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BOOK 6952 PAGE 0001

**DECLARATION OF MASTER DEED
FOR
WORTHINGTON GLEN CONDOMINIUM**

TABLE OF CONTENTS

	Page
ARTICLE 1	1
Section 1.1 Definitions	1
ARTICLE 2	3
Section 2.1 Parcel 1	3
Section 2.2 Description and Number of Units	4
Section 2.3 Common Areas	4
Section 2.4 Floor Plans	4
Section 2.5 Percentage of Common Interest	4
Section 2.6 Expandable Project	4
ARTICLE 3	5
Section 3.1 Easement for Encroachments	5
Section 3.2 Unit's Utility Easements	6
Section 3.3 Utility Easements	6
Section 3.4 General Easement	6
Section 3.5 Access Easement	6
Section 3.6 Use of Easement	6
Section 3.7 Reservation of Access Easement by Developer	7
Section 3.8 Reservation of Utility Easements by Developer to Benefit Parcel 2	7
Section 3.9 Reservation of Utility Easement by Developer to Benefit Adjacent Parcel	7
Section 3.10 Reservation of Easement for Use of Recreational Facilities	7
Section 3.11 Reservation of Construction Easement by Developer	8
Section 3.12 Developer's Easements: General	8
Section 3.13 Private Roadway Easements	9
Section 3.14 Additional Easements	10
Section 3.15 Easement to Run with Land	10
Section 3.16 Reference to Easements and Deeds	10
ARTICLE 4	10
Section 4.1 Voting: Developer's Proxy Rights	10
Section 4.2 Organizational Meeting	11
ARTICLE 5	11
Section 5.1 Covenant for Assessments	11
Section 5.2 Determination of Regular Assessment; Reserves; Special Assessments; Fine Assessments; Expansion; Start Up Assessment	12
Section 5.3 Billing	13
Section 5.4 Limited Common Area Assessment	13
Section 5.5 Assessment Certificate	13
Section 5.6 Non-Payment of Assessment	14
Section 5.7 Priority of Council Lien	14
Section 5.8 Disputes as to Common Expenses; Adjustments	14
Section 5.9 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Council	15
Section 5.10 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses	15
Section 5.11 Liability for Assessments Upon Voluntary Conveyance	15
Section 5.12 Late Charge	15
Section 5.13 Miscellaneous	16
ARTICLE 6	16

Section 6.1	General Insurance	16
Section 6.2	Fidelity Insurance	17
Section 6.3	Directors' and Officers' Errors and Omissions Insurance	17
Section 6.4	Premiums	17
Section 6.5	Proceeds	17
Section 6.6	Power of Attorney	17
Section 6.7	Responsibility of Unit Owner	18
Section 6.8	Release	18
Section 6.9	Approximate Coverage	18
Section 6.10	Additional Policy Requirements	18
Section 6.11	Other Insurance Requirements	19
ARTICLE 7		19
Section 7.1	FHLMC	19
Section 7.2	FHLMC Requirements	19
ARTICLE 8		21
Section 8.1	Reconstruction or Repair	21
Section 8.2	Lesser Damage	21
Section 8.3	Major Damage	21
Section 8.4	Plans	23
Section 8.5	Responsibility	23
Section 8.6	Funds	23
ARTICLE 9		23
Section 9.1	Eminent Domain	23
Section 9.2	Unit Reduced but Tenable	23
Section 9.3	Unit Untenable	24
Section 9.4	Amendment to Declaration	24
Section 9.5	Power of Attorney	24
ARTICLE 10		25
Section 10.1	Council	25
Section 10.2	Board of Directors	25
Section 10.3	Books of Account; Inspection; Audit	25
Section 10.4	Limitations on Council's Duties	25
ARTICLE 11		26
Section 11.1	Use and Occupancy	26
Section 11.2	Compliance with Covenants, Conditions and Restrictions	27
Section 11.3	Severability	28
ARTICLE 12		28
Section 12.1	Unit Owner's Responsibilities	28
Section 12.2	Construction Defects	29
Section 12.3	Effect of Insurance or Construction Guarantees	29
Section 12.4	Rights of Unit Owners	29
Section 12.5	Share in Funds	29
Section 12.6	Injuries and Damages	30
Section 12.7	Leasing Rights	30
Section 12.8	Garages	30
ARTICLE 13		31
Section 13.1	Termination	31
Section 13.2	Destruction	31
Section 13.3	Agreement	31
Section 13.4	Certificate	32

Section 13.5	Shares of Owners After Termination	32
Section 13.6	Amendment	32
ARTICLE 14		33
Section 14.1	Prohibition of Partition	33
Section 14.2	Severability	33
Section 14.3	Waiver	33
Section 14.4	Enforcement of Provisions	33
Section 14.5	Liability	33
Section 14.6	Interpretation	34
Section 14.7	Notices and Demands	34
Section 14.8	Alteration and Transfer of Interests	34
Section 14.9	Council and Director Responsibility	34
Section 14.10	Expansion of Council	34
ARTICLE 15		34
Section 15.1	Amendment of Declaration	34
Section 15.2	Correction	35
Section 15.3	Implementation of Amendments	35
Section 15.4	Developer's Consent	35
ARTICLE 16		36
Section 16.1	Shares without Certificates	36
Section 16.2	Notice of Stock Information	36
Section 16.3	Developer's Proxy	36
ARTICLE 17		36
Section 17.1	HUD	36
Section 17.2	HUD Requirements	37
Section 17.3	Conflict	41
Section 17.4	Relief	41

DECLARATION OF MASTER DEED

HILLS COMMUNITIES, INC., an Ohio corporation, hereby expressly declares, through the recordation of this Declaration of Master Deed, which sets forth the particulars enumerated by KRS 381.835, its desire to submit its property described herein, to the regime established by KRS 381.805 to 381.910.

ARTICLE 1

Section 1.1 Definitions. The following words when used in this Declaration shall have the following meanings:

(a) "Common Areas" are the general common elements of the Condominium Project and shall mean and include, if actually built in the Condominium Project and except as otherwise provided or stipulated in the Declaration, including any amending or supplementing documents, the following:

- (i) the land on which the building or buildings stand;
- (ii) the foundations, main walls, roof, halls, lobbies, stairways, entrances, exits, or communication ways;
- (iii) landscaping;
- (iv) facilities for recreation or administration or maintenance of the Condominium Project;
- (v) compartments or installations for central services such as for energy, communications or utilities;
- (vi) all devices, installations and equipment existing for common use;
- (vii) facilities and easements available for the common use, in part or in whole; and
- (viii) all other elements of or on the Condominium Property rationally of common use or necessary to the existence, upkeep, and safety of the owners and of the Condominium Project.

(b) "Common Expenses" shall mean, refer to, and include all charges, costs and expenses incurred by the Council for and in connection with the administration of the Project, including, without limitation thereof, operation of the Project, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Areas; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefor;

all liability for loss or damage arising out of or in connection with the Common Areas and their use; all premiums for hazard, liability and other insurance with respect to the Project; all costs incurred in acquiring a Unit pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. "Common Expenses" shall also include the cost of operation, maintenance, improvement, and replacement of the recreational facilities and equipment. "Common Expenses" shall also include amounts incurred in replacing, or substantially repairing, capital improvements of the Project, including, but not limited to roof replacement, and road, driveway and parking lot resurfacing. "Common Expenses" shall also include all reserve funds or other funds established by the Council.

(c) "Condominium Project" or "Project" shall mean and refer to the Worthington Glen Condominium.

(d) "Council" is the Council of Co-Owners and shall mean and refer to Worthington Glen Council of Co-Owners, Inc., a Kentucky corporation and its successors and assigns.

(e) "Declaration" or "Master Deed" shall mean and refer to the instrument establishing the condominium regime. It includes, also, amending and supplementary instruments as from time to time recorded.

(f) "Developer" is Hills Communities, Inc., an Ohio corporation, its successors and assigns. It is the original and initial developer, but it may designate, in writing, a successor developer.

(g) "Limited Common Areas" or "Limited Common Elements" means and refers to those Common Areas which are reserved by this Declaration, by the floor plans, by the Developer, or by agreement of all of the Owners, for the use of a particular Unit or Units, to the exclusion of the other Units. Limited Common Areas include, if any, designated parking space, attic, storage space located outside Units, balcony, patio, deck and all other apparatus and installations built or set up to serve only a certain Unit or a certain group of Units. Each Unit Owner shall be entitled to an appurtenant interest in and the exclusive use and possession of those Limited Common Areas, if any, reserved to that Owner's respective Unit or to the group of Units to which that Owner's Unit belongs. The fee ownership of all Limited Common Areas, however, is vested in all Owners.

(h) "Member" shall mean and refer to all those Owners who are Members of the Council as provided in Article 4 below.

(i) "Owner" shall mean and refer to the record owner, whether one or more persons or other legal entities, of a fee simple title to any Unit which is a part of the Condominium Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(j) "Parcel 1" shall mean and refer to the real estate described in Exhibit A attached hereto and made a part hereof.

(k) "Parcel 2" shall mean and refer to the real estate described in Exhibit B attached hereto and made a part hereof.

(l) "Recreational Facilities" shall mean and refer to the common community and recreational facilities, including a swimming pool, clubhouse and tennis courts.

(m) "Rules and Regulations" shall mean and include the rules and regulations made from time to time by the Council.

(n) "Unit" or "Condominium Unit" shall mean and refer to any Condominium Unit shown upon any recorded floor plans of the building or buildings located on the Condominium Property. "Unit" or "Condominium Unit" shall further mean an enclosed space as measured from interior unfinished perimeter surfaces consisting of one or more rooms occupying all or part of a floor or floors in a building of one or more floors or stories, provided, the Unit has a direct exit to a thoroughfare or to a given Common Area or space leading to a thoroughfare. "Unit" or "Condominium Unit" includes any halls, stairs, stairways or basements located within the perimeter boundaries of a Unit and serving only that Unit. Notwithstanding that some of the following might be located in the Common Areas or Limited Common Areas, the plumbing, heating and air conditioning equipment (including all ducts and pipes), electrical wiring and equipment, telephone, communication equipment, security equipment, window panes, garbage disposal, storm and screen doors and windows, doors and door frames, windows and window frames, if any, and other equipment located within or connected to the Unit for the purpose of serving that Unit, are part of that Unit, and the maintenance, repair and replacement of these items are the responsibility of the Unit Owner.

When applicable for the sense of this instrument, the singular should be read as including the plural and the male, female, and neuter pronouns and adjectives should be read as interchangeable.

ARTICLE 2

Section 2.1 Parcel 1. Developer is the owner in fee simple of Parcel 1. It is the desire and intention of Developer to enable Parcel 1, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind situated on Parcel 1, and all easements, rights, appurtenances and privileges belonging to Parcel 1, including, without limitation thereto, all easements now or hereafter benefitting Parcel 1 and subject to easements and restrictions of record (the "Condominium Property"), to be owned under and pursuant to that certain type of ownership commonly known as a "Condominium" and to subject and submit the "Condominium Property" to the provisions of KRS 381.805 to 381.910. The Condominium Project will initially include twenty-four (24) Units and the Recreational Facilities. A description of Parcel 1, of the Recreational Facilities, and of the building in which the Units are located, is contained in Exhibit A attached hereto and incorporated herein by reference. Exhibit A also expresses the respective area of Parcel 1, of the Recreational Facilities, and of the building. Additional Property may be brought into the Project pursuant to Section 2.6 below.

Section 2.2 Description and Number of Units. The general description and the number of each Unit, expressing its area, location, and any other data necessary for its identification, is contained in Exhibit C, attached hereto and incorporated herein by reference. Additional Units may be brought into the Project pursuant to Section 2.6 below.

Section 2.3 Common Areas. A description of the Common Areas (general common elements) of the building and of the Recreational Facilities is contained in Exhibit D, attached hereto and incorporated herein by reference.

Section 2.4 Floor Plans. Simultaneously with the recording of this Declaration, there has been filed in the office of the Jefferson County, Kentucky Clerk, a set of floor plans of the Clubhouse and of the building, showing the layout, location, unit numbers, and dimensions of the Units; stating the name of the Project (property); and bearing the verified statement of a registered architect or professional engineer certifying that the plans fully and accurately depict the layout, location, Unit number, and dimensions of the Units as built. The floor plans are of record at A.O.B. Book 62, Pages 39-32 in the office of the Jefferson County, Kentucky Clerk, a copy of which are attached hereto as Exhibit E and incorporated herein by reference.

Section 2.5 Percentage of Common Interest. Appurtenant to each Unit is that Unit's percentage of common interest, as set forth in Exhibit C attached hereto and incorporated herein by reference. This percentage is computed by taking as a basis the floor area of the individual Unit in relation to the floor area of all of the Units. The Developer and the Council reserve the right to round-up or round-down the percentages of ownership in the Common Areas for any one or more Units in order that the total percentages of ownership equal one hundred percent (100%). Except as otherwise stated in this Declaration and except as otherwise provided by Kentucky law, the percentage of common interest is permanent and shall not be altered without the acquiescence of the Owners representing all the Units of the building. **IF THIS PROJECT IS EXPANDED PURSUANT TO SECTION 2.6 BELOW, THE PERCENTAGE OF COMMON INTEREST APPURTENANT TO EACH UNIT MAY BE ALTERED WITHOUT THE ACQUIESCENCE OF THE OWNERS REPRESENTING ALL OF THE UNITS OF THE BUILDING OR BUILDINGS, PURSUANT TO THE POWER OF ATTORNEY GIVEN IN THIS DECLARATION. ALSO A UNIT IS NOT SOLD BY THE SQUARE FOOT SIZE. FINALLY, THE ADVERTISED SQUARE FOOT SIZE OF A UNIT MAY BE LARGER SO AS TO ALLOW CONSUMER COMPARISON WITH TRADITIONAL HOUSING, LANDMINIUM-TYPE HOUSING AND APARTMENTS, WHICH ARE MEASURED DIFFERENTLY FROM A CONDOMINIUM.**

Section 2.6 Expandable Project. THIS IS AN EXPANDABLE CONDOMINIUM PROJECT. In other words, additional buildings and land may become a part of this Project at the option of the Developer, its successors and assigns, as follows:

(a) The entire Project, at the current time, would not have more than two hundred sixty-eight (268) Units.

(b) If the Developer elects to expand the Condominium Property currently owned by the Developer, each additional section will come out of Parcel 2.

(c) The entire Project, at the current time, would not have more than twenty (20) sections.

(d) The percentage of common interest appurtenant to each Unit for each given proposed stage (Section) of development, for one possible scenario, shall be approximately that shown in Exhibit F, attached hereto and made a part hereof.

(e) The percentage of common interest appurtenant to each Unit in the Project, shall be redistributed on an as-built basis upon completion of all Units in a given section. The redistribution shall be done by amendment or supplement to this Declaration.

(f) The Developer hereby reserves for itself, its successors and assigns, for a period of seven (7) years from the date of recording of the Declaration, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Project, including any and all expansions of the Project, any such agreements, documents, amendments, or supplements which may be so required to expand the Project. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Condominium Units and be binding upon the successors and assigns of any of the foregoing parties. Further, the power of attorney shall not be affected by the death or disability of any principal. The Developer, for itself and for its successors, reserves from the date hereof, an interest in any real estate, including every Unit in the project, including any expansions to the Project. This interest reserved by the Developer shall only be such as is necessary to make the power of attorney run with the land and be irrevocable during the seven (7) year period. The power of attorney includes the right to amend, within the limits elsewhere set out in this Section, the percentage of common interest appurtenant to each Unit. The power of attorney shall be effective and binding whether or not it is specifically reserved in any deed or other instrument.

(g) Parcel 2 shall not be considered a part of the Project or in any way subject to this condominium regime, until it has been specifically submitted to the Condominium Property by the recording of an amended or supplemental Declaration or other annexation instrument (or by this Declaration) signed by the Developer, particularly describing that portion of Parcel 2 to be submitted. Each such instrument shall be filed in the same County Clerk's office as was filed this Declaration.

ARTICLE 3

Section 3.1 Easement for Encroachments. The building(s), all utility lines, and all other improvements as originally constructed shall have an easement to encroach upon any Unit and upon any deviations in construction from the condominium plans contained in this Declaration as a result of the location of the building, utility lines and other improvements across boundary lines between

and along Units and/or the Common Areas, or as a result of building or improvement movement or alterations or additions from time to time, providing that such alterations or additions have complied with the requirements of this Declaration.

If by reason of the construction, repair, restoration, partial or total destruction and rebuilding of the building(s), or improvements constituting a part of the Condominium Property, any part of the Common Areas shall encroach upon any part of a Unit, or any part of a Unit shall encroach upon any part of the Common Areas, or any part of a Unit shall encroach upon any part of any other Unit; or if by reason of the design or construction or rebuilding of the utilities system within the Condominium Project any pipes, ducts, or conduits serving a Unit shall encroach upon any other Unit, easements in favor of the Unit or Council, as the case may be, for the maintenance of any such encroachment are hereby established, granted and reserved.

