

MASTER DEED AND DECLARATION
 Establishing
PARK PLACE LOFTS

LHD EAST MAIN, LLC, a Kentucky limited liability company d/b/a Park Place Lofts (the "Declarant"), executes this Master Deed and Declaration (the "Master Deed") this 23 day of June, 2005, as its plan for ownership in condominiums of certain property located at 400 East Main Street, Louisville, Jefferson County, Kentucky, 40202 to be known as Park Place Lofts.

WITNESSETH:

WHEREAS, the Declarant is the owner in fee simple of the real property (the "Land") more particularly described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Declarant desires to create a condominium property regime by submitting the Land, together with the improvements and structures now existing and hereafter erected on such Land, and all easements, rights and appurtenances belonging thereto (said Land, improvements, structures, easements, rights, and appurtenances are together referred to as the "Property") to the provisions of the Horizontal Property Law of the Commonwealth of Kentucky, KRS 381.805 to KRS 381.910 (the "Horizontal Property Law").

NOW, THEREFORE, Declarant hereby submits said Property to the provisions of the Horizontal Property Law and declares that said Property shall be a condominium property regime (hereinafter referred to as the "Regime") pursuant to the Horizontal Property Law, and pursuant to the following provisions:

ARTICLE I
Definitions

1.1 Definitions. Certain terms as used in this Master Deed shall be defined as follows:

A. "Affiliate" means: (i) any Person which directly or indirectly is in control of, is controlled by or is under common control with, a Unit Owner, (ii) any Person who is a partner, member, trustee or officer of a Unit Owner or of any Person described in clause (i) above, or (iii) as to a natural person, such person's spouse, lineal descendants, parents and/or siblings. For purposes of this definition, "control" of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of the Person whether through the ownership of voting securities or by contract or otherwise.

B. "Amendment" means any modification of this Master Deed approved and recorded in accordance with the provisions of any applicable statute, this Master Deed, and the Bylaws (if any).

C. "Bylaws" means the bylaws of the Council, approved and adopted by the Council in its sole discretion, which shall govern and control, in part, the administration and affairs of the Regime. Unless and until such Bylaws are adopted, this Master Deed shall be construed as if no Bylaws exist.

D. "Building" means the buildings now being constructed on the Land, to contain approximately 52,200 gross square feet, and which shall contain all of the Units in the Regime. The location of the Building on the Land and the area of the Building are as set forth on the Plans.

E. "Common Elements" means all of the Property, except the present and future Units, including the outside walls and roof of the Building, the foundation and structural support of the Building, all columns, girders, and beams, the Land and improvements on the Property, all utility or other pipes and material located outside of the Units except such as are part of the Units, all central installations for the furnishing of utilities and other services to the Units, all driveways, roadways, grass areas, and sidewalks, and the lobbies, halls, stairs, stairwells, elevators and elevator shafts, common restrooms and utility rooms in the Building, to the extent the same are not a part of any Unit and as more fully described in Article III below.

F. "Common Expenses" means, except where the provisions of this Master Deed provide otherwise, all charges, costs and expenses incurred by the Council for and in connection with the administration and operation of the Regime, including, without limitation thereof: operation, ownership, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the General Common Elements and the twenty nine (29) designated parking spaces located on the Property that constitute part of the Limited Common Elements; any additions and alterations thereto; all liability for loss or damage arising out of or in connection with the General Common Elements and their use; all premiums for insurance required to be carried under Article IX; costs and expenses incurred in acquiring a Unit pursuant to judicial sale; all administrative, accounting, legal and managerial expenses of the Council; real estate taxes not separately assessed and billed to the Unit Owners; and all charges for utilities not separately metered, including without limitation, building security lights, water service and garbage collection; provided, however, if the rate for any of the common utilities or garbage collection service is increased as a result of a particular Unit Owner's excessive or particular use, the Council may collect such increase from that Unit Owner. All of the above shall constitute Common Expenses of the Regime for which each Unit Owner shall be severally liable monthly. The Regime's Common Expense budget shall include a reserve for capital replacements. No cost of maintaining, repairing, replacing, restoring, operating or owning any part of a Unit shall be included in Common Expenses. Except as provided elsewhere in this Master Deed, Common Expenses shall be apportioned among the Unit Owners based upon each Unit Owner's Expense Percentage and not on the basis of the number of Units owned.

G. "Condominium Documents" means, collectively, the Master Deed, Bylaws and any Rules enacted by the Council.

H. "Council of Co-owners" or "Council" means all of the Unit Owners who shall act as a group in accordance with this Master Deed, any Amendments thereto, the Bylaws and any other governing documents enacted by the Council. The Council may, but shall not be required to, incorporate itself as a nonstock, nonprofit corporation in accordance with KRS 273.161 to KRS 273.390.

I. "Expense Percentage" means the percentage computed by dividing the square footage of each Unit by the total square footage of all Units, and used to allocate Common Expenses to each Unit.

J. "Garage Unit" means a Unit as described in Section 2.4.

K. "General Common Elements" means all of the Common Elements, except for any Limited Common Elements, as more fully described in Article III below.

L. "Limited Common Elements" means and includes those Common Elements designated by this Master Deed to be reserved for the exclusive use of a particular Unit as more fully described in Article IV below.

M. "Person" means any natural person, firm, corporation, partnership, limited liability company, association, trust, or other legal entity or any combination thereof.

N. "Plans" means the plans and specifications for the Regime which are being filed of record with the Clerk of Jefferson County, Kentucky simultaneously with the recordation of this Master Deed, and which may be found in Apartment Ownership Book 108, Pages 98 through 105, Clerk's File No. 2044, as such plans and specifications may be amended in accordance with Section 2.1.

O. "Residential Unit" means a Unit as described in Section 2.3.

P. "Rules" means any rules and regulations which may be adopted from time to time by the Council as to the use and appearance of the Units and the Common Elements; provided, however, none of the Rules shall materially alter the rights and obligations of the Unit Owners as set forth in this Master Deed and in the event of a conflict between the provisions of the Rules and this Master Deed, the provisions of this Master Deed shall control.

Q. "Transfer" shall mean any sale, lease for a period of longer than two (2) years (including any renewal periods), transfer by bankruptcy, transfer by operation of law, disposal or passage under judicial order, and all other types of transfers, whether direct or indirect (including, but not limited to, in the case of a Unit Owner that is not a natural person, a transfer of all or a controlling interest in the Unit Owner), voluntary or involuntary; provided however, such term shall not include any mortgage by a Unit Owner to a bank or other financial institution to secure indebtedness of the Unit Owner.

