers of existing Units take subject to and consent to this designation of interest in the general common elements all as provided for under paragraph 2 herein.

(8) DAMAGE OR DESTRUCTION

The Council of co-owners acting by and through its Board shall acquire insurance protection for the regime, including, but not exclusively, casualty, liability and employee workmen's compensation insurance, without prejudice to the right of each co-owner to insure his own Unit on his own account and for his or her own benefit. The premiums on such insurance shall be considered common expenses, provided should the amount of any insurance premium be affected by a particular use of a Unit or Units the owners of such Units shall be required to pay any increase in premium resulting from such use. Developer shall pay its pro-rata portion of insurance covering buildings under construction and unsold units.

In case of fire or other destruction or damage and the regime's insurance indemnity is not sufficient to cover the cost of reconstruction or repair, the cost (or added cost) shall be paid by the co-owners as a common expense, the council by a majority vote being authorized to borrow funds therefor and to amortize the repaying of same over a period of time, not exceeding the reasonable life of the reconstruction or repairs.

In the event of fire or damage, reconstruction and repairs of any building shall be mandatory regardless of the nature and extent of the damage. Reconstruction and repairs shall be made to follow and conform as closely as possible to the

original basic architectural design of "Colonial Woods." All insurance proceeds resulting from said damage or destruction payable to unit owners and first mortgagees (as their interests may appear), shall be deemed assigned to the Board, representing the council of co-owners), and who shall immediately deposit all proceeds in a trust account with an Insured Thrift Institution selected by the Board. Said Trust account shall be entitled "Colonial Woods, Trust Account for Repairs and Reconstruction." The Board, with qualified supervision, shall oversee all repairs and all reconstruction. Disbursements shall be made from said Trust Account as repairs and reconstruction are made only with the approval of three-fourths majority of the Board and using standard construction disbursement procedures.

(9) EASEMENTS AND ENCROACHMENTS

(a) Easements are hereby declared reserved and granted for utility purposes, including but not limited to the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires and equipment over, under, along and on any part of the limited and general common elements as they exist on the date of the recording hereof and as they hereafter exist when the addendum or addenda are recorded.

(b) In the event that by reason of the construction, reconstruction, settlement, or shifting of the building, or the design or construction, or any part of any unit or any part of the common elements encroaches or shall hereafter encroach upon any part of any unit, or any part of any unit encroaches on any part of the common elements, valid easements for the maintenance of such encroachments are hereby established and shall exist for the benefit of such unit and the common elements as the case may be, so long as all or any part of the building containing such Unit shall remain standing, provided, however, that in no event shall a valid easement for any encroachment be created in favor of the owner of any unit or in favor of the owners of the common elements if such encroachments occur due to the willful conduct of said Owner or Owners. In addition to the foregoing, there is expressly reserved an easement for support in favor of each Unit and the common element where required.

All Purchasers of Units shall have easements for purposes of ingress and egress on and over the "Reserved" areas to the main thoroughfare.

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(c) All easements and rights described herein are easements appurtenant, running with the land and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, any owner, purchaser, mortgagee and other person having an interest in said land, or any part or portion thereof.

(d) The respective deeds of conveyance, 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 by reason of or 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 parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

(e) Easements for Future Utilities. Upon a majority of the Board of Directors of "Colonial Woods Condominium Project, Inc.", (representing the Council of Co-Owners), the board may direct its President to grant easements for utility purposes for the benefit of the Project including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits and wires over, under, along and on any portion of the common elements and each unit owner hereby grants the Board (acting by and through its President and/or Developer during the construction period) 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 the foregoing. The Power of Attorney shall survive any disability or death of the unit owner and shall be binding on each successive owner.

(10) SALE, LEASING OR OTHER ALIENATION

(a) Any unit owner other than Developer or a mortgagee of any 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 Council no less than seven (7) 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 Council shall have the first right and option

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to purchase or lease such unit upon the same terms, which option shall be exercisable for a period of thirty (30) days after receipt of such notice.

If said option is not exercised by the Council within said thirty (30) days, the unit owner (or Lessee) may, at the expiration of said thirty 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 Council may, at its option (should it be aware of the facts) 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 Council shall not exercise any option hereinabove set forth to purchase or lease any unit without written consent of the owners of seventy-five (75%) per cent of all units. The Council, through its duly authorized representatives may bid to purchase at any auction or sale 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 Council is authorized to bid and pay for said unit or interest therein.

(d) If the Council does not exercise any of the options contained in this Paragraph 10 said option may be deemed to have been released and waived.