Section 3.2 Unit's Utility Easements. Easements are granted in favor of each Unit to and throughout the Common Areas as may be necessary for the use of water, gas, sewer, power and other utilities and services including power and communication, now or hereafter existing.

Section 3.3 Utility Easements. Easements are reserved and/or granted hereby in favor of the Developer and/or the Council through each Units and the Limited Common Areas for the purpose of installing, laying, maintaining, repairing and replacing any pipes, wires, ducts, conduits, equipment, fixtures, utility, power or communication lines or equipment, or other components through the walls, floors and ceilings of each Unit and throughout the Limited Common Areas and Common Areas. Each Unit Owner and/or his respective mortgagee by acceptance of a deed conveying such ownership interest and each mortgagee encumbering such ownership interest, as the case may be, hereby irrevocably appoint Developer, or the Council, as the case may be, as his attorney in fact, coupled with an interest, and authorize, direct and empower such attorney, at the option of the attorney, to execute, acknowledge and record for and in the name of such Unit Owner and his mortgagee, such easements or other instruments as may be necessary to effect the purpose of this Section. The easements may be assigned and/or granted by the Developer and/or the Council to any utility or service company.

Section 3.4 General Easement. An easement is hereby reserved and/or granted in favor of the Developer and/or the Council in, on, over and through the Common Areas, the Limited Common Areas and Units for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, policing, replacing and otherwise dealing with the Common Areas, including all improvements thereon.

Section 3.5 Access Easement. Appurtenant to each Unit is an easement over any Common Area and/or Limited Common Area for necessary pedestrian and vehicular ingress and egress to and from any such Unit over the Common Areas and/or Limited Common Areas, to and from a thoroughfare. The easement shall be over such walkways, driveways, or other ways as are designated by the Developer and/or the Council.

Section 3.6 Use of Easement. Any use of the rights and easements granted and reserved in this Article shall be reasonable. If any damage, destruction, or disturbance occurs to a Unit, a Limited Common Area, or the Common Areas as a result of the use of any easement or right, the Unit, Limited Common Area, or Common Area shall be restored by the Council promptly in a reasonable manner at the expense of the person or persons making the use of the easement or right that resulted in the damage, destruction or disturbance. Before beginning work, Council may require all or any part of the expected expense to be prepaid by that person or those persons liable for the expense. No easement may be granted across, through, over, or under any Unit, Limited Common Area, or Common Area, which materially restricts ingress and egress to the Unit, Limited Common Area, or Common Area, unless reasonable alternate ingress and egress is provided or unless the restrictions is only temporary.

Section 3.7 Reservation of Access Easement by Developer. The Developer reserves an easement for itself, its grantees, successor and assigns, to enter upon the Condominium Property for access, including ingress and egress for both vehicles and pedestrians, to and from any public street, road, land, walkway or right-of-way and that portion of Parcel 2 which has not been submitted to the condominium regime. The easement shall be over the streets, sidewalks, bridges and other access ways of the Condominium Property. The Developer further reserves the right to connect, at Developer's expense, to any street, roadway, walkway or other means of access that are located on the Common Areas of the Condominium Property. This reservation of access easements and the right of connection should be construed liberally in favor of the Developer, in order to facilitate the development of all or any portion of Parcel 2 in the event it is not submitted to the condominium regime.

Section 3.8 Reservation of Utility Easements by Developer to Benefit Parcel 2. To benefit all or any portion of Parcel 2 which may never be submitted to the condominium regime, the Developer reserves any and all sanitary sewer lines, storm sewer lines, telephone lines, electricity or other power lines, cable television lines and/or any other lines and/or the accompanying easements located on the Condominium Property. Developer further reserves the right to connect, at Developer's own expense, to any such lines and/or easements. The Developer further reserves easements and/or grants over any Common Areas of the condominium regime at a reasonable location to be designated by Developer, for utilities and/or other services to benefit all or any portion of Parcel 2 not submitted to the condominium regime. These reservations of easements shall be construed broadly in favor of Developer to facilitate the development of any portion of Parcel 2 not submitted to the condominium regime.

Section 3.9 Reservation of Utility Easement by Developer to Benefit Adjacent Parcel. To benefit all or any portion of certain real estate adjacent to the Condominium Property as described in Exhibit G attached hereto and made a part hereof ("Adjacent Property"), the Developer reserves any and all sanitary sewer lines and/or any other lines and/or the accompanying easements located on the Condominium Property. Developer further reserves the right to connect, at Developer's own expense, to any such lines and such easements. The Developer further reserves easements and/or grants over any Common Areas of the Condominium regime at a reasonable location to be designated by Developer, for utilities and/or other services to benefit all or any portion of the

Adjacent Property. These reservation of easements shall be construed broadly in favor of Developer to facilitate the development of any portion of the Adjacent Property.

Section 3.10 Reservation of Easement for Use of Recreational Facilities. To benefit land that may or may not ever be brought under the condominium regime, the Developer reserves an easement to use and enjoy recreational facilities on any real estate subject to the condominium regime. This easement includes access rights. This easement shall, without limitations, specifically allow Developer to use the Clubhouse as a sales office.

Section 3.11 Reservation of Construction Easement by Developer. The Developer reserves the right to temporarily go upon the Condominium Property in order to develop other neighboring land. The easement should be construed broadly in favor of the Developer, including giving the Developer the right to store temporarily construction materials, equipment or dirt. After the construction is finished, the Developer must, at the Developer's cost, repair any damage done to the Condominium Property including to any landscaping. All debris, equipment, materials and dirt must also be removed from the Condominium Property, as soon as reasonably possible by the Developer after the Developer has completed construction on the neighboring land.

Section 3.12 Developer's Easements: General.

(a) The easements and grants reserved for the Developer also benefit and bind any heirs, successors and assigns of Developer and their respective guests, invitees or lessees.

(b) The easements and grants reserved for Developer bind and affect any real estate now or hereafter brought under the condominium regime, whether or not the easement or grant is specifically reserved in any present or future instrument bringing the real estate under the condominium regime.

(c) Any easement and/or grant reserved to the Developer is non-exclusive, if the facilities within the easement or grant were constructed for or under the condominium regime. Any improvement which Developer constructs to benefit mainly real estate which is not part of the condominium regime shall be exclusively for the benefit of Developer.

(d) All use of Common Area improvements, such as roadways and recreational facilities, by or through persons who do not own a Unit or Units in the condominium regime shall be governed as follows:

- (i) The use shall be subject to the same rules and regulations, as far as applicable, related to the use of the roadway and facility, as apply to the Unit Owners. If necessary, the Council may make reasonable and fair additional rules and regulations that apply to use by or through persons who are not Unit Owners; and these rules and regulations shall be posted in a reasonable manner.

- (ii) The owners of real estate which are not part of the condominium regime but which has the right to use certain improvements belonging to the Condominium Project, are obligated to pay to the Council upon demand a fee for the right of use of such improvements located thereon. The fee shall be approximately equal to a proportionate part of the common expenses, including, without limitation, appropriate reserves, attributable to the improvements used. The fee shall be enforced and collected in approximately the same manner as the assessments are enforced and collected against the Unit Owners.
- (iii) The same owners of real estate which is not part of the condominium regime, but which are subject to a fee, shall be entitled to vote along with the Unit Owners on any matter substantially affecting the amount of the fee. The voting power of any such non-unit owner shall be determined by Council in a reasonable and fair way.
- (iv) The Council shall have broad powers to enforce its rules and regulations and to collect its fees against non-unit owners. The powers of Council include the right to deny a non-unit owner access to any condominium facility; to fine any non-unit owner; to deprive any non-unit owner of a vote; and/or to file a continuing lien against the real estate of any non-unit owner, which lien shall be in the amount of not only the fee due to the Council but also of any collection costs, including reasonable attorneys' fees. The Council may also enforce any right which it has against any non-unit owner, in court, and may collect court costs, reasonable attorneys' fees and interest. The rights of Council should be construed broadly in favor of Council so that it can protect the Condominium Project in its dealings with non-owner users of condominium facilities. It is the obligation of non-owner users to keep Council informed of their respective current addresses; and Council cannot be held at fault for failing to notify a non-owner of any rights or obligation, if Council has not been provided with the non-owner's current address.
- (v) It is understood that many of the easements and grants reserved for the Developer by this Article are for the use of and benefit of real estate which may never come under the condominium regime.
- (vi) Notwithstanding Section 3.12(d)(iii) above, a non-unit owner, other than the Developer, shall not have any voting power until the expiration of the seven (7) year period beginning with the date of the recording of this Declaration, except with the written consent of the Developer.

Section 3.13 Private Roadway Easements. Developer has filed or will file a Declaration of Covenants, Easements and Restrictions (the "Roadway Declaration") substantially in the form of attached Exhibit H, which grants or will grant all Unit Owners, the non-exclusive right of ingress

and egress on, over and across a certain private roadway located on or to be located on the Condominium Property and the Additional Property, which private roadway extends or shall extend from the Condominium Property and the Additional Property, to Old Brownsboro Road (the "Roadway"). The Roadway Declaration requires that the Unit Owners pay their proportionate share for the maintenance and repair of the Roadway as a common expense of the Association. The Developer hereby reserves the right to amend the Roadway Declaration to add additional property to the Roadway. Developer reserves the right to have all or any part of the Roadway dedicated as a public street; and if and when such Roadway or part thereof is dedicated, the Roadway Declaration shall terminate automatically as to the entire Roadway or the portion thereof so dedicated. In addition, the Developer reserves the right to have all or part of the Roadway submitted to this Declaration, and upon such submission, the Roadway or part thereof so submitted to this Declaration shall become part of the Condominium Property, and shall be deemed to be and shall be Common Areas, and the Roadway Declaration shall terminate as to the Roadway or part thereof so submitted to this Declaration.

Section 3.14 Additional Easements. Additionally, the proposed Condominium Property and the Additional Property are currently encumbered by the following easements and agreements of record: (1) Reciprocal Easement Agreement dated November 6, 1996 and recorded in Official Record Book 6810, Page 592 of the Jefferson County, Kentucky Clerk's Office; (2) Access and Crossover Easement dated November 6, 1996 and recorded in Official Record Book 6810, Page 586 of the Jefferson County, Kentucky Clerk's Office; and (3) Sanitary Sewer Easement dated October 20, 1997 and recorded in Official Record Book 6951, Page 644 of the Jefferson County, Kentucky Clerk's Office.

Section 3.15 Easement to Run with Land. All easements and rights described in this Article are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the Developer, its successors and assigns, and any owner, purchaser, mortgagee, and other person or entity now or hereafter having an interest in the Condominium Project, or any part or portion of it.

Section 3.16 Reference to Easements and Deeds. Reference in the respective deeds of conveyance or any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees in said instruments as fully and completely as those such easements and rights were recited fully and set forth in their entirety in such instruments.

ARTICLE 4

Section 4.1 Voting: Developer's Proxy Rights.

(a) Each person, group of persons, or entity who is a record owner of a fee interest in any Unit shall be a Member of the Council provided, however, that any such record owner who holds such interest solely as security for the performance of an obligation shall not be a Member.

Members shall be entitled to one vote for each Unit in which they hold the interest required for membership. In the event that more than one person, group of persons, or entity is the record owner of a fee interest in any Unit, then the vote for each such Unit shall be exercised as the record owners among themselves determine. In no event shall more than one vote be cast with respect to any Unit. Membership arises automatically upon the beginning of ownership of a Unit and ceases automatically upon termination of ownership of a Unit. Ownership is not effective for voting, unless it is reflected properly of record in the office of the County Clerk in which this Declaration is recorded and unless the Council has actual notice of the ownership of the Unit.

(b) Notwithstanding the foregoing paragraph or any other provision of this Declaration, the entire administration and operation of the Condominium Project, including but not limited to the adoption and amendment of the Bylaws of Worthington Glen Council of Co-Owners, Inc. (the "Bylaws") a copy of which is attached hereto as Exhibit I, the adoption and amendment of Project rules, the assessment and levy of common expenses, and all other matters relating to the administration, operation and governing of the Project, shall be vested in the Developer until the earlier to occur of: (i) the Developer no longer owns a Unit, (ii) seven (7) years from the date of the recording of this Declaration, or (iii) the Developer voluntarily surrenders in writing Developer's special rights under this Section. Until that event/date occurs, the Developer shall constitute the Council of Co-Owners and the Board of the Council, and shall possess the irrevocable proxy from each Unit Owner to cast the vote of that respective Unit Owner. EACH UNIT OWNER GRANTS THE DEVELOPER THIS IRREVOCABLE PROXY BY ACCEPTING A DEED TO A UNIT. THIS PROXY POWER MAY NOT BE USED BY THE DEVELOPER TO AMEND THIS DECLARATION EXCEPT TO MAKE SUCH AMENDMENTS AS ARE NECESSARY OR DESIRABLE TO EXPAND THE CONDOMINIUM PROJECT WITHIN THE LIMITS SPECIFIED ELSEWHERE IN THIS DECLARATION OF MASTER DEED. THE PROXY RIGHTS OF THE DEVELOPER MAY BE ASSIGNED BY THE DEVELOPER WITHOUT NOTICE TO OR THE CONSENT OF THE UNIT OWNERS OF THE COUNCIL.

Section 4.2 Organizational Meeting. The Developer may call an organizational meeting of the Council immediately. At such meeting, the Members shall elect the initial Board of Directors and Officers, and may adopt the Bylaws of the Council.

ARTICLE 5

Section 5.1 Covenant for Assessments. The proportionate share of each Unit Owner in the common surplus and the common expenses of the Condominium Project is equal to the percentage of common interest appurtenant to the Unit of that Owner. Such percentage of common interest appurtenant to each Unit has been set out in Exhibit C to this Declaration. Each person and/or entity who becomes an Owner of a Unit whether or not it 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's share of assessments 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 cost 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 Owner or Owners of the Unit at the time when the assessment fell due.

Section 5.2 Determination of Regular Assessment: Reserves: Special Assessments: Fine Assessments: Expansion: Start Up Assessment.

(a) The Council shall, from time to time, but not less than once every twelve (12) months, determine the amount of the regular total assessment necessary to defray the Common Expenses for a given period not to exceed twelve (12) months. When setting the regular total assessment, the Council should 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 Units Owners in the Condominium Project. Each Unit Owner, by the acceptance of her deed, does authorize the disbursal of any and all of the escrow funds solely upon the written authorization of the Council. The funds held in reserve are appurtenant to each Unit according to the percentage of common interest appurtenant to the given Unit.

(b) Each Unit Owner is liable to pay that percentage of the regular total assessment that is equal to his Unit's percentage of the common interest, as determined by Council. Notwithstanding the foregoing sentence, for an unoccupied Unit owned by the Developer, the Developer is only liable for eighty (80%) percent of the assessment which it would otherwise have to pay for the Unit. If the Unit becomes occupied, the Developer must thereafter begin paying a full assessment for that Unit.

(c) The Council may from time to time levy special assessments for reasonable purposes. The 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 benefitted 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 very unfair. In that case, Council can determine another reasonable method of apportionment.

(d) If the Project is expanded during a given year and additional Units are brought into the Project, the new Unit shall pay the same assessment per square foot as the existing Units are paying for that assessment year. If in the Council's sole discretion, such a rate would not be reasonable, the Council may adjust the rate up or down for those new Units until the next annual assessment is made.

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

(f) If the Council is paying the water bill for the Project or any Units within the Project, the Council may assess each Unit benefitted for its share of the water bill. Each Unit shall bear an

equal share of the bill, but the Council can assess an extra amount against a Unit to recover the cost of any extraordinary amount of water used by that Unit. "Extraordinary" shall be as determined by the discretion by the Board of Directors. The assessment for water shall be part of the annual regular assessment and shall be considered a Common Expense.

(g) If the Council is paying the stormwater bill for the Project or any Units within the Project in accordance with a certain Regional Stormwater Facilities Fee Agreement dated January 22, 1997 between Developer and Louisville and Jefferson County Metropolitan Sewer District, a copy of which is attached hereto as Exhibit J, the Council may assess each Unit benefitted for its share of the stormwater bill. Each Unit shall bear an equal share of the bill. The assessment for stormwater shall be part of the annual regular assessment and shall be considered a Common Expense.

(h) A special assessment, due immediately, arises against a Unit upon the initial transfer of record of the Unit from the Developer (or successor developer or designated developer) to the Unit Owner (other than a successor developer or designated developer). The special assessment shall be in the amount of the sum of two (2) 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 Developer.