R. "Unit" means an enclosed space within the Building measured from the interior unfinished surfaces of walls, ceilings, and floors, having a direct exit to a thoroughfare or to a Common Element leading to a thoroughfare. A Unit shall be either a Residential Unit or a Garage Unit, each as described in Article II hereof. Notwithstanding that some of the following might be located in the General Common Elements or Limited Common Elements, the plumbing, electrical wiring and equipment, telephone lines, doors, windows (including the glass, muntins, and sash, but not structural components such as the header and window frame), skylights and other equipment located within or connected to a Unit for the sole purpose of serving that Unit exclusively are a part of the Unit; the maintenance, repair and replacement of same being the responsibility of the Unit Owner, except to the extent that the casualty insurance policy carried by the Council covers such repair or replacement.

S. "Unit Owner" means any Person having record title to a Unit.

ARTICLE II Units

2.1 Description of Units. The Regime is hereby divided into forty (40) Units. Thirty two (32) of the Units shall be Residential Units and eight (8) of the Units shall be Garage Units, each as described in this Article II. The Plans shall set forth the layout, location within the Building, and dimensions of each Unit. Upon completion of construction of the Units, the either Declarant or the Council shall be and is hereby authorized, without any requirement to obtain consent of any Unit Owner or other Person, to amend this Master Deed

and the Plans, to the extent necessary to conform the area in square feet and percentage interest of each Unit to the area in square feet and percentage interest of the Units as built.

2.2 Ownership of Units. Each Unit Owner shall obtain fee simple ownership of the Unit acquired, the appurtenant undivided interest in the General Common Elements of the Regime, and, if applicable, any Limited Common Elements appurtenant to the Unit. The form of ownership of a Unit may be individual, corporate, in partnership, by limited liability company, joint with right of survivorship, a tenancy in common, a tenancy by the entireties, or any other estate in real property recognized by law and which may be conveyed and encumbered. All deeds to each Unit shall describe such Unit by reference to this Master Deed, the Plans, the name of this Regime, and the identifying number or letter of the Unit, although the failure to include any of the same in any such deed shall not affect the applicability or enforceability of any provision hereof. No Unit shall be subdivided, and no action for partition of a Unit shall lie, except in the manner provided in this Article II. Any conveyance of a Unit shall be deemed also to convey the undivided interest of the Unit Owner in the General Common Elements and any Limited Common Elements appurtenant to the Unit, whether or not the instrument evidencing such conveyance expressly shall so state.

2.3 Residential Units.

(a) There shall be thirty two (32) Residential Units which shall be designated as Units 100 - 310. Each Residential Unit shall have the location and approximate square footage as described on Exhibit B, attached hereto, and as further described on the Plans. Subject to Section 2.3(b), each Residential Unit shall be lawfully used, leased or occupied for single-family residential housing purposes. No Residential Unit shall be used in any manner that results in offensive odors or unreasonable noises penetrating any areas of the Building in a manner which will disturb or annoy the occupants of any other Unit.

(b) Notwithstanding anything contained herein, the Unit Owners of Units 100 - 110 shall be permitted to use the First Floor (as shown on the Plans) of each such Unit for Commercial Purposes. For purposes of this Master Deed, "Commercial Purposes" shall mean general office purposes and complimentary retail operations, including without limitation, a first class restaurant/bar. Notwithstanding the foregoing language, Commercial Purposes shall not include use as a nightclub, adult entertainment facility, adult bookstore, tanning salon, massage parlor, hotel, inn or other sleeping accommodation, pet or animal store, amusement or game center, billiards hall or bowling alley, commercial exercise or fitness facility, hair stylist, barber shop, shoe repair store or similar service or store for the sale or rental of video tapes, laser discs, compact discs, DVDs or other technology for the recording or playback of music or video images.

2.4 Garage Units.

(a) There shall be eight (8) Garage Units which shall be designated as Units G-1 - G-8. Each Garage Unit shall have the location and the approximate square footage as described on Exhibit B, attached hereto, and as further described on the Plans. Each Garage Unit shall be lawfully used for parking and/or reasonable storage purposes. Each Garage Unit shall be owned by a Unit Owner of one or more Residential Units.

2.5 Restrictions on Uses. Notwithstanding anything herein to the contrary, no Unit shall be used, leased or occupied for any purpose which would (i) adversely affect ventilation in other areas of the Building (including without limitation the creation of offensive smoke or odors), (ii) create unreasonable noise levels, (iii) violate building codes, zoning ordinances, or other applicable laws or otherwise constitute an illegal use, or (iv) result in the generation, treatment, storage, discharge, possession, processing or other handling of chemicals or any hazardous materials in a Unit, the Building or any base Building system, including in particular

the disposal in the base Building plumbing, heating, ventilating or air conditioning systems, except in a manner as is consistent with first class residential and/or office buildings in downtown Louisville, Kentucky. Each Unit shall be subject to such limitations and conditions as may be contained in the Condominium Documents.

2.6 Taxation of Units. Each Unit Owner shall be responsible for any and all ad valorem or real estate taxes and special assessments that may be assessed against the Unit by any governmental authority with jurisdiction over the Unit.

2.7 Lease of Units. Any lease of a Unit shall be in writing and shall be subject to the Condominium Documents as may be amended from time to time. No Person may occupy a Unit, except the owner thereof, without having a written lease from the Unit Owner, which lease shall contain no provisions in violation of the Condominium Documents.

2.8 Maintenance and Repair of Units and Common Elements.

(a) It shall be the responsibility of the Council to maintain, repair, or replace:

(1) The Building (except to the extent of the Units comprising a part of the same), including the roof (excluding the HVAC units that constitute part of the Limited Common Elements) and the grounds;

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

(3) All portions of the Unit which constitute a part of the exterior of the Building;

(4) Except as provided in Section 2.8(h)(1) below, all Common Elements;

(5) All incidental damage caused by work done at the direction of the Council; and

(6) The fixtures not benefitting a Unit to the exclusion of any other Unit located in the Unit, or located in the Limited Common Elements appurtenant to a Unit, or located in the General Common Elements, including, but not limited to, any plumbing fixtures, water heaters, lighting fixtures, appliances, sinks, lamps, doors, windows, telephones, or any electric, gas, or water pipes or lines or wires or conduits or ducts serving any such appliances and fixtures.