(e) A certificate executed by a majority of the Board of Directors of Colonial Woods Condominium Project, Inc., acting for the Council, stating that the provisions of this Paragraph 10 as herein set forth have been met by a unit owner or duly waived by the Council, and that the rights of the Council hereunder have terminated, shall be binding upon the Council and the unit owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of this paragraph, at a reasonable fee not to exceed Ten (\$10.00) Dollars.

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(f) The terms of this Paragraph 10, hereinabove contained, shall not be applicable to the transfer by gift, testate or intestate succession, or operation of law, nor to the sale 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 bonafide 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 issues 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 10 hereinabove contained shall not be applicable to the sale, conveyance, or leasing of a Unit by any Mortgagee if said Mortgagee shall acquire title to such Unit by foreclosure of a mortgage on the property or by deed in lieu thereof. Any Mortgagee acquiring title by or through a foreclosure proceeding or by a Deed in lieu of foreclosure, shall not be liable for any delinquent assessments or delinquent maintenance charges.

(j) Acquisitions of Units or interest 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 paragraph 6 (as hereafter amended by recorded addenda) 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 Council 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 encumbrance or hypothecation of any portion of the property other than the Unit or interest therein to be acquired.

(k) Units or interest therein acquired pursuant to the terms of this paragraph shall be held of record in the name of the Council or such nominee or entity as the Board shall designate, for the use and benefit of all the Unit

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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 Council 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.

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(11) COUNCIL OF CO-OWNERS; BY-LAWS

The provisions of this Paragraph 11 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 "Council of Co-Owners" as used herein and throughout this Master Deed shall mean Colonial Woods Condominium Project, Inc., the members of which are all the owners, from time to time, of Units in Colonial Woods. 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 owners of Units created by recorded Plans shall have one vote for each Unit in this Condominium Project. In the event the owners of a Unit cannot cast their vote in unison, they may designate a Member of the Board to cast their vote and the Board member's vote shall be final and conclusive as regards to that vote on any particular issue or matter properly before the Council for decision.

(b) The direction and administration of the property on behalf of the Unit Owners shall be vested in the Board acting for the Council (herein referred to as the "Board"), consisting of seven (7) 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.

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Colonial Woods Condominium Project, Inc., is specifically formed to provide a necessary means of structuring a self-governing body, but said Corporation shall act only as an Agent for Unit owners and in no event shall it be construed to be an income producing entity.

(c) At each annual meeting of the Council, 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. Vacancies in the Board shall be filled by the majority 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 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 Council. 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) A 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 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 employ and pay out of the maintenance fund, the Manager, Managing Agent, Guard or Guards, if needed, and other personnel above provided for and shall make arrangements for and pay out of the maintenance fund the following:

(i) Roadway repairs, security systems and maintenance thereon, apportionment warrants, public improvements as assessed by any governmental agency, recreational areas, water, waste removal, electricity and telephone 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;

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(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 Board for the benefit of each of the Unit owners and their mortgagees under loss payable clauses, in the percentages set forth in Paragraph 6 or the established value set forth in said Policy. 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, for assignment of insurance funds for reconstruction see Paragraph 8 hereof.

(iii) A policy or policies insuring the Council and all 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 not be less than ONE MILLION and 00/100 (\$1,000,000.00) DOLLARS for any one person injured; THREE MILLION and 00/100 (\$3,000,000.00) DOLLARS for any one accident; and ONE HUNDRED THOUSAND and 00/100 (\$100,000.00) DOLLARS for property damage (such limits to be reviewed at least annually by the Board and increased at its discretion);

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

(v) Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the common elements, 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 project 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

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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 all repairs of the parking area;

(ix) 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 and the amount of such special assessment shall constitute a lien on the interest of such Unit Owners or owner in the property, which lien may be foreclosed in like manner as a mortgage.

(h) Overall management and operation shall be under the direction of Developer until 90% of the Units in the total project are sold or six years after date hereof, whichever occurs first, at which time all maintenance funds, books, account and the entire managing operation shall be turned over to the Council together with a certified audit by a Certified Public Accountant and paid for by the Council. In order to affect an orderly transaction, Developer shall, upon ten (10) days written notice to all unit owners, call the first annual meeting for purpose of selecting the members of the Board and Officers. Thereafter, an annual meeting of the Council shall be held on the second Monday in January in each year for the purpose of electing members of the Board and such other business as may come before the meeting. Special meetings of the Council may be called, for any reasonable purpose, either by the President, or not less than twenty-five (25%) per cent of the Unit Owners, the notice for which shall specify the matters to be considered at such special meeting.