Section 5.3 Billing. The Council shall inform each Unit Owner of the amount of the total annual assessment due from the Owner of that particular Unit. This annual assessment may be paid in monthly installments or as otherwise required by the Council. The Owner of each Unit must pay his 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 Council otherwise directs. Special assessments are due thirty (30) days after the bill for the special assessment has been mailed or otherwise sent out by Council, unless Council otherwise directs. If the Project is expanded and additional Units are brought into the Project 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, under the condominium regime.

Section 5.4 Limited Common Area Assessment. An additional assessment may be made by the Council against any Unit to pay any expense resulting from a Limited Common Area, benefiting that Unit. The assessment must be reasonable. The assessment should be apportioned among the Units using the Limited Common Area in a fair and reasonable manner. The assessment shall be a regular, annual assessment and may be billed and included as part of the regular annual assessment described in Section 5.2 above.

Section 5.5 Assessment Certificate. The Council shall, upon demand, at any reasonable time, furnish to any Owner liable for 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.

Section 5.6 Non-Payment of Assessment. Any assessments (including special assessments) levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest and other costs as set out elsewhere in this Declaration, thereupon become a continuing lien upon the Unit which shall bind the Unit in the hands of the then Owner and the Owner's successors and assigns.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest at a reasonable rate set by Council in its minutes, and the Council may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Unit, in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessments by non-use or waiver of use of the Common Areas or by abandonment of his Unit.

The lien of the Council is against not only the Unit but also the percentage of common interest in the Common Areas appurtenant to the Unit, including any funds held for the benefit of the Unit.

Section 5.7 Priority of Council Lien. The lien provided for in this Article shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been filed of record before notice of this lien has been filed of record, and may be foreclosed in the same manner as a mortgage on real property in an action brought by the Council. The Council is entitled to recover its reasonable attorneys' fees and court costs and collection costs, as part of the lien. In any such foreclosure action, the Council shall be entitled to become a purchaser at the foreclosure sale.

Section 5.8 Disputes as to Common Expenses: Adjustments. Any Owner who believes that the portion of Common Expenses chargeable to his Unit, for which an assessment lien has been filed by the Council, has been improperly charged against his or her Unit, may bring action in an appropriate court of law. 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; 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.

Section 5.9 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Council. Any purchaser of a Unit at a foreclosure sale shall automatically become a Member of the Council and shall be subject to all the provisions of this Declaration, the Bylaws and the Rules and Regulations.

Section 5.10 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. When the mortgagee of a first mortgage of record or other purchaser of a Unit acquires title to the Unit as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure, such acquirer of title, its successors and assigns, shall not be solely liable for the share of the Common Expenses or other assessments by the Council chargeable to such Unit which became due prior to the acquisition of title to the Unit by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible for all of the Units, including that of such acquirer, its successors or 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.

Section 5.11 Liability for Assessments Upon Voluntary Conveyance. The personal obligation of each Owner to pay the assessment against their Unit shall pass to any subsequent grantee who takes title through contract, operation of law, or through any other method or instrument other than a commissioner's deed or other court ordered deed or other than a deed to a mortgagee in lieu of foreclosure. The original Owner shall not be released from the obligation of the assessment, but instead will be jointly and severally liable with the subsequent grantee. However, any such grantee or proposed grantee shall be entitled to an assessment certificate as described elsewhere in this Article, and such grantee shall not be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid assessment made by the Council against the grantor in excess of the amount set forth in the assessment certificate for the period reflected in the assessment certificate. This Section shall not prejudice the right of the grantee to recover from the grantor the amounts paid by the grantee for the assessment which was also the obligation of the grantor.

Section 5.12 Late Charge. The Council may impose a charge against any Unit Owner who fails to pay any amount assessed by the Council against his Unit within ten (10) days after such assessments are due and payable and who fails to exercise his rights under this Declaration or under the laws of the State of Kentucky to contest such assessment in such an amount which is the greater of (a) twenty and 00/100 Dollars (\$20.00), or (b) twenty percent (20%) of the delinquent amount, or such other amount as may be determined by the Council from time to time. Additionally, if a Unit Owner shall be in default in payment of an installment upon an assessment or of a single monthly assessment, the Council has the right to accelerate all monthly assessments remaining due in the current fiscal year. The total of such assessments, together with the delinquent assessments shall then be due and payable by the Unit Owner no later than ten (10) days after the delivery of written notice of such acceleration to the Unit Owner or twenty (20) days after mailing of such notice to him by certified mail, whichever occurs first. If such acceleration amount is not paid by the due date, the above-described late charge may be imposed on the part of such accelerated amount not paid by the due date.

Section 5.13 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 (6) months. As of its effective date, the new interest rate will apply to all assessments then delinquent.

(b) The 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 Council to the Unit is sufficient for any notice requirement under this Declaration.

(c) The lien under this Article 5 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, collection fees, and any other expenses incurred by the Council in enforcing or collecting the assessment.

(e) If any Common Area, including any Limited Common Area, is intentionally or negligently damaged or destroyed through the act or omission of any Owner, the Council may make an individual assessment against the Owner and the Owner's 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 Board.

(g) This Section 5.13 applies to every type of assessment.

ARTICLE 6

Section 6.1 General Insurance. The Council shall carry a master policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, and if required by law, workmen's compensation insurance with respect to the Project and the Council's administration thereof in accordance with the following provisions:

(a) The master policy shall be purchased by the Council for the benefit of the Council, the Unit Owners and their mortgagees as their interest may appear, subject to the provisions of this Declaration and the Bylaws. The "master policy" may be made up of several different policies purchased from different agencies and issued by different companies.

(b) All buildings, improvements, personal property and other common elements of the Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount not less than one hundred (100%) percent of the replacement value

thereof, including, but not limited to, plumbing fixtures, electrical fixtures, kitchen and bathroom fixtures, kitchen and bathroom cabinets, carpeting, paint, wallpaper, interior walls, partitioning, trim, dry wall, appliances furnished by the Developer, and other improvements and betterments, as determined from time to time by the Council. The Council may elect to carry insurance to cover such other perils as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use.

(c) The Council shall try to have its liability insurance contain cross-liability endorsements or appropriate provisions to cover liability of the Unit Owners, individually and as a group (arising out of their ownership interest in the common elements), to another Unit Owner. The amount of the public liability insurance shall be reasonably determined by Council.

Section 6.2 Fidelity Insurance. The Council must have fidelity coverage against dishonest acts on the part of officers and employees, Members of the Council, members of the Board, trustees, employees or volunteers responsible for the handling of funds collected and held for the benefit of the Unit Owners. The fidelity bond or insurance must name the Council as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than the insured's total annual assessment (Article 5, Section 5.2) plus all accumulated reserves and all other funds held by the Council either in its own name or for the benefit of the Unit Owners.

Section 6.3 Directors' and Officers' Errors and Omissions Insurance. The Council shall purchase insurance to protect itself and to indemnify any Director or Officer, past or present against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which she is made a party by reason of being or having been such Director or officer, except in relation to matters as to which she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Council; or to obtain such fuller protection and indemnification for Directors and Officers as the law of Kentucky permits. The policy or policies shall be in an amount to be reasonably determined by the Council.

Section 6.4 Premiums. All premiums upon insurance purchased by the Council shall be Common Expenses.

Section 6.5 Proceeds. Proceeds of all insurance policies owned by the Council shall be received by the Council for the use of the Unit Owners and their mortgagees as their interest may appear; provided, however, the proceeds of any insurance received by the Council because of property damage shall be applied to repair and reconstruction of the damaged property, except as may otherwise be permitted by this Declaration.

Section 6.6 Power of Attorney. Each Unit Owner shall be deemed to appoint the Council as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the master policy or any other insurance policy obtained by the Council. Without limitation on the generality of the foregoing, the Council as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to

collect proceeds and to distribute the same to the Council, the Unit Owners and their respective mortgagees as their interest may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Unit Owners and the Project as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Council in regard to such matters.

Section 6.7 Responsibility of Unit Owner. The Council shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit nor the liability of any Unit Owner for injuries therein not caused by or connected with the Council's operation, maintenance or use of the Project. Each Unit Owner shall obtain insurance coverage at his own expense upon his Unit's furnishings and his personal property; and, in addition, shall obtain comprehensive personal liability insurance covering liability for damage to persons or property of others located within such Unit Owner's Unit, or in another Unit(s) in the Project or upon the Common Areas, resulting, from the negligence of the insured Unit Owner, in such amounts as shall from time to time be determined by the Council.

Section 6.8 Release. All policies purchased under this Article by either the Council or the individual Unit Owners shall provide for the release by the issuer, thereof, of any and all rights of subrogation or assignment and all causes and rights of recovery against any Unit Owners, member of their family, their employees, their tenants, servants, agents and guests, the Council, any employee of the Council, the Board, or any occupant of the condominium project, for recovery against any one of them for any loss occurring to the insured property resulting from any of the perils insured against under the insurance policy.

Section 6.9 Approximate Coverage. If any of the required insurance coverage under this Article becomes or is impossible to obtain or can be obtained only at an unreasonable cost, the Council shall obtain coverage which most closely approximates the required coverage, if such substitute insurance is available.

Section 6.10 Additional Policy Requirements. All such insurance coverage obtained by the Council shall be written in the name of the Council, for the use and benefit of the Council, the Unit Owners and their mortgagees, as further identified below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) Exclusive authority to adjust losses under policies in force on the Project obtained by the Council shall be vested in the Council provided, however, that no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(b) In no event shall the insurance coverage obtained by the Council hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees, and the insurance carried by the Council shall be primary.

(c) All casualty insurance policies shall have an agreed amount endorsement with an annual review by one or more qualified persons.

(d) The Council shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

- (i) a waiver of subrogation as discussed in Section 6.8 of this Article;
- (ii) that no policy may be canceled, invalidated, or suspended on account of the acts of any one or more individual Owners;
- (iii) that no policy may be canceled, invalidated or suspended on account of the conduct of any Director, officer or employee of the Council or its duly authorized manager without prior demand in writing delivered to the Council to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Council, its manager, any Owner or mortgagee; and
- (iv) that any "other insurance" clause in any policy exclude individual Owner's policies from consideration.

Section 6.11 Other Insurance Requirements. If this Project is intended to be qualified under the requirements of FHLMC, FNMA, HUD, FHA, VA or other similar program, the insurance requirements of that program are incorporated herein by reference. IF ANY INSURANCE COMPANY IS UNSURE OF THE COVERAGE INTENDED, IT SHOULD ASK FOR AN INTERPRETATION FROM THE BOARD. OTHERWISE, THE BROADEST COVERAGE SHALL BE PRESUMED, IF THERE IS AN AMBIGUITY.

ARTICLE 7

Section 7.1 FHLMC. The following provisions are included herein for the benefit of the holders of first mortgages on any Unit in the Condominium Project which is subject to the provisions of this Declaration, in order to permit compliance with the requirements of Federal Home Loan Mortgage Corporation (FHLMC) as a condition to the purchase of loans on Units in the Condominium Project. The covenants and provisions hereinafter set forth shall run in favor only of the first mortgage holders, and the provisions hereinafter set forth may be altered, amended, revised or rescinded by actions of the Council without approval of the Unit Owners but only without such approval to the extent that such alteration, amendment, revision, or rescission is necessary to comply with the requirements of FHLMC.

Section 7.2 FHLMC Requirements. In addition to any other requirements of this Declaration, or the Bylaws of the Council, it is provided as follows:

(a) Unless at least fifty-one percent (51%) of the Eligible Mortgagees (as hereinafter defined) (the "Required Eligible Mortgage Vote"), and seventy-five percent (75%) of the individual Unit Owners (other than the sponsor, Developer, or builder) have given their prior written approval, the Council shall not be entitled to:

- (i) by act or omission, seek to abandon or terminate the Condominium Project;
- (ii) change the pro-rata interest or obligations of any individual Unit within the Condominium Project for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro-rata share of ownership of each Condominium Unit in the Common Areas;
- (iii) partition or subdivide any Condominium Unit;
- (iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas by the Condominium Project shall not be deemed a transfer within the meaning of this clause);
- (v) use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Areas) for other than the repair, replacement or reconstruction of such Condominium Property, except as provided by statute in case of substantial loss to the Units and/or Common Areas of the Condominium Project;
- (vi) redefine any Unit boundaries;
- (vii) convert Units into Common Areas or convert Common Areas into Units; or
- (viii) impose restrictions on a Unit Owner's right to lease his or her Unit.

(b) For purposes hereof, an "Eligible Mortgagee" is any holder, insurer or guarantor of a first mortgage on any Unit who has made written request to the Council (listing its name and address and the Unit number or address of the Unit on which it has or insures or guarantees the mortgage) for timely written notice of all notices permitted or required by this Declaration or the Bylaws to be given to the Unit Owner whose ownership in said Unit is subject to such mortgage, even if such Owner has waived the right to receive such notice. All Eligible Mortgagees are entitled to timely written notice of (1) any condemnation or casualty loss that affects either a material portion of the Condominium Property or the Unit securing its mortgage, (2) any sixty (60) day delinquency in the payment of assessments or charges owed by the Unit Owner on which it holds the mortgage, (3) a lapse, cancellation, or material modification of any insurance policy maintained by the Council, (4) any proposed amendment of the Condominium Documents effecting a change in the exclusive

easement rights of the Unit securing its mortgage, or any proposed amendment of the Condominium Documents effecting a change in the purposes to which any Unit or the Common Areas are restricted, and (5) any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

(c) Any agreement for professional management of this Condominium Project, or any other contract providing for services of the Developer (or sponsor or builder), may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

(d) This Project is subject to expansion (phasing or add-ons). In the event that the Project has more than one section (phase or add-on), then Article 7, Section 7.2(a)(ii) and 7.2(a)(iv) are deemed waived to the extent necessary to allow the expansion of the Project in accordance with the Project's constituent documents, including the Declaration. No change in the percentage of common interest appurtenant to each Unit may be affected in any case more than seven (7) years after the recording of this Declaration.

(e) No Unit Owner, or any other party, has priority over any rights of any first mortgagee of a Condominium Unit pursuant to its mortgage in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or Common Areas.

ARTICLE 8

Section 8.1 Reconstruction or Repair. If any part of the Condominium Project shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined as set forth in this Article.

Section 8.2 Lesser Damage. If at least thirty-three and one-third (33 1/3%) percent of the damaged building is found by the Council to be tenable after the casualty, the damaged building shall be reconstructed or repaired.

Section 8.3 Major Damage. If more than sixty-six and two-thirds (66 2/3%) percent of the damaged building is found by the Council not to be tenable after the casualty, whether the damaged property will be reconstructed and repaired or the Condominium Project terminated shall be determined in the following manner:

(a) Immediately after the casualty the Council shall obtain reliable and detailed estimates of the cost to rebuild or repair.

(b) Immediately after the determination of the amount of insurance proceeds made available to the Council, the Council shall give notice to all Unit Owners of the casualty, the extent of the damage, the estimated cost to rebuild or repair, the amount of insurance proceeds and the estimated amount of assessments required to pay the excess of the cost of reconstructing or repair

over the amount of insurance proceeds. Such notice shall call a meeting of Unit Owners to be held within thirty (30) days from the mailing of such notice. If the reconstruction and repair are approved at such meeting by the Owners of Units to which seventy-five (75%) percent or more of the common interest is appurtenant, the damaged property will be reconstructed. If not so approved, the Condominium Project shall be terminated or modified so as to remove the destroyed Units and/or otherwise recalculate and redistribute the percentage of common interest by reason of the removal of the destroyed Units. Such approval may be expressed by vote or in writing filed with the Council at or within fourteen (14) calendar days prior to the meeting.

(c) The market value of any such destroyed Unit (excluding contents, additions, improvements, decorations and personal property therein) immediately prior to the destruction shall be paid to the Owner of the Unit and to each mortgagee of the Unit, the remittance being payable jointly to the Owner and mortgagee, provided that the Owner simultaneously convey by general warranty deed in recordable form, all of the Owner's right, title and interest in and to the Unit, including the Unit's percentage of common interest, to the remaining Owners in the Project. There is to be deducted from any amount due to the Owner and/or mortgagee, the amount of any insurance proceeds which the Owner and/or mortgagee has or will receive or is entitled to by reason of the destruction of the Unit. The market value shall be the fair market value determined by agreement between Unit Owner and the Council. If the Unit Owner and the Council cannot agree upon the market value within one hundred twenty (120) days after the destruction of the Unit, the market value shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrator shall be two (2) appraisers appointed by the American Arbitration Association, who shall base their determination upon an average of their appraisals of the Unit. A judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be split between the Unit Owner and the Council.

(d) The purchase price shall be paid in cash or upon terms approved by the seller and the Council.