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

(1) To maintain, repair, and replace at the expense of such Unit Owner all portions of the Unit except the portions to be maintained, repaired, and replaced by the Council, including all windows and skylights of the Unit and all decorating and redecorating, painting, tiling, carpeting, waxing, papering, plastering, or varnishing which may be necessary to maintain the good appearance and condition of the Unit. Such maintenance, repair, and replacement shall be done without disturbing the rights of other Unit Owners, and

such maintenance, repair, and replacement shall not change the appearance of any portion of the exterior of the Building or Unit without prior approval of the Council;

(2) To maintain, repair, and replace at the expense of such Unit Owner the fixtures benefitting the Unit to the exclusion of any other Unit located in the Unit, or located in the Limited Common Elements appurtenant to the Unit, or located in the General Common Elements, including, but not limited to, any plumbing fixtures, water heaters, HVAC equipment, lighting fixtures, appliances, sinks, lamps, doors, windows, telephones, or any electric, gas, or water pipes or lines or wires or conduits or ducts serving any such appliances and fixtures;

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

(4) To maintain, repair, or replace at the expense of such Unit Owner all portions of the Unit that may cause injury or damage to the other Units or to the Common Elements;

(5) To perform the responsibilities of such Unit Owner in such a manner and at such reasonable hours (which may be set by the Council in the exercise of reasonable discretion) so as not to unreasonably disturb other Unit Owners in the Building; and

(6) To obtain the prior written consent of the Council before repairing, altering, replacing, painting, decorating or changing the exterior of, or any equipment, fixtures or other improvements located outside the Unit.

2.9 Liability of Unit Owner for Certain Repairs. A Unit Owner shall be liable for the entire expense of any maintenance, repair, or replacement of any part of the Regime, whether part of a Unit or part of the General Common Elements or Limited Common Elements, if such maintenance, repair or replacement is rendered necessary by any negligent act or omission or malfeasance of the Unit Owner, its employees, agents, contractors, guests, invitees, visitors or lessees. If any Unit Owner fails to undertake any such maintenance, repair, or replacement within ten (10) days after the Council notifies such Unit Owner in writing that the Council has determined that such maintenance, repair, or replacement is the responsibility of such Unit Owner under this Section 2.9, the Council may undertake such maintenance, repair, or replacement, and the cost thereof together with interest thereon as permitted by law shall be a lien on the Unit owned by such Unit Owner until paid by the Unit Owner, and such lien shall be subject to the same remedies as are provided in this Master Deed for nonpayment by a Unit Owner of an assessment of Common Expenses.

ARTICLE III Common Elements

3.1 General Common Elements. The General Common Elements of the Regime include the Land and all other areas, and all structures and improvements, within the boundaries of the Regime not included within the Units and the Limited Common Elements. The General Common Elements include, but are not necessarily limited to, the Land, the foundations, structural columns, walls, floors, ceilings and roof (other than the interior decorated surfaces thereof located within the boundaries of individual Units and the thirty two individual HVAC units that are part of the Limited Common Elements) of the Building; gardens, outside walks, and outside driveways, breezeways, parking spaces (other than those designated as Limited Common Elements), outside retaining walls and landscaping, and compartments or installations of central services such as pipes, ducts, electrical wiring and conduits, and public utility lines.

3.2 Interest in Common Elements. Each Unit shall have appurtenant to it a percentage interest in the Common Elements. The percentage interest for such purposes shall be equal to the Expense Percentage and as set forth on Exhibit B attached hereto. The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the instrument of such conveyance.

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

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

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

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

ARTICLE IV Limited Common Elements

4.1 Limited Common Elements. The Limited Common Elements of the Regime are areas which are reserved for the use of Unit Owners of a certain Unit to the exclusion of the Unit Owners and/or occupants of other Units, all as depicted or otherwise provided on the Plans. The Limited Common Elements include (i) the twenty nine (29) parking spaces (excluding the parking spaces in the Garage Units), (ii) the twenty five (25) storage areas located on the First Floor and the Third Floor of the Building, (iii) patios, (iv) balconies and (v) the thirty two (32) HVAC units located on the roof of the Building, all of which are designated as being intended for the exclusive use of a Unit or Units pursuant to the Plans.

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

ARTICLE V
Assessments

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

5.1 Share of Common Expenses. Each Unit Owner shall be personally liable for his proportionate share, as determined by each Unit Owner's Expense Percentage, of the Common Expenses and shall share in the common surplus (after due allowance for the retention of any reserve to cover future Common Expenses), such shares being the same as the Unit Owner's undivided share in the Common Elements. No Unit Owner shall be exempt from contributing toward such expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit owned by such Unit Owner or by claiming that the quantity or quality of services does not warrant such payment or is not as contemplated by such Unit Owner as of the time of purchase; provided, however, the Council may, but is not required to, abate or reduce a Unit Owner's contribution for a reasonable period of time during which the Unit owned by such Unit Owner is uninhabitable as the result of damage or destruction. Each Person who becomes a Unit Owner, whether or not he shall be so expressed in any such deed or other form of conveyance, shall be deemed to covenant and agree to pay to the Council the Unit Owner's share of Common Expenses as fixed, established, and collected from time to time as hereinafter provided. All assessments, together with interest thereon at the rate of ten (10%) percent per annum and costs of collection (including a lien preparation charge, filing fees, court costs, and reasonable attorneys fees) shall be a charge and a continuing lien upon the Unit against which the assessment is made, and shall also be the personal obligation, jointly and severally, of the Unit Owner at the time when the assessment fell due.

5.2 Determination of Assessments.

(a) The Council shall, from time to time, but not less than once every twelve (12) months, determine the amount of the total assessment necessary to defray the Common Expenses for a given period not to exceed twelve (12) months. When setting the total assessment, the Council shall include both (i) those funds required during the period for general operating purposes, and (ii) those reserve funds estimated to be necessary for future capital improvements. All funds required for general operating purposes under (i) above may be held in the name of the Council. All funds required for reserves for capital improvements under (ii) above shall be held in an account in the name of the Council, for the benefit of all of the Unit Owners in the Regime. Each Unit Owner, by the acceptance of a deed, does authorize the disbursement of any and all of the escrow funds solely upon the written authorization of the Council.