(i) All meetings of the Council 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

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the holding of any regular or special meeting of the Council 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 Unit 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 any regular or special meeting of the Council. Every proxy must be in writing and no proxy shall be valid after eleven months from the date of its execution.

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(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 affirmative vote of five of seven members 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 Council; 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 Council) 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 any 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 the 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 75% of the unit owners. This provision shall not be applicable until management has been transferred by Developer. Maintenance shall

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be determined by Developer initially and ultimately by the Council.

(n) Each year on or before December 1st, 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 will 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 15th, 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. All sums so assessed shall be deemed common expenses. On or before January 1, of each 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 this paragraph. On or before the first day of February of each calendar year following the transfer of management by Developer, 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 accounts 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 shortages 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. 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 nonpayment 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

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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.

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.

The failure or delay of the Board to prepare or serve the annual 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 not more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

(o) 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 Paragraph 6 hereof, and as amended after the recording of the plans of other buildings.

(p) 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 assessment for thirty (30) days, the Council acting through Colonial Woods Condominium Project, Inc., 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

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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 Horizontal Property Act as amended.

(g) 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.

(r) The Board may from time to time adopt or amend such administrative rules and regulations governing the operation, maintenance and assessments, beautification and use of the common elements, the limited common elements, and Units not inconsistent with the terms of this Master Deed, but such adoption or amendments must be with the approval of the majority of the Unit owners, 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.

(s) 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.

(t) Nothing hereinabove contained shall be construed to give the Board or Council authority to conduct an active business for profit on behalf of all the Unit Owners or any of them.

(u) This Paragraph 11 and the by-laws contained therein shall be exercised by Developer and shall be handled in its entirety by Developer and Developer shall act as the Board in order to complete the development and to assure the placing of the Council on a sound basis for the protection of all owners in this Condominium Project in accordance with Paragraph (11B).

The following paragraph shall not be part of the By-Laws set forth herein but shall be considered part of this Master Deed.

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Developer shall not be responsible for the paying of any ordinary assessments or maintenance of any Unit before it is sold, but, upon conveyance, the maintenance charge shall commence to run against the Unit conveyed. However, Developer shall pay all operational and maintenance expenses of the Project in excess of the maintenance fees collected on sold Units. A reasonable management fee shall be paid to Developer prior to transfer of management to offset administrative expenses. Developer shall have the right to increase the maintenance charge to offset increased costs of maintenance.

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(12) 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 purposes.

(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 it 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. Further, Developer reserves the right to maintain and staff a Management and Sales Office on the Project, during construction and as long as units remain unsold.

(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, his or her windows and doors, and the patio or balcony which is a limited common element reserved for the use of his Unit in good, clean, and orderly condition. Each Unit owner is to maintain his own court yard and all plantings shall be at his expense. All plantings shall be approved by Developer prior to installation.

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(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 Developer or 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 or on the common or limited common elements.

(e) Unit owners shall not cause or permit anything to be hung or displayed on the outside of windows, balcony, porches, court yard walls, 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 of any part thereof, without the prior consent of Developer or 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 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 such pet creating or causing a nuisance or unreasonable disturbance shall be permanently removed from the property upon three (3) days written notice from the Board. No dog houses, or kennels shall be permitted in the common or limited common areas.

(g) No noxious or offensive activity shall be carried on in any unit or on 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 or constitute waste at common law.

(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 or limited 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 swing sets, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches, chairs or other personal property on any part of the common elements except on a very limited and temporary basis and then not without the prior consent of, and subject to any rules and regulations of Developer or the Board. No open fire places or barbeque pits, storage structures or any other recreational structures shall be allowed without permission of Developer or the Board.

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

(l) All exterior painting shall be performed by Developer or the Board.

(m) No trailers shall be parked on the premises at any time. All motorbikes, campers, boats, boat trailers shall be parked or stored in areas designated by Developer or the Board. Parking of these items shall be the least offensive to Unit Owners as possible.

(n) There shall be no parking of any automobile, bicycle or any other vehicle in any driveway that shall obstruct thru traffic.

(o) There shall be no mechanical work performed upon any automobile on any area of the general common elements. No vehicle on "blocks" or one infrequently used so as to cause any unsightly distraction will be allowed to remain on the property. If the owner of same refuses to remove or correct the situation, Developer or the Board may have same towed away, all at the Unit Owner's expense.

(p) Developer or the Board shall have the right to enter any Unit in order to effect repairs or replacements for any utility wiring, piping, ducting, or whatever needs to be repaired or replaced within the common element or limited common elements as the case may be. However, said entry shall be with written notice to the Unit Owners and at a reasonable time.