(e) The sale shall be closed within thirty (30) days following the determination of the sale price (the market value). Good and marketable title to the Unit must be conveyed by the Owner to the remaining Owners by a general warranty deed, free and clear of all liens and encumbrances except this Declaration.

(f) The percentage of common interest appurtenant to each Unit shall be redetermined to reflect the reduction in floor area in the Condominium Project, except that if any such destroyed common interest appurtenant to each Unit shall again be redetermined to reflect the addition in floor area to the Condominium Project. Any such amending or supplementary documents to this Master Deed reflecting changes in the percentage of common interest occurring by reason of destruction or by reason of eminent domain need only be executed by Council.

(g) The funds for the payment of the cost of purchase after casualty of any Unit shall come first from the insurance proceeds. If the insurance proceeds are insufficient, then the Council

shall make a special assessment sufficient to pay the excess of the cost over the amount of the insurance proceeds. The special assessment shall be against all Unit Owners, including the destroyed Units payable by each Unit Owner according to that Unit Owner's percentage of common interest before the destruction. The special assessment may include all transaction costs of the Council including attorneys' fees, court costs, appraisal fees and arbitration costs.

Section 8.4 Plans. Any reconstruction or repair must be substantially according to the plans and specifications approved by the Council

Section 8.5 Responsibility. The responsibility of reconstruction and repair after casualty shall be that of the Council.

Section 8.6 Funds. The funds for the payment of the costs of reconstruction and repair after casualty come first from the insurance proceeds. If the insurance proceeds are insufficient, then the Council shall make a special assessment sufficient to pay the excess of the cost of reconstruction or repair over the amount of insurance proceeds. The special assessment shall be against all Unit Owners, payable by each Unit Owner according to her percentage of common interest.

ARTICLE 9

Section 9.1 Eminent Domain. The taking of a portion of a Unit or of the Common Areas by eminent domain shall be deemed to be proceeds from insurance on account of a casualty and shall be deposited with the Council. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Council and in the event of failure to do so, in the discretion of the Council, a special assessment shall be made against the defaulting Unit Owner in the amount of his award, or the amount of such award shall be set off against the sums hereafter made payable to such Owner. The proceeds of the awards shall be distributed or used in the manner heretofore provided for insurance proceeds except that when the Condominium Project is not to be terminated and one or more Units are taken in part, the taking shall have the effect as elsewhere stated in this Article.

Section 9.2 Unit Reduced but Tenable. If the taking reduces the size of a Unit and the remaining portion of a Unit, in the reasonable discretion of the Council, can be made tenable, the award for the taking of a portion of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium Project:

(a) The Unit shall be made tenable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owner of the Unit.

(b) The balance of the award, if any, shall be distributed to the Owner of the Unit and to each mortgagee of the Unit, the remittance being payable jointly to the Owner and mortgagees.

(c) The percentage of common interest appurtenant to each Unit shall be redetermined in the method originally determined, but to reflect the reduction in floor area in the Condominium Project.

Section 9.3 Unit Untenable. If the taking destroys or so reduces the size of the Unit that, in the reasonable discretion of the Council, it cannot be made tenable, the award for the taking of the Unit shall be used for the following purposes in the order stated and the following changes shall be effected in the Condominium Project:

(a) The market value of such Unit immediately prior to the taking shall be paid to the Owner of the Unit and to each mortgagee of the Unit, the remittance being paid jointly to the Owner and mortgagees, provided that the Owner simultaneously convey by deed all of her right, title, and interest in and to the Unit, including the Unit's percentage of common interest, to the remaining Owners in the Project. Unless otherwise proved to the reasonable satisfaction of Council, the amount of the market value shall be assumed to be the same as the amount of the award.

(b) The remaining portion of such Unit, if any, shall become a part of the Common Areas and shall be placed in condition for use by all of the Unit Owners in the manner approved by the Council.

(c) The percentage of common interest appurtenant to each unit shall be redetermined in the manner originally determined but to reflect the reduction in floor area in the Condominium Project.

(d) If the amount of the award for the taking is not sufficient to pay the market value of the condemned Unit to the Owner and to refurbish the remaining portion of the Unit for use as a part of the Common Areas, the additional funds required for such purposes shall be raised by assessments against each Unit Owner remaining after the changes in the Condominium effected by the taking. Such assessments shall be made in proportion to each's Unit's percentage of common interest as calculated after the taking.

Section 9.4 Amendment to Declaration. The change in the percentage of common interest appurtenant to each Unit, which comes as a result of the eminent domain or as a result of destruction by casualty (Article 8) shall be evidenced by an amendment to the Declaration.

Section 9.5 Power of Attorney. Each Unit Owner and/or his respective mortgagee by acceptance of a deed conveying his Unit and each mortgagee encumbering such ownership interest, hereby irrevocably appoint the Developer or the Council, as the case may be, as his attorney in fact, coupled with an interest, and authorize, direct, and empower such attorney, at the option of the attorney, to represent the Unit Owner and/or each mortgagee and any negotiations, agreements, settlements and/or proceedings arising out of the eminent domain or threat thereof, and to execute, acknowledge and record for and in the name of each Unit Owner and/or each mortgagee any amending instruments as may be necessary or desirable to effect the purpose of this Article.

ARTICLE 10

Section 10.1 Council. The administration of the Project shall be vested in the Council.

The Owner of any Unit, upon acquiring title, shall automatically become a Member of the Council and shall remain a Member until such time as his ownership of such Unit ceases for any reason, at which time his membership in the Council shall automatically cease. The Council shall have full power and responsibility to administer, operate, sustain, maintain, and govern the Condominium Project including but not limited to, the powers and responsibilities to make prudent investments of funds held by it; to make reasonable rules and regulations; to borrow money; to make assessments; to bring lawsuits and defend lawsuits; to enter into contracts; to enforce all of the provisions of this Declaration, the Bylaws and any other documents or instruments relating to the establishment, existence, operation, alternation or termination of the Condominium Project. The powers of the Council shall be construed liberally.

Section 10.2 Board of Directors. Unless otherwise specifically stated in this Declaration, the Council shall act exclusively through its Board of Directors (the "Board"). The Board shall be chosen by the Council in accordance with the Bylaws. The Board shall be authorized to delegate the administration of its duties and powers by written contract to a managing agent or administrator employed for that purpose by the Board.

Section 10.3 Books of Account; Inspection; Audit. The Council shall keep a detailed account of the receipts and expenditures affecting the Project and its administration, and specifying the maintenance and repair expenses of the Common Areas and any other common expenses incurred by or on behalf of the Project. Both the accounts and vouchers accrediting the entries made thereon shall be available for examination by the Unit Owners at such working hours as the Council shall establish and make known. All books and records must be kept in accordance with good accounting procedures and must be reviewed at least once a year by an independent accounting firm.

Section 10.4 Limitations on Council's Duties.

(a) The Council did not construct the improvements, including the Units, in the Condominium Project. The Council does not warrant in any way or for any purpose, the improvements in the Condominium Project. Construction defects are not the responsibility of the Council.

(b) The Council shall have a reasonable time in which to make any repair or do any other work which it is required to do. The Council must first have actual knowledge of a problem. Any determination of the reasonableness of the Council's response, must allow for the facts that the Council is volunteer and that the funds available to the Council are limited.

(c) In case of ambiguity or omission, the Board may interpret the Master Deed and the other project documents, and the Board's interpretation shall be final if made without malice or fraud. Notwithstanding the foregoing, the Developer may overrule any interpretation affecting it,

made within seven (7) years of the date of this Declaration, and such interpretation cannot be enforced against the Developer, its successors or assigns. The Council shall have the right to assess fines upon a Unit Owner's failure to remedy any damage caused by the Unit Owner's vehicle after ten (10) days' written notice from the Council. In the event the Unit Owner fails to pay said fine, the Council shall have the ability to attach a lien for same against the Unit Owner's property.

ARTICLE 11

Section 11.1 Use and Occupancy. The Council shall make Rules and Regulations to govern the use and occupancy of the Condominium Project. In addition, the following covenants, conditions, and restrictions, as to use and occupancy shall run with the land and shall be binding upon each Unit Owner, his heirs, tenants, licensees and assigns:

(a) Except as otherwise provided in this Declaration, no part of the Condominium Project shall be used for other than housing and the common recreational purposes for which the Condominium Property was designated. Each Unit shall be used only as a residence. No one shall be permitted to own a garage, unless such person shall also own a Unit. Additionally, garages shall be used solely for the storage of motor vehicles and related items and may not be converted into living area or used as a workshop or place of business.

(b) There shall be no storage or parking of any items, including baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs in any part of the Common Areas, except as permitted by the Rules and Regulations. Patios, porches and decks may be used only for their intended purposes. A Unit Owner shall be permitted to park on such Unit Owner's driveway, provided no Unit Owner shall obstruct, or permit the obstruction of, the driveway utilized by any other Unit Owner.

(c) Without the prior written consent of the Council, or except in case of temporary loading or unloading, or except if kept within the garages with the garage door closed, no part of the Project shall be used for parking of any trailer, truck, boat, motorcycle, R.V., scooter or anything other than operative, currently licensed automobiles. Guests, licensees and invitees shall be permitted to park on paved Common Areas designated for such use only to the extent that it shall not obstruct traffic flow or unreasonably inconvenience other Unit Owners. Vehicles, whether owned by a Unit Owner or not, parked in violation of any part of this Declaration or in violation of any rules or regulations, shall be towed away and stored at the Owner's risk and expense. The Council shall have the right to assess a fine and simultaneously levy a lien against the Unit Owner's property, upon a Unit Owner's failure to remedy any damage caused by a Unit Owner's vehicle after ten (10) days' written notice to the Unit Owner from the Council of such damage.

(d) Nothing shall be done or kept in any Unit or in the Common Area, without the prior written consent of the Council, which will increase the rate of insurance of the buildings, or contents thereof. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Areas which will result in the cancellation of insurance on the buildings, or contents

thereof, or which would be in violation of any law. No waste will be committed in the Common Areas.

(e) Owners shall not cause or permit anything including signs to be hung or displayed on the outside of or from the inside of, windows, or transparent doors, or placed on the outside walls of a building, and no sign, awning, canopy, shutter, radio or televisions antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Council. Owners shall also not cause or permit any curtains, shades or other window coverings to be hung inside or outside any windows or transparent doors which will show any color on the outside other than white or beige tones, without the prior written consent of the Council or its Board.

(f) No animals shall be raised, bred or kept in the project, except that dogs, cats or other household pets may be kept in Units provided that they are not kept, bred, or maintained for any commercial purpose, and provided that the pet weighs less than thirty (30) pounds. Any pet causing or creating a nuisance or unreasonable disturbance may be permanently removed from the Project upon seven (7) days written notice from the Council. Pets permitted as above shall be leashed or restrained during walking or exercise within the Common Area. The Owner must clean up any mess made by the Owner's pet. No dangerous animal is allowed in the Project. The Council shall have the right to assess a fine and simultaneously levy a lien against the Unit Owner's property, upon a Unit Owner's failure to remedy any damage caused by a Unit Owner's pet after ten (10) days' written notice to the Unit Owner from the Council of such damage.

(g) No noxious or offensive activity shall be carried on in the Project, nor shall anything unreasonable be done, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants.

(h) Without the prior written consent of the Council, nothing shall be done which will impair the structural integrity of any building or which would structurally change any building or alter the appearance of any part of the Project, including Limited Common Areas.

(i) No clothes, sheets, blankets, laundry or any kind or other articles shall be hung out or exposed on any part of the Project. The Project shall be kept free and clear of rubbish, debris, and other unsightly materials.

(j) Nothing shall be altered on or constructed on or removed from the Common Areas or Limited Common Areas except as otherwise provided in this Declaration and except upon the prior written consent of the Council.

Section 11.2 Compliance with Covenants, Conditions and Restrictions. Every Unit Owner shall comply strictly with the covenants, conditions and restrictions set forth in this Declaration (in this Section or elsewhere), with the Bylaws, and with the Rules and Regulations in relation to the use and operation of the Condominium Project. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages and/or for injunctive relief. Such action may be maintained by a Unit Owner, the Council on its own behalf or on behalf of the Unit Owners

aggrieved, or by any person or entity who holds a mortgage lien upon a Unit and is aggrieved by such noncompliance. In any case of flagrant or repeated violation by a Unit Owner, he may be required by the Council to give sufficient surety or sureties for his future compliance with said covenants, conditions, restrictions, Bylaws, Rules and Regulations. The Council may recover all of its costs of enforcement, including court costs and reasonable attorney's fees; and all of such costs shall be a continuing lien upon the Unit which shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns. Also See Article 14, Section 14.4.

Section 11.3 Severability. Each of the above restrictions and covenants shall be independent of every other. Invalidation of any of the above by judicial proceeding or any other means shall in no way effect the validity of the others.

ARTICLE 12

Section 12.1 Unit Owner's Responsibilities. The responsibilities of each Unit Owner shall include:

(a) To maintain, repair and replace at his expense all portions of his Unit, and all internal installations of such Unit such as appliances, smoke detectors, heating, ventilating, plumbing, electrical and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the Unit boundaries and any heating or air conditioning equipment located without or outside the Unit boundaries designated and installed for the exclusive purposes of servicing the Unit. See also Article 1, Section 1.1(n).

(b) To maintain and repair all windows, weatherstripping, window frames, doors, vestibules, locks, door frame and hardware, and entryways of his Unit and of any Limited Common Area which is appurtenant to his Unit. The foregoing includes, without limitation, responsibility for all breakage, damage, malfunctions and ordinary wear and tear of such items. If the Owner owns a garage, the Owner must repair, maintain and replace any garage door, garage, door tracks, hardware and automatic openers. Any repair, replacement and maintenance work to be done by an Owner must comply with any Rules and Regulations of the Council including about architectural control and visual harmony.

(c) To perform his responsibilities in such manner so as not unreasonably to disturb other persons residing within the Condominium Project.

(d) Not to paint or otherwise decorate or change the appearance of any portion of the building not within the walls of his Unit, without the written consent of the Council.

(e) To promptly report to the Council or its managing agent any defect or need for repairs, the responsibility for the remedying of which is with the Council.

(f) Not to make any alterations in the portions of the Unit or the building which are to be maintained by the Council or remove any portion thereof or make any addition thereto or do

anything which would or might jeopardize or impair the safety or soundness of the building without first obtaining the written consent of the Council, nor shall any Unit Owner impair the use of any easement without first obtaining the written consents of the Council and of the Owner or Owners for whose benefit such easements exists.

(g) Each Unit Owner shall be deemed to agree by acceptance of delivery of a Deed to a Unit, to repair and/or replace at his or her expense all portions of the Common Areas which may be damaged or destroyed by reason of his or her own intentional or negligent act or omission, or by the intentional or negligent act or omission of any invitee, tenant, licensee family member, including, but not limited to any repairs necessary which result from damage incurred by pets or vehicles owned by the Unit Owner, or owned by any guest, invitee, tenant or licensee of such Unit Owner.

Section 12.2 Construction Defects. The obligations of the Council and of Owners to repair, maintain and replace the portions of the Condominium Property for which they are respectively responsible shall not be limited, discharged or unreasonably postponed by reason of the fact that any maintenance, repair or replacement may be necessary to cure any latent or patent defects in materials or workmanship in the construction of the project. The undertaking of repair, maintenance or replacement by the Council or Owners shall not constitute a waiver of any rights against any warrantor but such rights shall be specifically reserved.

Section 12.3 Effect of Insurance or Construction Guarantees. Notwithstanding the fact that the Council and/or any Unit Owner may be entitled to the benefit of any guarantee of material and workmanship furnished by any construction trade responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of construction guarantee or insurance coverage shall not excuse any unreasonable delay by the Council or any Unit Owner in performing his obligation hereunder.

Section 12.4 Rights of Unit Owners. A Unit Owner's rights include the following:

(a) A Unit Owner shall have the exclusive ownership to his Unit and shall have a common right to share, with other co-owners, in the Common Areas of the Condominium Property, equivalent to the percentage representing the floor area of the individual Unit, in relation to the floor area of the property as a whole.

(b) Each Owner may use the general Common Areas in accordance with the purpose for which they are intended. However, each Owner may not hinder or encroach upon the lawful rights of the other Owners to use the Common Areas.

Section 12.5 Share in Funds. The proportionate interest of each Unit Owner in any funds maintained or held by the Council, cannot be withdrawn or separately assigned, but is deemed to be transferred with each Unit even though not mentioned or described in conveyance.

Section 12.6 Injuries and Damages. Each Unit Owner shall be individually liable for injuries or damages which result from his own negligence or willful misconduct or which occur within his individual Unit, to the same extent and degree as the individual Owner of any other residential property.

Where a judgment arising from a risk common to all of the Owners is in excess of the liability insurance in force, the liability of any co-owner shall not exceed his pro-rata share as determined by the percentage that the value of his individual Unit bears to the value of the Condominium Project as a whole. An uncollected share of a judgment shall not be reassessed among the Owners.