(b) Each Unit Owner is liable to pay that percentage of the Common Expenses that is equal to such Unit Owner's Expense Percentage. Notwithstanding the foregoing sentence, for an unoccupied Unit owned by the Declarant, the Declarant is only liable for eighty (80%) percent of the Common Expense assessment which it would otherwise have to pay for the Unit. If the Unit becomes occupied and the Declarant remains the Unit Owner of that Unit, the Declarant must thereafter begin paying its full Common Expense assessment for that Unit.

(c) The Council may from time to time levy special assessments for reasonable purposes. A special assessment may be levied against one Unit, or a group of Units or all of the Units, as circumstances reasonably warrant according to the Unit or Units benefited by the assessment. If the assessment is apportioned among Units, the method of apportionment shall be based upon square feet unless for some reason that method would be

unfair, as determined by the Council. In that case, the Council shall determine another reasonable method of apportionment. A special assessment shall include, but not necessarily be limited to, an assessment for excessive or unreasonable use of utilities, water or garbage collection services, all of which would otherwise normally be a Common Expense of the Unit Owners. The Council shall be permitted to install (or have installed) a separate meter or other device for the purpose of tracking a Unit Owner's use of any service that would otherwise constitute a Common Expense.

(d) The Council may levy a reasonable assessment, as a fine or penalty for violation of this Master Deed. A lien may be filed for this assessment and this assessment may be enforced by foreclosure and otherwise treated as a regular assessment.

(e) A special assessment, due immediately, arises against a Unit upon the initial transfer of record of the Unit from the Declarant (or a successor developer) to the Unit Owner (other than a successor developer). The special assessment shall be in an amount equal to the sum of two months of the full regular assessment. It shall be collected at closing and paid to the Council for use by the Council for Common Expenses. This special assessment is in addition to the regular assessment. Any reduced assessment on the Unit ends as of the first day of the month immediately following the month in which title was transferred of record from the Declarant (or a successor developer).

5.3 Billing. The Council shall inform each Unit Owner of the amount of the total assessment due from the Unit Owner. The Unit Owner must pay his or her Unit's required assessment in advance each month. Payment is to be made to such person at such an address as Council determines. Payment shall be due on the first day of each month, unless the Council otherwise directs. If the Regime is expanded and additional Units are brought into the Regime during a given assessment year, those additional Units shall begin paying an assessment on the first day of the month immediately following the month after the Units were brought, of record, into the Regime.

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

5.5 Lien for Assessments.

(a) Except as provided in Section 5.9 of this Master Deed, any unpaid Common Expenses assessed to a Unit Owner shall constitute a lien against the Unit owned by such Unit Owner and against such Unit Owner's interest in the Regime prior to all other liens except the lien of a bona fide first mortgage on the Unit and tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to state, county, city, and school district taxing agencies.

(b) The lien created by this Section 5.5 shall be deemed to be incorporated by reference in and reserved by each deed or other instrument conveying any interest in a Unit whether or not such deed or instrument by its express terms refers to said lien. In addition to any other remedies or liens provided by law, if any Unit Owner is in default in the payment of any Common Expenses assessed (including installments thereof) to such Unit Owner for 30 days, including any sums due as a result of acceleration of unpaid assessments as may be provided in the Condominium Documents, the Council may bring suit for and on behalf of

itself and as representative of all Unit Owners to enforce collection of the assessment and all costs of collection thereof, including reasonable attorneys' fees, and to foreclose the aforesaid lien in accordance with the laws of the Commonwealth of Kentucky, in like manner as a mortgage on real property. The lien for unpaid assessments shall also secure legal interest and reasonable attorneys' fees incurred by the Council incident to the collection of such assessment or enforcement of such lien.

5.6 Limited Common Element Assessment. An additional assessment may be made by the Council against any Unit to pay any expense resulting from a Limited Common Element benefiting that Unit. The assessment must be reasonable. The assessment should be apportioned among the Units (if more than one) using the Limited Common Element in a fair and reasonable manner. The assessment may be a regular, annual assessment and may be billed and included as part of the regular annual assessment described in Section 5.3 above.

5.7 Assessment Certificate. The Council, shall upon demand, at any reasonable time, furnish to any Unit Owner liable for an assessment a certificate in writing signed by an officer or other authorized agent of the Council, setting forth the status of said assessment; i.e., "current", and if not current, "delinquent" and the amount due. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A reasonable charge to cover labor and materials may be made in advance by the Council for each certificate.

5.8 Transfer of Units. A Unit Owner shall not be liable for any Common Expenses accruing after the sale of its Unit and the recording of a deed to the purchaser. The purchaser of a Unit subject to any lien arising under this Master Deed prior to the date of purchase and the recording of the deed shall take title to the Unit subject to the lien; provided, however, that at the request of any Unit Owner or a prospective purchaser of the Unit, the Council shall provide a statement disclosing whether the Unit Owner is then in default under any of the obligations hereunder and whether and in what amount a lien exists against the Unit owned by the Unit Owner under Section 5.5 hereof, which statement shall be conclusive as to the facts stated therein as against the Council and the other Unit Owners and may be relied upon by a prospective purchaser or mortgagee or assignee of any mortgage upon the Unit of such Unit Owner.

5.9 Limitation on Mortgagee Liabilities. Where the mortgagee of a first mortgage of record, or the purchaser or purchasers of a Unit obtains title to the Unit as a result of foreclosure of a first mortgage, or by voluntary conveyance in lieu of such foreclosure, said mortgagee or purchaser shall not be liable for the shares of Common Expenses or assessments by the Council pertaining to such Unit or chargeable to a former Unit Owner of such Unit which became due prior to acquisition of title by said mortgagee or purchaser as a result of the foreclosure or voluntary conveyance in lieu of said foreclosure. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Unit Owners, including the acquirer and his or its successors and assigns. However, the Council's lien rights may be asserted against surplus proceeds of any judicial sale or against any payments made by the mortgagee to the owner-mortgagor in the case of a deed in lieu of foreclosure.

5.10 Disputes as to Common Expenses; Adjustments. Any Unit Owner who believes that the portion of Common Expenses chargeable to his or her Unit, for which an assessment lien has been filed by the Council, has been improperly charged against that Unit Owner, may bring action in an appropriate court of law. The Council in its reasonable discretion may, in order to prevent manifest injustice, adjust (increase or decrease) the assessment for any Unit based upon a consideration of the following factors: the floor area of the Unit; the number of occupants in the Unit; or the demand on public utilities by the occupants of the Unit; the accessibility of the Unit to Limited Common Areas. The Council in its reasonable discretion may abate or reduce a Unit's assessment for a reasonable period of time, during which a Unit is uninhabitable, through no fault of the Owners, as a result of damage or destruction.