(g) There shall be no changes, alterations or additions made on the outside of any owner's Unit nor shall there be any fencing or screening, other than originally built, nor shall there be any TV Antenna erected on any building without first obtaining prior written consent of Developer or the Board. Any request so made for any change, shall be accompanied with plans and specifications and any approval must be made with the unanimous consent of the Board. However, in no event, shall any Unit be made larger than originally built and recorded on the plans accompanying this Master Deed, or any amendment hereto.

(x) No Unit owner shall have the right to fence or enclose any portion of the common elements or limited common elements for the purposes of establishing private court yards subsequent to the building being erected without first obtaining prior written consent from Developer or the Board.

(s) Unit owners who desire to add storm doors or wrought iron gates to court yards do so all at their own cost and maintenance.

(t) Developer shall have the right and privilege to make reasonable architectural changes as it deems necessary until 100% of all units are sold and recorded.

(u) The Developer and/or the Board may use the Unit Owner's outside water spigot to water lawn in the common elements at Unit Owner's expense.

(13) CONDEMNATION

In the event that any governmental agency shall condemn any building or buildings or take any part of the general common elements, the Board shall immediately, after said taking, adjust the interest in the common elements (should they change) and file an Amendment in the County Clerk's Office setting forth the unit numbers and the adjusted percentage interest in the common elements.

(14) VIOLATION OF DECLARATION - LIENS AND ASSESSMENTS

The violation of any restrictions or condition or regulation adopted by the Board or the breach of any covenant or provision 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 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 Board 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, and 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 or free of any lien of any existing mortgage, at the Mortgagees discretion or election) 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 taxed 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 purposes 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.

All co-owners are bound to contribute in accordance with their percentage of common interest toward the expenses of administration and of maintenance, repairs and replacement reserves of the general common elements, and toward any other expenses lawfully assessed under this Master Deed and/or by the council of co-owners. No owner shall be exempt from contributing toward such expenses by waiver of the use or enjoyment of the common elements, both general and limited, or by abandonment of the unit belonging to him; provided, abatement or reduction in an owner's contribution may be granted by the council of co-owners for a reasonable period of time, during which a unit is uninhabitable as the result of damage or destruction.

All sums assessed by the council of co-owners but unpaid for the unit's share of the common expenses constitute a lien on such unit prior to all other liens, except only liens for taxes and assessments lawfully imposed by a governmental authority against such unit, and all sums unpaid on first mortgages of record. Such lien may be enforced by a suit by the Board representing the council of co-owners in like manner as a mortgage of real property. In any such enforcement action, the Unit Owner shall be required to pay a reasonable rental for the Unit, and the Plaintiff in such enforcement action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of the unit owners, shall have power, to bid in the Unit at Court sale, and to acquire and to hold, lease, mortgage, and convey the same. Suit to recover a money judgment for unpaid common expenses of an owner shall be maintainable without lien enforcement or waiving the lien securing the same.

(15) 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. Entry shall only be made at reasonable times and by appointment with the Unit owner or occupant, except in those cases involving emergencies.

(16) GRANTEES

Each Grantee of Developers, 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 herein imposed shall be deemed and taken to be covenants running with the Unit, and shall bind any person having at any time any interest or estate in said Unit, 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.

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(17) INCORPORATION OF ASSOCIATION

Developer has heretofore caused the formation of a Kentucky not-for-profit corporation known as Colonial Woods Condominium Project, Inc., to act as the council of co-owners as defined in KRS 381.810 (4 & 5) and 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, which membership shall terminate upon the sale or other disposition of such member of his Unit, at which time the new Unit owner or owners shall automatically become a member therein.

(18) 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.

(19) NOTICE

Notices required or permitted to be given to the Council, the Board, or any unit owner may be delivered to any officer of the Council, member of the Board, or such Unit owner at his Unit.

(20) AMENDMENTS

(a) The provisions of Paragraph 6, supra, establishing the percentage interests appurtenant to each Unit in the common elements may be allocated when Units are completed and any such change shall be made by Developer by amendment to this Master Deed

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recorded prior to or simultaneously with the filing of the plans of various Units and no such change shall require the assent of any purchaser, mortgagee or lience of any residential Unit. If during the construction period for all buildings in Colonial Woods Condominium Project, Inc. it is found that an error exists on the part of the draftsman of this instrument or on the part of the engineer, on any plans filed herewith or added by Addendum or an omission or inadvertent mistake on the part of Developer, an Amendment setting forth the error and correction may be filed by Developer without the consent of any other party thereto and shall become part of this Master Deed. After the construction period, no further change shall be made except by Amendment procedures immediately following.