Section 12.7 Leasing Rights. No Owner may lease less than an entire Unit. No Owner other than the Developer or a first mortgagee in possession of a Unit may rent a Unit for any period of less than six (6) months. All leases must be in writing. All leases are subject to all provisions of the Declaration, the Bylaws and the Rules and Regulations. If any lessor or lessee is in violation of any of the provisions of the foregoing documents, the Council may bring an action in its own name and/or in the name of the lessor to have the lessee evicted and/or to recover damages. If the Court finds that the lessee is or has violated any of the provisions of the Declaration, the Bylaws or the Rules and Regulations, the Court may find the lessee guilty of forcible detainer notwithstanding the facts that the lessor is not a party to the action and/or that the lessee is not otherwise in violation of lessee's lease or other rental agreements with lessor. For purposes of granting the forcible detainer against the lessee, the Court may consider the lessor a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (the Council). The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies which Council has. If permitted by present or future law, Council may recover all of its costs, including Court costs and reasonable attorney's fees, and such costs shall be a continuing lien upon the Unit which shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns.

Section 12.8 Garages.

(a) Unit Owners of a garage shall be required to pay an assessment, which shall be based on such Unit Owner's proportionate share of the budgeted expenses that will be incurred by the Council to maintain the garages, plus an amount for the garage reserve fund as determined by the Board.

(b) A garage can only be owned by, leased to, used by and/or mortgaged by an Owner of record of a Unit in the Project. Any other transfer is void.

(c) No residential use can be made of a garage. The use is limited to storing a vehicle. Reasonable storage of household related goods is permitted so long as there is still room for a normal size automobile to be kept in the garage, and further said automobile must be parked in the garage and the garage cannot be used as a storeroom. The garage may not be used to keep animals. Nothing dangerous or of a nuisance to neighbors or illegal may be stored in a garage. Refrigerators

or freezers may be stored in a garage but shall not be plugged in. The garage may not be used as a workshop. The use of garage(s) is subject to the Rules and Regulations of the Council.

(d) The Council may make and enforce by fine, lien and otherwise reasonable rules and regulations about the garage and the use of the garage(s). The Owner shall be responsible to maintain, repair and replace the garage door and any garage door related equipment.

(e) Any parking space or carport designated for a particular Unit shall be appurtenant to that Unit. The other paragraphs of this section relating to garage(s) shall also apply to parking spaces and carports, except that no storage of any kind is permitted on a parking space or in a carport. Only a currently licensed noncommercial, non-farm, motor vehicle, in operable condition, not exceeding the size of the parking space or carport, may be parked in a parking space or a carport.

(f) Transfer of title to a Unit automatically transfers title to any parking space and/or carport appurtenant to or assigned to that Unit.

ARTICLE 13

Section 13.1 Termination. The condominium regime may be terminated or waived by any method permitted by Kentucky law at the time of the termination or waiver. If Kentucky law permits or is otherwise silent, the condominium regime may also be terminated or waived as set forth in Section 13.3 of this Article.

Section 13.2 Destruction. If it is determined in the manner elsewhere provided that the building(s) shall not be reconstructed because of major damage, or eminent domain, the condominium regime will be thereby terminated without agreement.

Section 13.3 Agreement. If the proposed termination or waiver is submitted to a meeting of the Members of the Council and if approved by Owners of the Units appurtenant to which is not less than seventy-five (75%) percent of the common interest, and if a consent to the termination is obtained from each record holder of a first mortgage upon Unit not later than ninety (90) days from the date of such meeting, then the approving Owners shall have an option to buy all of the Units of the other Owners for the period ending on the one hundred and twentieth (120th) day from the date of such meeting. Such approvals shall be irrevocable until the expiration of the option period, and if the option is exercised, the approvals shall be irrevocable. Such option shall be upon the following terms:

(a) The option shall be exercised by the delivery or mailing by certified mail to each of the record Owners of the Units to be purchased the following instruments:

- (i) A certificate executed by the Chairman and Secretary of the Board certifying that the option to purchase the Units owned by Owners not approving termination has been exercised as to all of such Units. Such certificate shall

state the names of the Unit Owners exercising the option, the Units owned by them and the Units being purchased by each of them.

- (ii) An agreement to purchase, upon the terms herein stated, the Unit of the Owner receiving the notice, which agreement shall be signed by the purchasing Unit Owner or Owners.

(b) The sale price for each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of the instruments. In the absence of such agreement the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two Appraisers appointed by the American Arbitration Association, who shall base their determination upon an average of their appraisals of the Unit. A judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser. The arbitration must be held within one hundred and twenty (120) days from the date of the exercise of the option.

(c) The purchase price shall be paid in cash or upon terms approved by the seller and the Council.

(d) The sale shall be closed within twenty (20) days following the determination of the sale price. Good and marketable title to the Unit must be conveyed by the seller to the purchaser by a general warranty deed, free and clear of all liens and encumbrances except this Declaration.

(e) The closing of the purchase of all of the Units subject to such option shall effect a termination or waiver of the condominium regime without further act except the filing of the certificate hereafter required.

Section 13.4 Certificate. The termination or waiver of the condominium regime in either of the foregoing manners shall be evidenced by a certificate of the Council executed by its Chairman and Secretary certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in records of the County Clerk's office in which the real estate records for the real estate regime are recorded.

Section 13.5 Shares of Owners After Termination. After any termination or waiver of the condominium regime the Unit Owners shall own the Condominium Property and all assets of the Council as tenants in common in undivided shares, and their respective mortgagees and lienors shall have mortgages and liens upon the respective undivided shares of the Unit Owners. Such undivided shares of the Unit Owners shall be the same and the undivided shares in the Common Areas appurtenant to the Owner's Units prior to the termination or waiver.

Section 13.6 Amendment. This Article concerning termination or waiver cannot be amended without consent of all Unit Owners and of all record Owners or mortgagees upon the Units.

ARTICLE 14

Section 14.1 Prohibition of Partition. The Common Areas, both general and limited, shall remain undivided and shall not be the object of an action of partition or division of the co-ownership.

Section 14.2 Severability. The invalidity of any Article, Section, covenant, restriction, condition, limitation, or any other provision of this Master Deed or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of the Master Deed.

Section 14.3 Waiver. No covenants, restrictions, conditions, obligations, or provisions 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.

Section 14.4 Enforcement of Provisions.

(a) In addition to any other remedies provided for in this Master Deed, the Council, Developer, or any Owner or Owners shall have the right to enforce all restrictions, covenants, conditions, easements, reservations, liens and charges now or hereinafter imposed by or through the provisions of this Master Deed, the Bylaws or any Rules or Regulations promulgated by the Council, or as provided by KRS 381.883. Enforcement shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants. The failure or forbearance by the Council or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or by recovery of damages. All charges incurred by the Council in enforcing these covenants and restrictions (including court costs and reasonable attorney's fees) shall constitute a lien against the Unit of such person or persons, subject to subordination of any first mortgage.

(b) The Council shall also have the power to levy a reasonable fine against any Unit, the Owner of which is not complying with the Master Deed, the Bylaws and/or any Rules and Regulations of the Project. A continuing violation can be punished by more than one fine. A fine cannot be charged until the offending Unit Owner has been mailed a written explanation of his or her offense and has been given thirty (30) days after the date of mailing or other sending in which to cure the offense. The fine shall constitute a lien which may be filed against the Unit. The lien may be enforced as an assessment lien may be enforced, including by foreclosure. The Council shall be entitled to collect all reasonable attorney's fees and court costs and administrative costs, even if the fine is paid short of going to court.

Section 14.5 Liability. Neither the Developer, nor any subsidiary or affiliate of Developer, nor any employee, agent, successor or assign of Developer, or such subsidiary or affiliate, shall be

liable for any claim or damage whatsoever arising out of or by reason of any actions performed pursuant to or in accordance with the authority granted or delegated to them or any of them by or pursuant to this Master Deed, except with respect to matters as to which it is adjudged to have been negligent.

Section 14.6 Interpretation. The provisions of this Master Deed shall be liberally construed to effectuate the purpose of creating a uniform plan for the establishment and operation of a condominium development.

Section 14.7 Notices and Demands. Any notice by the Council to a Unit Owner shall be deemed to be duly given, and any demand upon him shall be deemed to have been duly made, if delivered in writing to him personally, or if mailed by certified (or the equivalent) mail to an officer of the Council.

Section 14.8 Alteration and Transfer of Interests. The Common Areas and easements appurtenant to each Unit shall have a permanent character and shall not be altered, except as otherwise provided herein, without the consent of all of the Owners, expressed in a recorded amendment to this Declaration. The Common Areas and easements shall not be separated from the Unit to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such Unit even though such Common Areas or easements are not expressly mentioned or described in the instrument.

Section 14.9 Council and Director Responsibility. In carrying out the provisions of this Declaration, and in the performance of all of the rights, duties and obligations, covenants and conditions, hereunder, specifically including but not limited to, the protection, maintenance and upkeep of Common Areas, the Council, its officers, directors, servants and employees shall be required to exercise reasonable care only, and shall in no way be deemed absolutely liable, or be deemed insurers.

Section 14.10 Expansion of Council. The Council upon the affirmative vote of fifty-one percent (51%) of its Members or upon unanimous vote of its Board of Directors, may merge with any other Council of a reasonably compatible community. Short of merger, the Council may share expenses or otherwise cooperate with any other Council or homeowners association.

ARTICLE 15

Section 15.1 Amendment of Declaration. Except as otherwise specifically stated in any other Article of the Declaration and except as required by law, any provision of the Declaration may be amended at any regular or special meeting of the Members of the Council. In order for the amendment to pass, at least seventy-five (75%) percent of the total number of votes held by the Members of the Council must be cast in favor of the amendment. The amendment will be effective upon the recording, in the County Clerk's office at which the Declaration was recorded, of a copy of the amendment together with an acknowledged statement from the secretary of the corporation stating:

- (i) the date of the meeting at which the amendment was adopted;
- (ii) the percentage of the total number of votes held by members cast in favor of the amendment;
- (iii) the fact that a true and accurate copy of the amendment is attached to the statement; and
- (iv) the fact that the person making the statement is the secretary of the corporation.

Section 15.2 Correction. Either the Council or the Developer may, at any time and without the consent of the Members of the Council, make amendments to the Declaration to correct errors in language, errors in typing or errors in grammar or errors in arithmetic or errors on the plats of record; to make such amendments to comply with Kentucky law; or to make such amendments as are required by the Veteran's Administration, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or other similar federal agency, state agency, private agency, or financial institution, in order to qualify the Unit, or any of them, for the benefit of loans, insurance or guarantees. The amendment will be effective upon the recording in the County Clerk's office at which the Declaration was recorded, of a copy of the amendment together with an acknowledged statement from the corporation of the Developer stating:

- (i) the date on which the amendment was adopted;
- (ii) the fact that a true and accurate copy of the amendment is attached to the statement; and
- (iii) the fact that the person making the statement has the authority to do so.

Section 15.3 Implementation of Amendments. The Council or the Developer, as the case may be, has the power to make any plats, deeds or other instruments necessary or desirable to effectuate an amendment.

Section 15.4 Developer's Consent. For a period of seven (7) years beginning with the date of the recording of this Declaration, no amendment to the Declaration is effective unless it has the written consent of the Developer, which consent must be recorded with the amendment or as a part of the amendment. The consent of the Developer is in addition to the other requirements of this article. The Developer may at any time surrender in writing the Developer's rights under this Section 15.4.

ARTICLE 16

Section 16.1 Shares without Certificates. The Council does not issue stock certificates. In other words, no Member will have a stock certificate as evidence of membership in the Council. The Member's deed, properly recorded, is the evidence of membership for that Member.

Section 16.2 Notice of Stock Information. This Master Deed shall be considered notice from the Council to each Member of the following facts:

- (a) The name of the corporation is the same as the name of the Council, which is set out in Article 1, Section 1.1(d);
- (b) The grantee in any deed to a Unit, which deed is properly recorded, becomes automatically a shareholder in the corporation and a member of the corporation;
- (c) There is only one (1) class of shares in the corporation;
- (d) Each share is otherwise identical to each other share, except percentage of ownership in the corporation is equal to a Unit's percentage of common interest as per this Declaration, as from time to time amended; and
- (e) There is one share of stock appurtenant to the ownership of each Unit. For instance, if a person owns, of record, full fee simple title to three Units, that person has three shares.

Section 16.3 Developer's Proxy. As explained elsewhere in this Declaration, the Developer has retained a proxy, for seven (7) years, to vote all shares of the corporation. The Council also has proxy rights under certain circumstances as explained elsewhere in the Articles of Incorporation and this Declaration.

ARTICLE 17

Section 17.1 HUD. This article is included for the benefit of Housing and Urban Development (HUD) and such other lenders, guarantors of mortgages, insurers of mortgages, or other entities or institutions as the Board of the Council may direct by resolution in its minutes. The Board may otherwise amend or repeal this article or any part of this article by resolution, but such a repeal or amendment would only be effective as to mortgages recorded after a copy of the repeal or amendment, certified by the Secretary of the Council, was properly placed of record in the same county clerk's real estate records in which the Master Deed was recorded. A copy of the repeal or amendment must be mailed or otherwise delivered to the local office or main office of HUD, VA, FHLMC and FNMA, or such of those organizations as then exist. Likewise a copy of the repeal or amendment must be mailed or delivered to each holder of record of a first mortgage on any Unit in the Project. The copy of the repeal or amendment, placed of record, must certify that the mailings or sendings required by Section 17.1 of this Article have been performed. Should Section 17.1 of this Article be construed to conflict with Section 17.2 of this Article, Section 17.1 shall control.

Section 17.2 HUD Requirements. In addition to any other requirements of this Declaration, or the Bylaws of the Council, the following requirements apply:

(a) The Council shall make available to Unit Owners, lenders and holders and insurers of the first mortgage on any Unit, current copies of the Declaration, Bylaws and other rules and regulations governing the Project, and other books, records and financial statements of the Council. The Council shall make available to good faith prospective purchasers current copies of the Declaration, Bylaws and other rules governing the Project, and the most recent annual audited financial statement, if there is one. "Available" shall at least mean available for inspection upon request, during normal business hours or under reasonable circumstances set by the Council.

(b) Upon written request from HUD, FNMA, FHLMC, or VA, as long as HUD, FNMA, FHLMC or VA has an interest or a good faith prospective interest in the Project, the Council shall prepare and furnish within a reasonable time an audited financial statement for the immediately preceding fiscal year:

(c) The Developer should reasonably provide for and foster early participation of Unit Owners in the management of the Council. At such time as the Developer relinquishes control of the Council, the Developer, if requested in writing, should help set up the elections for new board Members.

(d) A working capital fund shall be established from a special assessment of two months estimated common area charge levied on each unit at the time of initial sale by Developer.

(e) A holder, insurer or guarantor of a first mortgage, upon written request to the Council (such request to state the name and address of such holder, insurer or guarantor and the Unit number), will be entitled to timely written notice of:

- (i) Any proposed amendment of the condominium instruments effecting a change in (A) the boundaries of any unit or the exclusive easement rights appertaining thereto, (B) the interests in the general or Limited Common Elements appertaining to any unit or the liability for Common Expenses appertaining thereto, (C) the number of votes in the Council appertaining to any Unit or (1) the purposes to which any Unit or the Common Areas are restricted;
- (ii) Any proposed termination of the condominium regime;
- (iii) Any Condominium Project loss or any casualty loss which affects a material portion of the Condominium Project or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

- (iv) Any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days; and
- (v) Any lapse, cancellation or material modification of any insurance policy maintained by the Owner's Association pursuant to this Article 17.