5.11 Late Charge. The Council may make a reasonable late charge or charges for any assessment, or installment of an assessment, not paid when due. This late charge shall also be a part of the assessment and shall also be continuing lien upon the Unit and shall otherwise be treated and collected in the same manner as the assessment.

5.12 Miscellaneous.

(a) The Council may change the interest rate due on delinquent assessments, except that the rate cannot be changed more often than once every six months. As of its effective date, the new interest rate will apply to all assessments then delinquent.

(b) The Unit Owner has the sole responsibility of keeping the Council informed of the owner's current address if different from the Unit owned. Otherwise, notice sent by the Council to the Unit address is sufficient for any notice requirement under this Master Deed.

(c) The lien under this Article V arises automatically, and no notice of lien need be recorded to make the lien effective.

(d) The assessment lien includes all collection costs, including demand letters, preparation of documents, reasonable attorneys' fees, court costs, filing fees, and any other expenses incurred by the Council in enforcing or collecting the assessment.

(e) If any Common Element, including any Limited Common Element, is intentionally or negligently damaged or destroyed through the act or omission of any Unit Owner, the Council may make an individual assessment against the Unit Owner and his Unit for the expenses involved in making repairs and in making and/or enforcing the assessment, including reasonable attorneys fees.

(f) Any assessment otherwise payable in installments, shall become immediately due and payable in full without notice upon default in the payment of any installment. The acceleration shall be at the discretion of the Council.

ARTICLE VI
Council

6.1 Management by Council. The management and operation of the Regime shall be governed and controlled by the Council, which shall operate according to the Condominium Documents. The Council shall be comprised of thirty two (32) representatives. Each representative shall be designated in writing by its respective Unit Owner, and shall serve until its replacement is designated. Representatives representing Unit Owners of at least fifty one percent (51%) in interest of the Expense Percentage shall be necessary for any required action, approval, consent, decision, or vote of the Council. The Council shall have the responsibility for the maintenance, repair, replacement, management, operation and use of the Common Elements and shall have the right to delegate its duties to a manager or agent or to other persons, firms or corporation it may select.

6.2 Administration. The Regime and the Property, including the Building and all improvements thereon, shall be administered by the Council in accordance with the provisions of the Condominium Documents. The Council shall be the final arbiter of any dispute concerning the operation of the Regime and the Property, or the interpretation and effect of the Condominium Documents.

6.3 Rules. Each Unit Owner's ownership and use of the Unit(s) owned by such Unit Owner shall be subject to the Rules promulgated by the Council from time to time, applicable to all Unit Owners. A copy of the Rules, including any amendments thereto, shall be furnished by the Council to all Unit Owners upon request. No Rules or any portion thereof promulgated by the Council concerning the use of the Property shall be effective prior to the time such Rules are distributed to the Unit Owners.

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

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

6.6 Common Expense Budget. It shall be the duty of the Council to determine at least annually an estimated Common Expense budget (as described in Article V) and, having so determined, to make and collect the assessment monthly from each Unit Owner, as described in Article V. Except as expressly provided in this Master Deed, each Unit Owner shall contribute its Expense Percentage of the Common Expenses. Where no such determination is formally made for any period, the calculations utilized for the previous budget shall remain in effect until such oversight is corrected.

ARTICLE VII Easements

7.1 Existing Easements

(a) Easements are hereby declared and granted by each Unit Owner in favor of each other Unit Owner, and reserved by Declarant, for all utility purposes as they exist on the date of the recording of this Master Deed or as are contemplated by the Plans, or as may be required to be incorporated in the final construction of the Building and the Common Elements. Each Unit Owner shall have an easement in common with all other Unit Owners to use all pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units and serving the Unit(s) of such Unit Owner. Each Unit shall be subject to an easement in favor of all other Unit Owners to use the pipes, ducts, cables, wires, conduits, public utility lines, and other Common Elements serving such other Units and located in such Unit. Easements are further declared and granted and reserved for ingress and egress for pedestrian traffic over, through, and across sidewalks, paths, walks, and lanes as are now and from time to time may exist upon the Common Elements; and for vehicular traffic over, through, and across such driveways, parking areas and other portions of the Common Elements as are now and from time to time may be paved and intended for such purposes.

(b) All easements and rights described in this Master Deed are easements appurtenant, running with the Land, and shall inure to the benefit of and be binding upon the Declarant, Unit Owners, and any other person having any interest in the Regime, but shall be

subject to and limited by the provisions of the Condominium Documents. The deed of conveyance of any Unit, or any mortgage or trust deed or other evidence of obligation, shall be subject to the easements and rights described in this Master Deed, and reference to this Master Deed shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees, and trustees of such Units as fully and completely as if such easements and rights had been recited fully and set forth in their entirety in such documents, provided, that the failure to so reference this Master Deed shall not in any way affect the terms or provisions hereof, all of which shall run with the Land.

7.2 Future Easements. The Declarant or the Council may grant further easements for utility purposes for the benefit of the Regime, including the right to install, lay, maintain, repair, and replace water mains and pipes, sewer lines, gas mains, telephone and communication wires and equipment, cable television and telecommunication wires and equipment, and electrical conduits and wires over, under, along, and on any portion of the Regime, and the Declarant may dedicate a portion Land adjacent to the Alley as shown on the Plans to Louisville/Jefferson Metro Government, and each Unit Owner hereby grants each of the Declarant and the Council (acting through an officer or other duly appointed agent) an irrevocable power of attorney to execute, acknowledge, and record, for and on behalf of each Unit Owner, such instruments or documents as may be necessary to effectuate such easements and grant; provided, however, that any easement through a Unit shall be only according to the Plans for the Building in which such Unit is located, or as such Building is constructed, unless approved in writing by the Unit Owner. The power of attorney granted by this Section 7.2 shall survive any disability or death of the Unit Owner and shall be binding on each successive Unit Owner.