(b) The provisions of this Master Deed (with the exception of the by-laws set forth herein and Paragraph 8 and provisions in Paragraph 13,) shall be amended, changed or modified by an instrument in writing setting forth such Amendment, change or modification signed and acknowledged by owners of at least 85 per cent of all Units and 85 per cent of all mortgagees having bona fide first liens of record against any Units. The by-laws herein, unless otherwise provided, shall be amended, changed or modified only by an instrument in writing, setting forth such Amendment, change or modification signed by the majority of the co-owners.

(c) Any amendment, change or modification shall conform to the provisions of the Condominium Property Law as amended and shall be effective upon recordation thereof.

(21) VIOLATION OF CERTAIN RULES

If any of the privileges, covenants or rights created by this Master Deed shall be unlawful or void for violation of the rule against perpetuities or some analogous statutory provision, then such privileges, covenants or rights shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of the incorporators of Colonial Woods Condominium Project, Inc.

(22) SEVERABILITY

The invalidity of any restrictions hereby imposed, or of any provision hereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity and enforceability of any other provision of this Master Deed, and all of the terms hereof are hereby declared to be severable.

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(23) CONSTRUCTION

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first class condominium project.

(24) CONSENT OF LIENHOLDER

Greater Louisville First Federal Savings and Loan Association, holder of the first and prior liens on the property described in Paragraph 1 herein, the said Mortgages appearing of record in Mortgage Book 1738, Page 622, Mortgage Book 1776 Page 415, Mortgage Book 1815, Page 83 and Mortgage Book 1873 Page 424, all of record in the Office of the Clerk aforesaid, joins herein only for the purpose of consenting and does hereby consent to the submission of said real estate described in Paragraph 1 to a Kentucky Condominium Property Regime as amended.

Other provisions of this Master Deed notwithstanding, it is hereby provided that wherever "Developer" or "Developers, its successors and assigns in title", is used in this Instrument, such designation shall include any successors, assignees, or grantees by, through, or under Developer, whether by judicial action or otherwise except bonafide purchasers in the regular course of business of any of the individual units contemplated by this Master Deed. Any other purchaser by, through, or under Developer, whether by judicial sale or otherwise, shall succeed to and acquire the irrevocable power coupled with an interest reserved by Developer for the construction, development, completion and sale of all the condominium units contemplated by this Master Deed, all such unbuilt units to conform as closely as possible to the basic architectural design of those units then completed or under construction and the square footage of all such units shall be in accordance with those set forth herein or any addendums thereto. Such power coupled with an interest shall specifically carry with it all of the power of Developer, within the limits set out in this Instrument.

IN WITNESS WHEREOF, the said Developer, has caused this Master Deed to be signed by its duly authorized officer on its behalf, all done at Louisville, Kentucky, on the date and year first above written.

PEAR ORCHARD CORP.

BY: Richard Korne
(President)

GREATER LOUISVILLE FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION

BY: Jacques Hardy
Vice President and Secretary

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STATE OF KENTUCKY () SS
COUNTY OF JEFFERSON ()

The foregoing instrument was acknowledged before me this 14th day of December, 1979, by J. Richard Keane as President of Pear Orchard Corp., a Kentucky Corporation, on behalf of the Corporation.

Witness my signature this 14th day of December, 1979.

My commission expires August 8, 1983

Arthur W. Howard
NOTARY PUBLIC, JEFFERSON COUNTY, KENTUCKY

STATE OF KENTUCKY () SS
COUNTY OF JEFFERSON ()

The foregoing instrument was acknowledged before me this 14th day of December, 1979, by Jack E. Hartz, as Vice President and Secretary of GREATER LOUISVILLE FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, on behalf of the Corporation.

Witness my signature this 14th day of December, 1979.

My commission expires June 1, 1983

Arthur W. Howard
NOTARY PUBLIC, JEFFERSON COUNTY, KENTUCKY

I hereby certify that this instrument was prepared by:

Arthur W. Howard
ARTHUR W. HOWARD, Attorney
237 South Fifth Street
Louisville, Kentucky 40202
502/585-5137

CONDOMINIUM
OR
APT. OWNERSHIP
BOOK 18 PAGE 4 then 7
FILE NO. 199

-31-

RECORDED BY *Howard*
PAID \$ 1.00 INC. TAX
BY *Howard*
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COLONIAL WOODS CONDOMINIUM ASSOCIATION

July 23, 2002

To Whom It May Concern:

Per the By-Laws, Colonial Woods Board of Directors does not allow any fences to be put up in Colonial Woods.

Sincerely,

RS. *By Ethel Ellen Mgr.*
President,
Colonial Woods Condominium Association