(f) The following provisions do not apply to amendments to the constituent documents or termination of the condominium regime made as a result of destruction, damage or condemnation or to a reallocation of interests in the Common Areas which might occur pursuant to any plan of expansion or phased development as set out earlier in this Declaration:

- (i) The consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Council are allocated and sixty-seven percent (67%) of the Eligible Mortgagees shall be required to terminate the condominium regime.
- (ii) The consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Council are allocated and the approval of fifty-one percent (51%) of the Eligible Mortgagees shall be required to materially amend any provisions of the Declaration, Bylaws or equivalent documents of the Condominium Project or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following:
 - (A) Voting;
 - (B) Assessments, assessment liens or subordination of such liens;
 - (C) Reserves for maintenance, repair and replacement of the Common Areas;
 - (D) Insurance or Fidelity Bonds;
 - (E) Rights to use of the Common Areas;
 - (F) Responsibility for maintenance and repair of the several portions of the Condominium Project;
 - (G) Expansion or contraction of the condominium regime or the addition, annexation or withdrawal of property to or from the regime, beyond that which has been projected in the Declaration, including the exhibits to the Declaration;
 - (H) Boundaries of any Unit;

- (I) The interests in the general or Limited Common Elements, beyond that which has been projected or permitted by the Declaration;
 - (J) Convertibility of Units into Common Areas or of Common Areas into Units;
 - (K) Leasing of Units;
 - (L) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit in the Condominium; and
 - (M) Establishment of self-management by the Council where professional management has been required by any of the agencies or corporations.
- (iii) The consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Council are allocated and the approval of fifty-one (51%) percent of the Eligible Mortgagees shall be required to amend any provisions included in the Declaration, Bylaws or equivalent documents of the Condominium Project which are for the express benefit of holders or insurers of first mortgages on Units in the Condominium Project.
- (g) Unit Owners shall have a right of action against the Council to make it enforce and/or comply with the provisions of the Declaration, Bylaws and other governing documents.
- (h) Any future improvements to the Project, including any improvements that become a part of the Project as a result of expansion, must be reasonably consistent with the initial improvements in terms of quality of construction.
- (i) Except as projected in the original Declaration, including the exhibits, the Developer will not expand the Project to include Additional Property without the prior written consent of HUD if HUD holds, insures or guarantees any mortgage in the existing Condominium Project at the time that the Additional Property is to be added.
- (j) All improvements on the Additional Property brought into the Project by expansion shall be substantially completed before the Additional Property is annexed into the existing Project. Furthermore, liens arising in connection with the Developer's ownership of and construction of improvements upon the Additional Property must not adversely affect the rights of existing Unit Owners or the priority of existing first mortgages. All taxes and other assessments on the Additional Property must be paid or otherwise satisfactorily provided for by the Developer, before expansion.
- (k) Certificates of insurance for the master policy shall be issued to each Unit Owner and mortgage holder upon written request and upon the payment of any reasonable charge. A "Special Condominium Endorsement" or its equivalent shall be part of the policy. Each policy must provide that it cannot be canceled or substantially modified, without at least ten (10) days prior written notice to the Council and to each holder of a first mortgage listed as a schedule holder of a first mortgage in the policy. Each policy shall contain the standard mortgage clause, or equivalent

endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area of the Project if available, and if affordable by the Project, an "all risk" endorsement shall be purchased.

(l) Comprehensive general liability insurance covering all of the Common Areas, commercial space owned and leased by the Council, and public ways of the Project must be maintained by the Council. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. The coverage must be at least One Million and 00/100 Dollars (\$1,000,000.00) for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under the policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts of the Council. The policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days prior written notice of the Council and to each holder of a first mortgage on any Unit in the Project which is listed as a scheduled holder of a first mortgage on the policy. The policy may also include such other coverage as the Board directs from time to time.

(m) If the Project is located in an area which has been identified by HUD as having special flood hazards, the Council must obtain and pay the premiums upon a master or blanket policy of flood insurance on the buildings and any other property covered by the required form of policy, in a reasonable amount, but not less than the lesser of:

- (i) The maximum coverage available under the NFIP for all buildings and other insurable property within the project to the extent that such buildings and other insurable property are within an area having special flood hazards; or
- (ii) One hundred percent (100%) of current "replacement cost" of all such buildings and other insurable property within the area.

The policy must be in a form which meets the criteria set forth in the most current Guidelines on the subject issued by the Federal Insurance Administrator.

(n) If the management agent has responsibility for handling or administering the funds of the Council, the managing agent shall maintain, at its own expense, fidelity bond coverage for its offices, employees and agents handling or responsible for funds of, or administered on behalf of, the Council. The fidelity bond must name the Council as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Council or the management agent, as the case may be, at any given time during the term of the bond.

The aggregate amount of fidelity insurance shall never be less than the sum equal to three (3) months aggregate assessments on all units plus reserve funds. The fidelity insurance shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition "employees", or similar terms or expressions. The fidelity

THIS INSTRUMENT PREPARED BY:



Jody Klekamp Stachler, Esq.

KEATING, MUETHING & KLEKAMP, P.L.L.

1800 Provident Tower

One East Fourth Street

Cincinnati, Ohio 45202

513-579-6400

453288.5

EXHIBIT A

The real estate is located in Jefferson County, Kentucky, and is more particularly described as follows:

See Exhibit A-1, attached hereto and made a part hereof.

Being part of the same property conveyed to Hills Communities, Inc., an Ohio corporation by Deed dated November 6, 1996 and recorded November 6, 1996 at Deed Book 6810, Page 581, in the Office of the Clerk of Jefferson County, Kentucky.

The Recreational Facilities and one building is located on Parcel 1. The Recreational Facilities and building is described on the floor plans recorded at A.O.B. Book 62, Pages 29-32 in the office of the Jefferson County, Kentucky Clerk. Each building is of brick veneer and siding construction. The building has two (2) levels. Each Unit on the second level has a balcony. Each Unit on the ground level has a patio. The total unit floor area of the building is 28,976 square feet. The area of Parcel 1 is approximately 5.351 acres. The recorded floor plans of the Condominium Project are incorporated herein by reference.

All references herein are to the Jefferson County Clerk's records at Louisville, Kentucky.

THIS IS AN EXPANDABLE CONDOMINIUM PROJECT. SEE THE MASTER DEED AND ELSEWHERE IN THIS INSTRUMENT FOR FURTHER DETAILS. HOWEVER, NO REAL ESTATE SHALL BE A PART OF THE CONDOMINIUM PROJECT OR ENCUMBERED BY THE RESTRICTIONS OF THE MASTER DEED AS FROM TIME TO TIME AMENDED AND/OR SUPPLEMENTED, UNLESS THE REAL ESTATE HAS BEEN SPECIFICALLY ANNEXED TO, MADE SUBJECT TO AND/OR BROUGHT UNDER THE CONDOMINIUM REGIME. THE CONDOMINIUM SCHEME SHOULD NOT AND CANNOT BE IMPLIED TO INCLUDE REAL ESTATE THAT HAS NOT BEEN SPECIFICALLY ANNEXED TO, MADE SUBJECT TO AND/OR BROUGHT UNDER THE CONDOMINIUM REGIME, EVEN IF THE NON-CONDOMINIUM REAL ESTATE IS A PART OF THE SAME TRACTS FROM WHICH THE CONDOMINIUM REAL ESTATE CAME.



SABAK, WILSON & LINGO, INC.
ENGINEERS, LANDSCAPE ARCHITECTS & PLANNERS

315 WEST MARKET STREET • LOUISVILLE, KENTUCKY 40202
 PHONE 502-584-6271 • FAX 502-584-6292

BOOK 6952 PAGE 0048

September 10, 1997

LEGAL DESCRIPTION

Tract 1

Being a portion of a tract conveyed to Hills Communities, Inc. as recorded in Deed Book 6810 Page 581 in the office of the County Court Clerk of Jefferson County, Kentucky and more particularly described as follows:

Beginning at the intersection of the south right-of-way line of Interstate 71 and the east right-of-way line of Brownsboro Road; thence with I-71 with an arc of a curve to the left having a radius of 11609.16 feet and a chord of North 69°31'51" East, 144.44 feet to a point; thence leaving the south right-of-way line of I-71 South 20°49'32" East, 535.95 feet to a point; thence with the arc of a curve to the left having a radius of 498.00 feet and a chord of North 62°31'23" East, 98.35 feet to a point; thence South 14°57'17" East, 224.67 feet to a point in the north line of a tract conveyed to The Deerfield Company as recorded in Deed Book 6801 Page 342 in the aforementioned clerk's office; thence with the north line of The Deerfield Company South 75°02'43" West, 521.77 feet to a pin in the east right-of-way line of Brownsboro Road; thence with the east right-of-way line of Brownsboro Road the following courses:

North 01°47'14" East, 374.10 feet to a point;

South 88°10'50" East, 9.15 feet to a point;

North 01°49'11" East, 383.32 feet to the point of beginning containing 5.351 acres.



BOOK 6952 PAGE 0049

Worthington Glen Condominiums
Tract 2
Legal Description

Being a portion of the tract of land conveyed to Hills Communities, Inc. as recorded in Deed Book 6810 Page 581 in the office of the County Court Clerk of Jefferson County, Kentucky and more particularly described as follows:

Beginning at an existing iron pin the south right-of-way line of I-71, said iron pin also being the intersection point of the east right-of-way line of Kentucky Highway 1694 ; thence following the right-of-way of I-71 with the arc of a curve to the left having a radius of 11,609.16 feet and a chord of North 69°31'51" East, 144.44 feet to the True Point of Beginning; thence continuing with said right-of-way of I-71 with the arc of a curve to the left having a radius of 11,609.16 feet and a chord of North 68°11'38" East, 397.28 feet to an ex. iron pin; thence North 75°22'01" East, 101.86 feet to an ex. iron pin; thence with the arc of a curve to the left having a radius of 11,624.16 feet and a chord of North 63°35'00" East, 1,268.50 feet to an ex. iron pin; thence North 66°04'46" East, 223.62 feet to a point; thence leaving aforementioned right-of-way line South 6°27'31" West, 72.17 feet to a point; thence South 21°40'11" East, 80.30 feet to a point; thence South 0°58'30" East, 110.44 feet to a point; thence South 21°28'11" East, 140.18 feet to a point; thence South 29°47'58" East, 100.32 feet to a point; thence South 26°07'49" East, 97.23 feet to a point; thence South 1°23'34" East, 167.95 feet to a point; thence South 29°21'23" West, 63.34 feet to a point; thence South 84°26'31" West, 62.88 feet to a point; thence South 37°47'39" West, 60.95 feet to a point; thence South 4°29'01" East, 100.91 feet to a point; thence North 80°29'01" West, 543.56 feet to a point; thence with the arc of a curve to the left having a radius of 1,050.00 feet and a chord of South 67°54'09" West, 467.29 feet to a point; thence South 55°02'43" West, 265.00 feet to a point; thence South 34°57'17" East, 240.90 feet to a point; thence South 75°02'43" West, 488.80 feet to a point; thence North 14°57'17" West, 224.67 feet to a point; thence with the arc of a curve to the right having a radius of 498.00 feet and a chord of South 62°31'23" West, 98.35 feet to a point; thence North 20°49'32" West, 535.95 feet to the True Point of Beginning containing 28.880 acres.

Unit No.	Unit Type	Level	Unit Location	Unit Floor Area	% of Common Interest
5305-101	Taft	First	Front Left	1393	4.80743
5305-102	Taft	First	Rear Left	1393	4.80743
5305-103	Adams	First	Front Right	1083	3.73758
5305-104	Adams	First	Rear Right	1083	3.73758
5305-201	Lexington	Second	Front Left	1519	5.24227
5305-202	Lexington	Second	Rear Left	1519	5.24227
5305-203	Adams	Second	Front Right	1083	3.73758
5305-204	Adams	Second	Rear Right	1083	3.73758
5303-101	Adams	First	Front Left	1083	3.73758
5303-102	Adams	First	Rear Left	1083	3.73758
5303-103	Adams	First	Front Right	1083	3.73758
5303-104	Adams	First	Rear Right	1083	3.73758
5303-201	Adams	Second	Front Left	1083	3.73758
5303-202	Adams	Second	Rear Left	1083	3.73758
5303-203	Adams	Second	Front Right	1083	3.73758
5303-204	Adams	Second	Rear Right	1083	3.73758
5301-101	Adams	First	Front Left	1083	3.73758
5301-102	Adams	First	Rear Left	1083	3.73758
5301-103	Taft	First	Front Right	1393	4.80743
5301-104	Taft	First	Rear Right	1393	4.80743
5301-201	Adams	Second	Front Left	1083	3.73758
5301-202	Adams	Second	Rear Left	1083	3.73758
5301-203	Lexington	Second	Front Right	1519	5.24223
5301-204	Lexington	Second	Rear Right	1519	5.24223
				28976	100%

A = Adams
 B = Luxor
 C = Taft
 D = Lexington

EXHIBIT C (continued)

THERE ARE FOUR UNITS ON EACH LEVEL. THE "UNIT LOCATION": IS GIVEN FROM THE POINT OF VIEW OF A PERSON FACING THE FRONT OF THE BUILDING. THE HEIGHT OF A UNIT VARIES BETWEEN APPROXIMATELY 7'10" AND APPROXIMATELY 8'.

If there is a conflict between this Exhibit C and Exhibit F, this Exhibit C controls.

For the purpose of making assessments, or for any other legal purpose, the Board may reasonably round off the percentage of common interest for each unit.

EXHIBIT D

The Common Areas (general common elements) of the building include the building itself, the stairs and the halls. In addition, the Common Areas include the common community and recreational facilities, including a swimming pool, clubhouse and tennis courts. The real estate in the Project, including the roads, and the parking lot, is also part of the Common Areas.

EXHIBIT F

ONE SCENARIO OF POSSIBLE FUTURE EXPANSION

This is an expandable Condominium Project. The Project may be expanded but not necessarily will be expanded.

If the Project is expanded, the expansion will be according to the method and within the limits, as set out in the Master Deed. The exact extent of the expansion, if any, is dependent upon so many different factors beyond the control of the Developer, that no accurate prediction can be given. The facts include, but are not limited to, the interest rate; costs of labor and material; consumer demand; consumer tastes and preference; existing and future laws, rules and regulations; and other opportunities for use or sale of the land out of which the expansion would come.

What follows below is one possible scenario. This scenario may never come. For instance, the project might not go one or two more lots (phases). No one can predict now.

ONE SCENARIO OF POSSIBLE FUTURE EXPANSION

BUILDING	UNIT TYPE	FLOOR AREA OF EACH UNIT	# OF UNITS	TOTAL FLOOR AREA	% OF COMMON INTEREST PER UNIT
Scenario 1					
5305 - 5301 Pacer Lane	A	1083	16	17328	3.73758
	B	1180	0	0	0
	C	1393	4	5572	4.80743
	D	1519	4	6076	5.24227
				<u>24</u>	<u>28976</u>
Scenario 2					
5305- 5301 Pacer Lane 10302 -10306 Royce Court	A	1083	32	34656	1.86879
	B	1180	0	0	0
	C	1393	8	11144	2.40371
	D	1519	8	12152	2.62113
				<u>48</u>	<u>57952</u>
Scenario 3					
5305 - 5301 Pacer Lane 10302 -10306 Royce Court 10301 - 10305 Trotters Pointe Drive	A	1083	48	51984	1.17081
	B	1180	0	0	0
	C	1393	16	22288	1.50595
	D	1519	12	18228	1.64216
				<u>76</u>	<u>92500</u>
Scenario 4					
5305 - 5301 Pacer Lane 10302 -10306 Royce Court 10301 -10305 Trotters Pointe Drive 10300 -10304 Southern Meadows	A	1083	64	69312	.85243
	B	1180	0	0	0
	C	1393	24	33432	1.09644
	D	1519	16	24304	1.19561
				<u>104</u>	<u>127048</u>
Scenario 5					
5305 - 5301 Pacer Lane 10302 -10306 Royce Court 10301 -10405 Trotters Pointe Drive 10300 -10304 Southern Meadows	A	1083	80	86640	.67019
	B	1180	0	0	0
	C	1393	32	44576	.86203
	D	1519	20	30380	.93999
				<u>132</u>	<u>161596</u>

BUILDING	UNIT TYPE	FLOOR AREA OF EACH UNIT	# OF UNITS	TOTAL FLOOR AREA	% OF COMMON INTEREST PER UNIT
10300 - 6					
5305 - 5301 Pacer Lane	A	1083	96	103968	.55215
10302 -10306 Royce Court	B	1180	0	0	0
10301 -10405 Trotters Pointe Drive	C	1393	40	55720	.71019
10300 -10404 Southern Meadows	D	1519	24	36456	.77443
			160	196144	
10300 - 7					
5305 - 5301 Pacer Lane	A	1083	112	121296	.46946
10302 -10306 Royce Court	B	1180	0	0	0
10301 -10505 Trotters Pointe Drive	C	1393	48	66864	.60384
10300 -10404 Southern Meadows	D	1519	28	42532	.65845
			188	230692	
10300 - 8					
5305 - 5301 Pacer Lane	A	1083	128	138624	.40831
10302 -10306 Royce Court	B	1180	0	0	0
10301 -10505 Trotters Pointe Drive	C	1393	56	78008	.52518
10300 -10504 Southern Meadows	D	1519	32	48608	.57269
			216	265240	
10300 - 9					
5305 - 5301 Pacer Lane	A	1083	148	160284	.36276
10302 -10306 Royce Court	B	1180	0	0	0
10301 -10505 Trotters Pointe Drive	C	1393	60	83580	.46659
10300 -10504 Southern Meadows	D	1519	36	54684	.50879
5301 - 5305 Rolling Rock Court			244	298548	
10300 - 10					
5305 - 5301 Pacer Lane	A	1083	164	177612	.33292
10302 -10306 Royce Court	B	1180	8	9432	.36273
10301 -10505 Trotters Pointe Drive	C	1393	60	83580	.42821
10300 -10504 Southern Meadows	D	1519	36	54684	.46694
5301 - 5307 Rolling Rock Court			268	325308	