7.3 Access to Units by the Council. The Council shall have a right of access to each Unit upon reasonable prior written notice and at reasonable hours: (1) to inspect the same for compliance with the provisions of the Condominium Documents or otherwise, and to remove violations therefrom; (2) for the maintenance, repair, replacement, or improvement of any portion of the Common Elements (or any portion of the Unit which is the responsibility of the Council) including any pipes, wires, ducts, cables, conduits, and public utility lines located in or adjacent to any Unit; (3) to prevent damage to the Common Elements or any other Unit; and (4) to abate any violation of law, order, rules, or regulations of any governmental authority having jurisdiction thereof. The Council shall have such other right of access to each Unit as may be provided under any other provisions of the Condominium Documents. The Council shall have a right of access to all Common Elements as well for all of the same purposes described above, including, without limitation, for purposes of abating any violation of any provision of any of the Condominium Documents, and for inspection, maintenance, repair or improvement thereof.

7.4 Easement for Completion of Units. Declarant, for itself and all of the Unit Owners, reserves the right for the purpose of completing the development of the Regime, including the Building and Units, to have access to the Common Elements and to any Units, for the ingress and egress of Declarant and the Unit Owners, their agents, employees and contractors, and for subcontractors, materialmen, and suppliers for the purpose of constructing, installing, maintaining, and repairing equipment and fixtures pursuant to such development, and for other activities reasonably necessary in connection with such development, including the right to use the roadways at the Regime. The Declarant shall repair any damage which may be caused to the Property or to any Unit resulting from the actions of Declarant permitted by this Section 7.4.

7.5 Easements for Encroachments. An easement shall exist for any portion of a Unit or the Common Elements which encroaches upon any other Unit or the Common Elements as a result of (1) the original or future construction or settling or shifting of any part of the Building, or (2) any repair or restoration undertaken by the Council, or (3) any construction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent

domain proceedings. Such easements as provided in this Section 7.5 shall exist so long as the Building in which the encroachment exists, or any replacement thereof, shall stand.

7.6 Additional Easements. The Council shall have the right to grant such additional easements as are reasonably determined by it to be compatible with the intended uses and future development of the Regime, including, without limitation, additional easements for ingress and egress to and from and over the Land; provided, however, that no such easement shall be granted through or otherwise encumber a Unit without the consent of the Unit Owner, which consent shall not be unreasonably withheld.

ARTICLE VIII Violations

Remedies Upon Violation. Violation of any provision of the Condominium Documents may be remedied by the Council, or its agent, by the imposition of reasonable fines or by action for damages, injunctive relief, restraining order, or specific performance. In addition, an aggrieved Unit Owner may maintain an action for similar relief. A Unit Owner in accepting ownership of a Unit agrees to become subject to this enforcement in the event of violation.

ARTICLE IX Insurance

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

9.1 Authority to Purchase; Named Insured. All insurance policies upon the Regime other than the Units shall be purchased by the Council for the benefit of the Council. The named insured shall be the Council individually and as agent for the Unit Owners, without naming them, and as agent for the mortgagees of the Unit Owners. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners. Such policies shall provide that payments by the insurer for losses shall be made to the Council. Unit Owners shall obtain coverage at their own expense for their own Units, their own personal property and other risks.

9.2 Coverage.

(a) The Building, Common Elements, and other improvements upon the Land shall be insured in amounts sufficient to prevent the insured from becoming a "co-insurer" thereunder, excluding foundation and excavation costs as determined annually by the Council provided, however, the Council shall not be required to insure any part of the Regime within the boundaries of individual Units except structural columns, load-bearing walls and pipes, conduits, wires, or other installations for the provision of services to the Building. All personal property included in the Common Elements shall be insured for its value, as determined annually by the Council. Such coverage shall afford protection against:

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

(2) Worker's compensation liability, if required by law; and

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

(b) Public liability insurance coverage shall be provided in such amounts and with such coverage as shall be required by the Council and which shall name the Unit Owners and the Council as additional insureds, as their interests may appear.

(c) The Council shall also obtain such other insurance from time to time as it deems desirable.

9.3 Premiums. Premiums upon insurance policies purchased by the Council shall be paid by the Council as a Common Expense; provided, however, that should the amount of any insurance premium be affected (as determined by the Council) by a particular use of a Unit or Units, the Unit Owner(s) of such Unit(s) shall be required to pay any increase in premium resulting from such use. The renewal and sufficiency of policies shall be the responsibility of the Council.

9.4 Proceeds. All insurance policies purchased by the Council shall be for the benefit of the Council and the Unit Owners and the mortgagees of the Units as their interests may appear, and shall provide that all proceeds covering Property losses shall be paid to the Council. Furthermore, the Council shall be responsible for the settlement of claims with insurers.

9.5 Shares of Proceeds; Mortgagees. The Council shall hold all insurance proceeds covering property losses in shares as follows: each Unit Owner shall have an undivided share in such proceeds, such share being the same as the undivided share in the Common Elements appurtenant to the Unit(s) owned by such Unit Owner. In the event a mortgagee endorsement has been issued with respect to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear, provided, however, that no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds which, pursuant to the provisions of this Article, are to be held by the Council, except distributions of such proceeds made pursuant to this Article.

9.6 Distribution of Proceeds. Proceeds of insurance policies received by the Council shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expense of the Council. All expenses of the Council shall be paid first or provision made for such payment.

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

9.7 Failure to Reconstruct or Repair. If it is determined in the manner provided in Article X of this Master Deed that the damage for which proceeds are paid shall not be reconstructed or repaired, the net proceeds remaining shall be distributed as provided by Section 10.1(b), provided that such distribution complies with the provisions of the Horizontal Property Law.

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

ARTICLE X Reconstruction or Repair after Casualty

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

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

(b) Building. If the Building is damaged or destroyed, it shall be reconstructed or repaired except that if more than two-thirds of such Building has been destroyed, it shall not be reconstructed or repaired if (and only if) all of the Unit Owners of Units in the Building shall agree in writing within 60 days after the date of the occurrence of such destruction that they desire that the Building not be repaired or reconstructed, and request the secretary of the Council in writing to call a special meeting of the Unit Owners for the purpose of deciding whether such Building shall be repaired or reconstructed. In the event the Building is not reconstructed or repaired, the Unit Owners of the Building shall be entitled to receive their proportionate share of the insurance proceeds remaining after all expenses of site clean up, and/or demolition and mortgages on the damaged or destroyed Units have been paid.

10.2 Manner of Reconstruction. The original Plans for the Regime shall be the Property of the Council and shall be kept by the Council in a fire-proof safe or safe deposit box. Any reconstruction or repair must be substantially in accordance with the original Plans, or, if not, then according to plans and specifications approved by the Council and, if the damaged Property is all or part of the Building, by all mortgagees of Units, and by all of the Unit Owners.

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

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

10.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Council, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the proceeds are determined to be insufficient, assessments shall be made against the Unit Owners in amounts sufficient to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the cost of reconstruction and repair of their

respective Units. Such assessments on account of damage to Common Elements shall be in proportion to the share in the Common Elements appurtenant to the Unit owned by such Unit Owner.

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

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

(1) **Lesser Damage.** If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Council is less than one hundred thousand dollars (\$100,000.00) then the construction fund shall be disbursed in payment of such costs upon the order of the Council; provided, however, that, upon request by a mortgagee that is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction and repair of major damage.

(2) **Major Damage.** If the amount of the estimated costs of reconstruction and repair that is the responsibility of the Council is more than one hundred thousand dollars (\$100,000.00) then the construction fund shall be disbursed in payment of such costs in the manner required by the Council and upon approval of an architect or engineer licensed to practice in Kentucky and employed by the Council to supervise the work.

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

(4) **Surplus.** It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Unit Owners in the manner elsewhere stated.

10.7 Eminent Domain. Appropriation, taking, injury to or destruction of, or condemnation by eminent domain by federal, state, or local government or any instrumentality thereof of any portion of the Regime, respectively, shall be considered to be included in the term "damage and destruction" for purposes of this Article, and the decision whether or not to restore, insofar as is possible, the Building of which two-thirds or more is taken, and the proceeds of the eminent domain taking, respectively, shall be treated in the same manner as is provided in this Master Deed upon the occurrence of damage and destruction to the Regime. The Council shall give to all holders of first mortgages on Units prompt notice of any eminent domain proceedings, and the distribution of the proceeds of any eminent domain proceeding shall be subject to the provisions of this Article X with respect to the rights of the holders of mortgages on Units.

ARTICLE XI

Sale, Lease, and Mortgaging of Units

11.1 Right to Transfer or Mortgage Units. Subject to the provisions of Section 11.2, the Unit Owner of each Unit shall have the right to Transfer or mortgage such Unit and the Common Elements appurtenant thereto.

11.2 Transfer of Garage Unit. A Unit Owner of a Garage Unit (who at all times must also own a Residential Unit) who desires to Transfer his Garage Unit must Transfer such Garage Unit to a Unit Owner of a Residential Unit. Such transferee Unit Owner may take title to a Garage Unit and Residential Unit as part of one overall transaction, or such party may be a then current Unit Owner of a Residential Unit.

11.3 Grantee Liable with Grantor for Unpaid Assessments of Common Expenses. In any conveyance of a Unit by voluntary instrument, the grantee of the Unit shall be jointly and severally liable with the former Unit Owner for any unpaid assessments of Common Expenses against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the former Unit Owner the amounts paid by the grantee therefor. "Grantee" as used in this Section 11.3 shall not include the holder of an institutional mortgage of record.

11.4 Unauthorized Transfer is Voidable. Any Transfer which is not authorized by the terms of this Master Deed or for which authorization has not been obtained pursuant to the terms hereof is voidable and may be voided by the Council by an instrument duly recorded in the Office of the Clerk of Jefferson County, Kentucky.

11.5 Application. The provisions of this Article XI shall not apply to Declarant.

ARTICLE XII

Default and Foreclosure of Mortgages and Other Liens on Units

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

12.2 Rights of Council. The Council shall have the right at its option to exercise the following powers and privileges with respect to mortgages of Units which are in default:

(a) To remedy the defaults existing under the terms of the mortgage and to put the same in good standing. In the event the Council shall make the advances necessary to remedy the defaults, the Council shall be deemed to hold a junior participating interest in the obligation and mortgage to secure the amount so advanced, together with interest thereon at an interest rate selected by the Council, costs, disbursements, counsel fees, insurance, taxes, or other charges so advanced, and with the right to foreclosure of such lien against the defaulting Unit Owner. The holder of the mortgage shall in no event be required, or have the obligation, to collect the lien position so created on behalf of the Council.

(b) To acquire the mortgage by assignment from the holder of said mortgage, either before or after institution of foreclosure action, in the name of the Council or in the name of its designated nominee, with all the powers and rights of the holder against the defaulting Unit Owner including the right to foreclose the same.

(c) To continue any pending action or to institute an action to foreclose any mortgage taken by assignment under subdivision (b) of this section, or to take a deed in lieu of foreclosure of the mortgage. In no event shall a Unit Owner be relieved from liability already

incurred for past due Common Expenses, including reasonable expenses of legal counsel, nor be relieved from personal liability on the bond, note, or other obligation secured by the mortgage by reason of any conveyance made under subdivision (c) hereof or under this subdivision.

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

ARTICLE XIII

Obligations of Unit Owners and Remedies upon Default

13.1 All Unit Owners and Tenants Subject to Condominium Documents. All present or future Unit Owners, tenants, occupants, or any other person that might use the Regime in any manner are subject to the terms and provisions of the Condominium Documents, as they may be amended from time to time, and which run with the Land, and the decisions of the Council. The acceptance of a deed or conveyance or the entering into of a lease, or the entering into occupancy of any Unit shall signify that the provisions of the Condominium Documents and the decisions of the Council, are accepted and ratified by such Unit Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease of the Unit.

13.2 Remedies Upon Default. Failure of any Unit Owner, tenant or occupant to comply with the provisions of the Condominium Documents shall entitle the Council and the to the following remedies for such violation or breach in addition to all remedies provided by the Horizontal Property Law:

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

(b) The right of the Council or other Unit Owners to bring an action to enjoin, abate, or remedy by appropriate legal proceedings, at law or equity, the continuance of any breach, and to recover sums due and for damages. In any act of flagrant or repeated violation by a Unit Owner, such Unit Owner may be required by the Council to give sufficient surety or sureties for future compliance with the Condominium Documents and decisions of the Council.

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

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

13.5 Unit Owner Liable for Negligence. Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by such Unit Owner's act, neglect or carelessness, to the extent that such expense is not met by the proceeds of insurance carried by the Council. Such liability shall include any increase in fire or casualty insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

13.6 Rights are Cumulative. All rights, remedies, and privileges granted to the Council or a Unit Owner, pursuant to any terms, provisions, covenants, or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be granted to such party in the Condominium Documents or at law or in equity.