A = Adams
 B = Luxor
 C = Taft
 D = Lexington
 f:\wp\fhf\wgex.f

BEING two parcels of land located at the northwest intersection of Kentucky Highway 22 and Kentucky Highway 1694 in the community of Worthington, Jefferson County, Kentucky, and being more particularly described as follows:

TRACT 1

BEGINNING at a point in the centerline of Kentucky Highway 1694 (Brownsboro Road) and being the northeast corner of R. J. Donahue as described in Deed Book 4267, Page 566 and recorded in the Jefferson County Court Clerk's Office; thence with the lines of said Donahue South 60 degrees 12 minutes 57 seconds West, passing an iron pipe at 23.46 feet, in all 209.75 feet to an iron pipe; and South 01 degrees 44 minutes 57 seconds West 172.14 feet to an iron pipe; thence leaving the line of said Donahue South 74 degrees 48 minutes 28 seconds West passing an iron pipe at 128.54 feet and a cornerstone at 340.61 feet, in all 875.36 feet to an iron pipe at a corner post in the north line of J. Carl Finger

and being the southeast corner of Fred P. Nagel; thence with the lines of said Nagel North 16 degrees 06 minutes 31 seconds West 1,264.53 feet to an iron pipe at a corner post; and South 75 degrees 51 minutes 54 seconds West 780.33 feet to an iron pipe in the east line of tract conveyed by the First Parties to the Commonwealth of Kentucky as described in Deed Book 3988, Page 79 (Parcel No. F51-1) and recorded in the aforesaid Clerk's Office; thence with said east line North 16 degrees 29 minutes 32 seconds West 272.85 feet to an iron pipe in the south access control right-of-way line of Interstate Highway (I-71) as described in Deed Book 3988, Page 79 (Parcel No. 51) in the aforesaid Clerk's Office; thence with said access control right-of-way line South 88 degrees 27 minutes 00 seconds East 58.90 feet to a right-of-way fence post; North 76 degrees 47 minutes 48 seconds East 500.02 feet to a right-of-way fence post; and North 73 degrees 00 minutes 18 seconds East 226.84 feet to an iron pipe at the northwest corner of a severance tract of W.A.V.E. Inc.; thence with the lines of W.A.V.E. Inc. South 16 degrees 00 minutes 06 seconds East 197.62 feet to an iron rod at a corner post; and North 75 degrees 10 minutes 54 seconds East 1,432.28 feet to an iron pipe in the west right-of-way line of Kentucky Highway 1694; thence with said west right-of-way line South 01 degrees 44 minutes 57 seconds West 130.75 feet to an iron pipe; thence South 88 degrees 15 minutes 03 seconds East, passing an iron pipe at 30.00 feet, in all 50.00 feet to a point in the centerline of Kentucky Highway 1694; thence with said centerline South 01 degrees 44 minutes 57 seconds West 1,003.82 feet to the beginning, containing 42.244 acres, subject to all roadways, easements and restrictions or record.

BEING all the remaining land as described in Deed Book 4876, Page 69 (Tract 3) and recorded in the Jefferson County Court Clerk's Office.

TRACT 2

- 2 -

BEGINNING at an iron pipe at the southwest corner of R. J. Donahue as described in Deed Book 4267, Page 56 and recorded in the Jefferson County Court Clerk's Office, and being in the northwest right-of-way line of Kentucky Highway 22; thence with said right-of-way line South 56 degrees 46 minutes 57 seconds West 111.82 feet to an iron pipe at the southeast corner of Bertha J. Wood and Cecil H. Marshall; thence leaving the right-of-way and with the east line of said Wood and Marshall North 24 degrees 09 minutes 27 seconds West 71.69 feet to an iron pipe in the south line of Tract 1 hereinabove described; thence with the south line of said Tract 1 North 74 degrees 48 minutes 28 seconds East 128.54 feet to an iron pipe in the west line of the above mentioned Donahue; thence with said Donahue's west line South 01 degrees 44 minutes 57 seconds West 37.86 feet to the beginning, containing 0.144 acres, subject to all roadways, easements and restrictions of record.

BOOK 6952 PAGE 0057

BEING all the remaining land as described in Deed Book 1865, Page 377 in the aforesaid Clerk's Office.

Both Tracts of land having been acquired by Ida Sims a/k/a Ida Skinner Sims as referred to hereinabove and devised to her seven children by Will as referred to in Affidavit of Descent dated January 24, 1974, and of record in Deed Book 4711, Page 499, which Affidavit identifies those individuals having a legal interest in said real estate at the time of the filing of said Affidavit.

Subsequent thereto, Harry Bruce Sims died, testate, a resident of Jefferson County, Kentucky, on August 10, 1977, and by Will recorded in Will Book 228, Page 194, and Codicil recorded in Will Book 228, Page 397, having devised his interest in said real estate to his daughter Jane S. Goodman.

Martha Jean Harvey and George F. Sims having acquired their interest in said real estate pursuant to Deed dated May 5, 1983, and of record in Deed Book 5351, Page 781;

George A. Schlinger having acquired his interest in said real estate by devise pursuant to the Will of Juanita F. Sehlinger who died a resident of Jefferson County, Kentucky, on April 17, 1979, and her Will being recorded in Will Admitted Book 16, Page 783.

All of which is of record in the Office of the Clerk of Jefferson County, Kentucky.

EXHIBIT H**DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS (the "Declaration") is made this ____ day of October, 1997 by HILLS COMMUNITIES, INC., an Ohio corporation), 7420 Montgomery Road, Cincinnati, Ohio 45236, an Ohio corporation (the "Developer") under the following circumstances:

A. The Developer is the owner of certain real property situated in Jefferson County, Kentucky and being approximately 34.231 acres of certain real property conveyed to the Developer by deed recorded in Deed Book 6810, Page 581 of the Jefferson County, Kentucky Records.

B. The Developer intends to submit approximately a 5.351 acre tract of the aforementioned 34.231 acre tract, which 5.351 acre tract is more particularly described in Exhibit "A" attached hereto and made a part hereof, to the provisions of Section 381.805 to 381.910 of the Kentucky Revised Statute by filing with the Jefferson County, Kentucky Recorder a Declaration of Master Deed for Worthington Glen Condominium (the "Declaration of Master Deed"), which property shall be known as Worthington Glen Condominium.

C. The Developer intends to reserve in the Declaration of Master Deed the right to submit all or any of the remainder of the aforementioned 34.231 acre tract, which property is described in Exhibit "B" attached hereto and made a part hereof, to the provisions of Section 381.805 to 381.910 of the Kentucky Revised Statute by amending the Declaration of Master Deed and adding all or any part of the Property to Worthington Glen Condominium. (Collectively, the property described in Exhibit "A" and the property described in Exhibit "B" shall be referred to herein as the "Property.")

D. The Developer has constructed or intends on constructing a private roadway (the "Roadway") on part of the Property, which Roadway connects and adjoins to Old Brownsboro Road, a dedicated public street. The actual location of the Roadway is described in Exhibit "C" attached hereto and made a part hereof.

E. In addition, the Developer has installed or intends to install underground utilities (the "Common Utilities"), including without limitation, electrical, telephone, water and/or sewer, in or under the Roadway.

F. The Developer intends that the Roadway and the Common Utilities serve and benefit the Developer, the owners of the units of Worthington Glen Condominium as the same may be expanded pursuant to the terms of the Declaration of Master Deed ("Worthington Glen Unit Owners"), the owners of any other condominium units which may be constructed on the Property (the "Other Condominium Unit Owners"), the owners of any single family residences which may be constructed on the Property ("Residences Owners") and the owners of any apartment buildings which may be constructed on the Property ("Apartment Building Owners"). As used herein,

- 2 -

"residence" shall mean any structure occupied and used or designed to be occupied and used by one (1) family as a permanent place of abode. As used herein, "apartment building" shall mean any structure, other than property subject to Section 381.805 to 381.910 of the Kentucky Revised Statute, which consists of two or more separate dwelling units, any one of which is the subject of or designed to be the subject of a rental agreement, as defined by Section 383.545 of the Kentucky Revised Statute or any similar statute hereinafter enacted.

G. The Developer intends that the Common Utilities be maintained and repaired and that the Roadway be maintained in good repair and condition, free of snow, ice and debris, for the convenience and benefit of the Developer and of Developer's successors, assigns, and grantees of any part of the Property.

NOW THEREFORE, in consideration of the foregoing, the Developer hereby declares that the Property shall be held, sold and conveyed subject to this Declaration, which, together with all amendments hereto (a) shall be construed as covenants running with the land, and (b) shall be binding upon the Developer, all mortgagees, all present and future owners of all or any part of the Property, and their respective heirs, successors, assigns, and all claiming under or through any of them.

1. ROADWAY AND UTILITY EASEMENT. Each of the Worthington Glen Unit Owners, Other Condominium Unit Owners, Apartment Building Owners and Residence Owners (collectively the "Owners") are hereby granted a perpetual, non-exclusive easement (the "Roadway Easement"), appurtenant to the part of the Property owned by such Owners, to be used in common with the Developer, its successors, assigns and agents, on, over and across (1) the Roadway; (2) any part of the Property on which the Roadway may be located; and (3) any part of the Property upon which any extension of the Roadway may be constructed or installed for the purpose of connecting any part of the Property including any condominium unit or other structure located thereon (collectively the "Structures"), with the Roadway, to be used and enjoyed by such Owners, and such Owners' tenants, invitees, licensees and all other persons using the Roadway for the benefit of such Owners and/or for the benefit of the Developer, for ingress and egress to and from the Structures and public and private roadway contiguous to the Property, to freely pass and repass on foot and/or with vehicles for all lawful purposed incident to or proper to the use and enjoyment of the Roadway.

Further, each of the Owners is hereby granted a perpetual, non-exclusive easement in, under and across the Roadway to use the Common Utilities.

2. USE OF THE ROADWAY. Each of the Owners shall use the Roadway with due regard for the rights of the other Owners and the Developer to use the same, and no person shall use or permit the use of the Roadway in any manner which impairs the rights of others to its use. No person shall park or store vehicles upon the Roadway, nor shall any person store other personal property on, or obstruct or encroach upon, nor permit the obstruction of, or encroachment upon, the

Roadway, in any manner whatsoever, without the concurrence of all other Owners entitled to use the Roadway.

3. REPAIR AND MAINTENANCE EXPENSES FOR THE ROADWAY; INSURANCE EXPENSES. Each of the Owners shall pay his proportionate share of the costs of maintaining, repairing and improving the Roadway, including without limitation the costs of removing snow, ice and debris ("Repair and Maintenance Expenses") and of maintaining the liability insurance provided for in Section 11 hereof ("Insurance Expenses"). Each such Owner's proportionate share of the Repair and Maintenance Expenses and the Insurance Expenses will be a fraction, the numerator of which is the total number of Worthington Glen Units, Other Condominium Units, Residences and/or rental units in Apartment Buildings owned by such Owner, and the denominator of which is the total number of Worthington Glen Units, Other Condominium Units, Residences, and/or rental units in Apartment Buildings located upon the Property as of the time the costs and expenses are incurred. Where an Owner is a Worthington Glen Unit Owner or Other Condominium Unit Owner, his proportionate share of the Repair and Maintenance Expenses and the Insurance Expenses shall be paid by him to the condominium owners' association of which he is a member as part of the common expenses of the condominium association of which his unit is a part. Each condominium owners' association shall be responsible for collecting each of its Unit Owners' proportionate share of the Repair and Maintenance Expenses and Insurance Expenses and shall pay, when due, the total proportionate amount for all units in its respective condominium project to Worthington Glen Condominium Owners' Association, Inc. (the "Association"), whether or not such amounts have been collected by such association from its Unit Owners.

4. NEED FOR REPAIR AND MAINTENANCE. The Roadway shall be maintained in good repair, free of snow, ice and debris, and in a condition substantially similar to that of its original construction. The decision to perform maintenance (which shall include snow, ice and debris removal) or make repairs or improvements shall be made by the Association, provided, however, that if any of the Other Condominium Unit Owners, Residence Owners or Apartment Building Owners believe that the Roadway is in need of maintenance, repairs and/or improvements which the Association has, after thirty (30) days following the Association's receipt of such Owner's request for repairs, maintenance and/or improvements, refused to cause the same to be performed, notice of which refusal shall be delivered by the Association to such Owner or Owners within five (5) days following the expiration of the thirty-day period, then any such Owner or Owners may submit the question of whether repairs, maintenance and/or improvements to the Roadway are necessary to the American Arbitration Association, Louisville, Kentucky office ("AAA") which shall decide the matter. Any decision rendered by the AAA shall be binding upon each of the Owners affected thereby. Any initial deposit required by the AAA to secure the costs of the arbitration proceeding shall be paid by the Owner or Owners requesting the arbitration. The costs of the arbitration proceeding shall be paid as the AAA may direct.

- 4 -

Whenever it is determined by the Association that the Roadway is in need of maintenance, repairs and/or improvements, other than snow, ice and/or debris removal, the Association shall, at least thirty (30) days prior to the commencement of the work, deliver written notice of such determination to the Other Condominium Unit Owners, Residence Owners and Apartment Building Owners. Such notice shall specify what repairs, maintenance and/or improvements will be performed, the persons who will perform the work, and the estimated cost thereof. If any of such Owners object to the performance of such repairs, maintenance and/or improvements, then such Owner or Owners may submit the question to the AAA which shall decide the matter. Any initial deposit required by the AAA to secure the costs of the arbitration proceedings, shall be paid by the Owner or Owners requesting the arbitration. The costs of the arbitration shall be paid as the AAA may direct.

5. PAYMENT OF REPAIRS AND MAINTENANCE EXPENSES AND INSURANCE EXPENSES. Whenever maintenance, repairs and/or improvements are performed in accordance with this Declaration, or whenever a premium for the insurance required by Section 11 hereof is due, the Association shall, within thirty (30) days after the Association's receipt of bills or invoices from the party performing such repairs, maintenance and/or improvements, or providing such insurance, deliver to each owners' association to which the Other Condominium Unit Owners belong and to each of the Residence Owners and Apartment Building Owners, a notice setting forth the total amount of such Owner's proportionate share of the cost therefor. Each of the Owners, by acceptance of a deed or other instrument of conveyance for all or any part of the Property hereby accepts the obligation to pay his proportionate share of the Repair and Maintenance Expenses and Insurance Expenses ("Assessment") to the Association within ten (10) days after the due date indicated on the notice. There shall be a late charge of eight percent (8%) per annum on any Assessment that is not paid within the stipulated ten (10) day grace period. All such Assessments are the personal obligation of the Owners of the Property and no Owner may waive or eliminate such obligation by non-use of the Roadway or by abandonment of the part of the Property owned by him.

6. LIENS. In addition to any other remedy which may exist at law or in equity, if any Assessment is not paid when due, the amount thereof, together with any interest thereon, as provided in Section 5 above, shall constitute a lien on the respective Worthington Glen Unit, Other Condominium Unit, land and Residence, or land and Apartment Building of such defaulting Owner in favor of the Association prior to all other liens and encumbrances thereon whatsoever, excepting real estate taxes and assessments and liens of record in favor of the United States of America, the Commonwealth of Kentucky, and all other political subdivisions or governmental instrumentalities of the Commonwealth of Kentucky, to the extent made superior by applicable law. The Association may record a notice of lien with the Recorder of Jefferson County, Kentucky, in any legally recordable form. Non-payment of any Assessment shall be deemed and is hereby declared to be the happening of a condition or event that creates an interest in real estate.

- 5 -

7. ENFORCEMENT OF LIEN. Any lien established hereunder may be enforced by the Association in the same manner and to the same extent (including appointment of a receiver, foreclosure sale, and deficiency judgment) and subject to the same procedures as in the case of foreclosure of a real property mortgage under the laws of the Commonwealth of Kentucky. In any such enforcement proceeding the amount which may be recovered by the Association shall include all costs of such proceeding, including reasonable attorneys' fees. In any such foreclosure sale, the Association may become the purchaser.

8. SUBORDINATION OF LIEN TO FIRST MORTGAGE. When the mortgagee of a first mortgage of record or other purchaser of any part of the Property acquires title thereto as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure, such acquirer of title, his or her heirs, successors and assigns, shall not be solely liable for the Assessments chargeable to such Property which become due prior to the acquisition of title by such acquirer. Any lien levied against such Property pursuant to the terms hereof shall be canceled and voided and shall become unenforceable. Such unpaid Assessments shall be collected from all the Owners, including the new acquirer of title, in the same proportions as provided in Sections 3 and 5 hereof.