ARTICLE XIV Amendment to Master Deed

Amendment. This Master Deed may be modified, altered, amended, or added to by the Declarant pursuant to an instrument recorded by Declarant in the Jefferson County, Kentucky Clerk's Office. This Master Deed also may be modified, altered, amended, or added to by a vote of Unit Owners representing more than fifty percent (50%) in interest of the Expense Percentage at any duly called meeting of the Council, pursuant to an instrument recorded by a duly authorized representative of the Council in the Jefferson County, Kentucky Clerk's Office, provided that:

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

(b) An instrument evidencing the change and signed by the duly authorized representative of the Council is duly recorded in the Office of the Clerk of Jefferson County, Kentucky. Such instrument need not contain the written consent of any Unit Owners but shall contain the verified statement and certification by an authorized representative of the Council not otherwise signing the instrument that the requirements of this Section have been satisfied.

ARTICLE XV General

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

15.2 Waiver. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

15.3 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Master Deed nor the intent of any provision hereof.

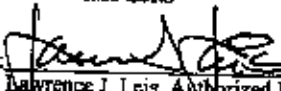
15.4 Gender and Number. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender whenever the context so requires, and the use of the singular shall include the plural and vice versa.

15.5 Headings. The headings in this Master Deed are for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent, or intent of this Master Deed or any of its provisions.

15.6 Governing Law. This Master Deed and the application or interpretation hereof shall be governed exclusively by its terms and by the laws of the Commonwealth of Kentucky, and specifically the Horizontal Property Law.

IN WITNESS WHEREOF, the Declarant has caused this Master Deed to be executed as of the date first above written.

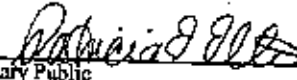
LHD EAST MAIN, LLC,
a Kentucky limited liability company
d/b/a Park Place Lofts

By: 
Lawrence J. Leis, Authorized Member

COMMONWEALTH OF KENTUCKY)
COUNTY OF JEFFERSON) SS:

The foregoing Master Deed was acknowledged before me this 23 day of June, 2005, by Lawrence J. Leis, as an Authorized Member of LHD East Main, LLC, a Kentucky limited liability company d/b/a Park Place Lofts, on behalf of said limited liability company.

My Commission Expires: August 5, 2007


Notary Public

This instrument was prepared by:

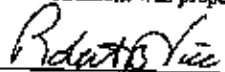

Robert B. Vice, Esq.
REED WEITKAMP SCHELL & VICE PLLC
500 West Jefferson Street, Suite 2400
Louisville, Kentucky 40202-2812
502-589-1000

EXHIBIT A

TRACT NO. 1

Being a tract of land in Louisville Metro, County of Jefferson, Commonwealth of Kentucky, lying on the south side of Main Street and on the east side of Preston Street and being more particularly described as follows:

Beginning at an iron pin at the intersection of the south line of Main Street with the east line of Preston Street, thence with said line South 81 degrees 10 minutes 41 seconds East 105.00 feet to a nail at its intersection with the west line of the Louisville Bedding Company tract of record in Deed Book 5680, Page 376, in the Office of the Clerk of Jefferson County, Kentucky; thence with said west line South 08 degrees 47 minutes 18 seconds West 204.00 feet to its intersection with the north line of an alley, 12 feet wide; thence with said north line North 81 degrees 10 minutes 41 seconds West 105.00 feet to a nail at its intersection with the east line of Preston Street aforesaid; thence with said east line North 08 degrees 47 minutes 18 seconds East 204.00 feet to the point of beginning, containing 21,420 square feet.

Together with the alleyway closed and described in Private Alley Closure dated February 05, 2004, of record in Deed Book 8353, Page 757, in the Office aforesaid, as consolidated by Deed of Consolidation dated February 16, 2004, of record in Deed Book 8362, Page 641, in the Office aforesaid.

TRACT NO. 2 - 119-121 South Preston Street:

Beginning on the East side of Preston Street, 164 feet North of Market Street; running thence Northwardly along the East side of Preston Street 40 feet and extending back Eastwardly of same width, the North line binding on the South line of an alley, 105 feet.

BEING the same property acquired by LND EAST MAIN, LLC, a Kentucky limited liability company, by Deed dated April 25, 2004, of record in Deed Book 8344, Page 687, in the Office of the Clerk of Jefferson County, Kentucky.

Exhibit a

Park Place Lofts	1st Floor Sq. Ft.	2nd Floor Sq. Ft.	Garage Sq. Ft.	Total Sq. Ft.	Expense Percentage
Unit 100	1010			1010	2.69%
Unit 101	4139			4139	10.63%
Unit 104	800			800	2.05%
Unit 105	800			800	2.05%
Unit 106	800			800	2.05%
Unit 107	800			800	2.05%
Unit 108	800			800	2.05%
Unit 109	800			800	2.05%
Unit 110	800			800	2.05%
Unit 200	1011			1011	2.60%
Unit 201	1006			1006	2.58%
Unit 202	1008			1008	2.56%
Unit 203	1017			1017	2.61%
Unit 204	800			800	2.05%
Unit 205	800			800	2.05%
Unit 206	792			792	2.03%
Unit 207	794			796	2.04%
Unit 208	796			796	2.04%
Unit 209	1802			1802	4.63%
Unit 300	1015	534		1549	3.98%
Unit 301	1015	532		1547	3.97%
Unit 302	1003	511		1514	3.89%
Unit 303	1140	535		1675	4.30%
Unit 304	800	634		1434	3.68%
Unit 305	800	634		1434	3.68%
Unit 306	800	634		1434	3.68%
Unit 307	800	634		1434	3.68%
Unit 308	800	634		1434	3.68%
Unit 309	800	634		1434	3.68%
Unit 310	800	634		1434	3.68%
Unit G-1			257	257	0.66%
Unit G-2			256	256	0.66%
Unit G-3			258	258	0.66%
Unit G-4			257	257	0.66%
Unit G-5			257	257	0.66%
Unit G-6			258	258	0.66%
Unit G-7			258	258	0.66%
Unit G-8			253	253	0.65%
Totals	30347	5550	2054	38953.00	100.00%

Document No. 202005181598
 Lodged By: REED WITKAMP
 Recorded On: 06/24/2005 01:45:33
 Total Fees: \$2.00
 Transfer Tax: .00
 County Clerk: BOBBIE HOLSCLAW-JEFF CO KY
 Deputy Clerk: LATHIEL

Recorded In Condo Book

No. 108 Page 98-102
 Part No. 2044

END OF DOCUMENT