9. DEVELOPER'S RESERVATION OF RIGHTS TO DEDICATE ROADWAY. The Developer, its successors and assigns, hereby reserves the right at any time to dedicate any part of the Roadway and any part of the Property which is subject to the Roadway Easement of which has not already been submitted to Worthington Glen Condominium, to public use, and upon acceptance of the dedication, this Declaration, insofar as it applies to the Roadway Easement, shall terminate and be of no further force and effect, except as to the rights and obligations set forth herein with respect to the payment of Assessments.

10. AUTOMATIC TERMINATION. Pursuant to the Declaration of Master Deed, the Developer shall have the right, but not the obligation, to submit the portion of the Property upon which the Roadway is located, or any part thereof, to Worthington Glen Condominium. In the event the Developer exercises such right, upon the submission of all or any part of the Property containing the Roadway to the Declaration of Master Deed, this Declaration shall automatically terminate as to the Roadway or the part thereof so submitted to the Declaration of Master Deed. Upon such termination, the Roadway shall be and shall be deemed to be a part of the Common Areas and Facilities of Worthington Glen Condominium and shall be maintained and repaired in accordance with the Declaration of Master Deed.

11. PUBLIC LIABILITY INSURANCE. The Association (and/or any association to which Other Condominium Unit Owners belong) shall insure itself, its members, and all of the other Owners against liability for bodily injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from the Roadway. Such insurance shall afford protection to a limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) in respect to bodily injury, disease, illness or death suffered by any one person, and to the limit of not less than

- 6 -

One Million and 00/100 Dollars (\$1,000,000.00) in respect to any one occurrence, and to the limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) in respect to damage to or destruction of property arising out of any one accident.

12. NOTICES. Any notice required or permitted to be given to the Association or to any Other Condominium Unit Owners' association shall be deemed given when mailed by United States mail, postage prepaid, addressed to the statutory agent of such Association. Any notice required or permitted to be given to any of the other Owners, shall be deemed given when delivered personally to the part of the Property owned by such Owner, or when mailed by United States mail, postage prepaid, addressed to such Owner's last known address.

13. INVALIDITY. The determination by a court of competent jurisdiction that any provision of this Declaration is invalid for any reason shall not affect the validity of any other provision hereof.

14. HEADINGS. The headings of the sections of this Declaration are for convenience only and shall not affect the meaning or construction of the contents of this Declaration.

15. GENDER. Throughout this Declaration, the masculine gender shall be deemed to include, where appropriate, the feminine and neuter, and the singular, plural and vice versa.

16. LIABILITY. Neither the Developer nor its representatives, successors or assigns shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted or delegated to it by or pursuant to this Declaration or in its (or its representative) capacity as Developer, contractor, owner, manager or seller of the Property, regardless of by whom such claim is asserted.

17. NON-MERGER. Developer intends that no merger of the easements set forth in this Declaration shall occur by reason of the same person or entity holding title to the Property or any portion thereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Developer has executed this Declaration as of the date and year first above written.

Signed and acknowledged
in the presence of:

HILLS COMMUNITIES, INC., an
Ohio corporation

Print: _____

BY: _____
NAME: _____
ITS: _____

Print: _____

STATE OF OHIO)
 : SS:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ____ day of October, 1997,
by _____, _____ of HILLS COMMUNITIES, INC., an Ohio
corporation, on behalf of the corporation.

Notary Public

This instrument prepared by:

Jody Klekamp Stachler, Esq.
KEATING, MUETHING & KLEKAMP
1800 Provident Tower
One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-6400



September 10, 1997

LEGAL DESCRIPTION
Tract 1

Being a portion of a tract conveyed to Hills Communities, Inc. as recorded in Deed Book 6810 Page 581 in the office of the County Court Clerk of Jefferson County, Kentucky and more particularly described as follows:

Beginning at the intersection of the south right-of-way line of Interstate 71 and the east right-of-way line of Brownsboro Road; thence with I-71 with an arc of a curve to the left having a radius of 11609.16 feet and a chord of North 69°31'51" East, 144.44 feet to a point; thence leaving the south right-of-way line of I-71 South 20°49'32" East, 535.95 feet to a point; thence with the arc of a curve to the left having a radius of 498.00 feet and a chord of North 62°31'23" East, 98.35 feet to a point; thence South 14°57'17" East, 224.67 feet to a point in the north line of a tract conveyed to The Deerfield Company as recorded in Deed Book 6801 Page 342 in the aforementioned clerk's office; thence with the north line of The Deerfield Company South 75°02'43" West, 521.77 feet to a pin in the east right-of-way line of Brownsboro Road; thence with the east right-of-way line of Brownsboro Road the following courses:

North 01°47'14" East, 374.10 feet to a point;

South 88°10'50" East, 9.15 feet to a point;

North 01°49'11" East, 383.32 feet to the point of beginning containing 5.351 acres.



Worthington Glen Condominiums
Tract 2
Legal Description

Being a portion of the tract of land conveyed to Hills Communities, Inc. as recorded in Deed Book 6810 Page 581 in the office of the County Court Clerk of Jefferson County, Kentucky and more particularly described as follows:

Beginning at an existing iron pin the south right-of-way line of I-71, said iron pin also being the intersection point of the east right-of-way line of Kentucky Highway 1694 ; thence following the right-of-way of I-71 with the arc of a curve to the left having a radius of 11,609.16 feet and a chord of North 69°31'51" East, 144.44 feet to the True Point of Beginning; thence continuing with said right-of-way of I-71 with the arc of a curve to the left having a radius of 11,609.16 feet and a chord of North 68°11'38" East, 397.28 feet to an ex. iron pin; thence North 75°22'01" East, 101.86 feet to an ex. iron pin; thence with the arc of a curve to the left having a radius of 11,624.16 feet and a chord of North 63°35'00" East, 1,268.50 feet to an ex. iron pin; thence North 66°04'46" East, 223.62 feet to a point; thence leaving aforementioned right-of-way line South 6°27'31" West, 72.17 feet to a point; thence South 21°40'11" East, 80.30 feet to a point; thence South 0°58'30" East, 110.44 feet to a point; thence South 21°28'11" East, 140.18 feet to a point; thence South 29°47'58" East, 100.32 feet to a point; thence South 26°07'49" East, 97.23 feet to a point; thence South 1°23'34" East, 167.95 feet to a point; thence South 29°21'23" West, 63.34 feet to a point; thence South 84°26'31" West, 62.88 feet to a point; thence South 37°47'39" West, 60.95 feet to a point; thence South 4°29'01" East, 100.91 feet to a point; thence North 80°29'01" West, 543.56 feet to a point; thence with the arc of a curve to the left having a radius of 1,050.00 feet and a chord of South 67°54'09" West, 467.29 feet to a point; thence South 55°02'43" West, 265.00 feet to a point; thence South 34°57'17" East, 240.90 feet to a point; thence South 75°02'43" West, 488.80 feet to a point; thence North 14°57'17" West, 224.67 feet to a point; thence with the arc of a curve to the right having a radius of 498.00 feet and a chord of South 62°31'23" West, 98.35 feet to a point; thence North 20°49'32" West, 535.95 feet to the True Point of Beginning containing 28.880 acres.



SABAK, WILSON & LINGO, INC.

ENGINEERS, LANDSCAPE ARCHITECTS & PLANNERS

315 WEST MARKET STREET • LOUISVILLE, KENTUCKY 40202

PHONE 502-584-6271 • FAX 502-584-6292

BOOK 6952 PAGE 0067

EXHIBIT C

LEGAL DESCRIPTION

Access Easement

Being on a tract conveyed to Hills Communitates, Inc. as recorded in Deed Book 6810, Page 581 in the office of the County Court Clerk of Jefferson County, Kentucky and more particularly described as follows:

Beginning at the northwest corner of a tract conveyed to The Deerfield Company as recorded in Deed Book 6801 Page 342 in the aforementioned clerk's office, said point being in the east right-of-way line of Highway 1694; thence with the east right-of-way line of Highway 1694 North $01^{\circ}47'14''$ East, 195.36 feet to the true point of beginning; thence continuing with the east right-of-way line of Highway 1694 North $01^{\circ}47'14''$ East, 51.92 feet to a point; thence leaving the east right-of-way line of Highway 1694 South $88^{\circ}12'46''$ East, 80.94 feet to a point; thence with an arc of a curve to the left having a radius of 400.00 feet and a chord of North $82^{\circ}31'00''$ East, 128.88 feet to a point; thence North $73^{\circ}14'46''$ East, 105.48 feet to a point; thence with the arc of a curve to the left having a radius of 498.00 feet and a chord of North $62^{\circ}42'28''$ East, 182.16 feet to a point; thence with the arc of a curve to the right having a radius of 252.00 feet and a chord of North $69^{\circ}07'00''$ East, 146.91 feet to a point; thence with an arc of a curve to the left having a radius of 441.00 feet and a chord of North $71^{\circ}45'26''$ East, 217.95 feet to a point; thence North $49^{\circ}07'55''$ West, 44.36 feet to a point; thence with the arc of a curve to the right having a radius of 302.00 feet and a chord of North $35^{\circ}25'56''$ West, 143.05 feet to a point; thence with the arc of a curve to the right having a radius of 6562.00 feet and a chord of North $20^{\circ}38'24''$ West, 250.26 feet to a point; thence North $70^{\circ}27'10''$ East, 24.00 feet to a point; thence with the arc of a curve to the left having a radius of 6538.00 feet and a chord of South $20^{\circ}38'24''$ East, 249.35 feet to a point; thence with the arc of a curve to the left having a radius of 278.00 feet and a chord of South $35^{\circ}25'56''$ East, 131.68 feet to a point; thence South $49^{\circ}07'55''$ East, 50.83 feet to a point; thence North $55^{\circ}02'43''$ East, 230.65 feet to a point; thence with the arc of a curve to the right having a radius of 1089.00 feet and a chord of North $59^{\circ}41'24''$ East, 176.36 feet to a point; thence North $25^{\circ}02'03''$ West, 130.73 feet to a point; thence with the arc of a curve to the right having a radius of 360.00 feet and a chord of North $19^{\circ}47'14''$ West, 65.84 feet to a point; thence with the arc of a curve to the left having a radius of 336.00 feet and a chord of North $20^{\circ}28'42''$ West, 69.52 feet to a point; thence the following courses:

North $26^{\circ}25'00''$ West, 110.81 feet to a point;

North $63^{\circ}35'00''$ East, 24.00 feet to a point;

South $26^{\circ}25'00''$ East, 110.81 feet to a point; thence with the arc of a curve to the right having a radius of 360.00 feet and a chord of South $20^{\circ}28'42''$ East, 74.49 feet to a point; thence with the arc of a curve to the left having a radius of 336.00 feet and a chord of South $19^{\circ}47'14''$ East, 61.45 feet to a point; thence South $25^{\circ}02'03''$ East, 130.73 feet to a point;

EXHIBIT C - continued

thence with the arc of a curve to the right having a radius of 1089.00 feet and a chord of North 75°45'25" East, 384.18 feet to a point; thence with a curve of a curve to the right having a radius of 272.00 feet and a chord of South 88°44'19" East, 50.68 feet to a point; thence North 09°30'59" East, 252.55 feet to a point; thence with the arc of a curve to the left having a radius of 88.00 feet and a chord of North 02°13'34" West, 35.82 feet to a point; thence North 76°01'52" East, 24.00 feet to a point; thence with the arc of a curve to the right having a radius of 112.00 feet and a chord of South 02°13'34" East, 45.59 feet to a point; thence South 09°30'59" West, 276.41 feet to a point; thence with the arc of a curve to the left having a radius of 248.00 feet and a chord of North 86°06'21" West, 68.84 feet to a point; thence with the arc of a curve to the left having a radius of 1065.00 feet and a chord of South 70°28'51" West, 566.91 feet to a point; thence South 55°02'43" West, 228.00 feet to a point; thence South 34°57'17" East, 15.00 feet to a point; thence South 55°02'43" West, 24.00 feet to a point; thence North 34°57'17" West, 15.24 feet to a point thence with the arc of a curve to the right having a radius of 465.00 feet and a chord of South 71°28'44" West, 234.19 feet to a point; thence with the arc of a curve to the left having a radius of 228.00 feet and a chord of South 69°07'00" West, 132.92 feet to a point; thence with the arc of a curve to the right having a radius of 522.00 feet and a chord of South 62°42'28" West, 190.94 feet to a point; thence South 73°14'46" West, 203.52 feet to a point; thence with the arc of a curve to the right having a radius of 362.84 feet and a chord of South 83°06'16" West, 124.24 feet to the true point of beginning containing 1.672 acres.

CONSENT OF MORTGAGEE

THE FIFTH THIRD BANK, an Ohio banking corporation and the holder of a mortgage deed to the premises recorded in the Official Records of Jefferson County, Kentucky at Deed Book ____, Page ____ hereby consents to the execution and delivery of the foregoing Declaration of Covenants, Easements and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects the above-described mortgage to the provisions of the foregoing Declaration with attached exhibits.

IN WITNESS WHEREOF, _____, by its authorized officer, has caused the execution of this Consent this ____ day of _____, 1997.

Signed and acknowledged
in the presence of:

THE FIFTH THIRD BANK

Printed: _____

BY: _____

Name: _____

Title: _____

Print: _____

STATE OF OHIO)
 : ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 1997, by _____ of The Fifth Third Bank, an Ohio banking corporation, on behalf of the corporation.

Notary Public

This instrument prepared by:

Jody Klekamp Stachler, Esq.
KEATING, MUETHING & KLEKAMP
1800 Provident Tower
One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-6400

CONSENT OF MORTGAGEE

Hills Financial Group, A Limited Partnership, an Ohio limited partnership, and the holder of a mortgage deed to the premises recorded on _____ at Deed Book ____, Page ____ of the Jefferson County, Kentucky Recorder's Records, hereby consents to the execution and delivery of the foregoing Declaration of Covenants, Easements and Restrictions, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects the above-described mortgage to the provisions of the foregoing Declaration with attached exhibits.

IN WITNESS WHEREOF, Hills Financial Group, A Limited Partnership, by its authorized officer, has caused the execution of this Consent this ____ day of _____, 1997.

Signed and acknowledged
in the presence of:

HILLS FINANCIAL GROUP, A
Limited Partnership, an Ohio limited
partnership

BY: Hills Developers, Inc., an Ohio
corporation, General Partner

Print: _____

By: _____
Name: _____
Title: _____

Print: _____

STATE OF OHIO)
 : ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 1997, by _____, _____ of Hills Developers, Inc., an Ohio corporation, as General Partner of Hills Financial Group, A Limited Partnership, an Ohio limited partnership, on behalf of the corporation and partnership.

Notary Public

This instrument prepared by:

Jody Klekamp Stachler, Esq.
KEATING, MUETHING & KLEKAMP
1800 Provident Tower
One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-6400

EXHIBIT I
BYLAWS
OF
WORTHINGTON GLEN COUNCIL OF CO-OWNERS, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Worthington Glen Council of Co-Owners, Inc., hereinafter referred to as the Council. The principal office of the Council shall be located at 2000 Worthington Glen Drive, Louisville, Kentucky 40241, but meetings of Members of the Council and Board of Directors may be held at such places within the Commonwealth of Kentucky as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Each of the terms used herein shall have the same meaning as set forth in the Declaration of Master Deed for Worthington Glen Condominium ("Declaration") made by Hills Communities, Inc., dated October __, 1997, and of record at the Jefferson County Clerk's office at Louisville, Kentucky. The Declaration may be, from time to time, amended or supplemented. "Lot" and "Unit" are used interchangeably to refer to Unit.

- 2 -

ARTICLE III**MEETING OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the Members at the Council shall be held within one (1) year from the date of incorporation. Each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m., or at such other reasonable hour as the Board of Directors (hereinafter referred to as "Board" or "Director") sets. The Board shall also set a reasonable location for the meeting. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board. Special meetings shall be called by the President upon written request, delivered to the President in person or by certified mail, of Members having at least twenty-five (25%) of the voting power of all Members. Upon receipt of this request, the President shall immediately cause written notice to be given of the meeting to be held on a date not less than seven (7) nor more than thirty (30) days after receipt of this request. If written notice is not given within ten (10) days after the delivery of the request, the Members making the request may call the meeting and give written notice of it.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat. The notice shall be addressed to the Member's address last appearing on the books of the Council, or supplied by such Member to the Council for the purpose of notice. Such

- 3 -

notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. Except as may be otherwise provided by law, the Articles of Incorporation, the Declaration, or these Bylaws, there shall be a quorum at any meeting of Members where Members who hold at least twenty (20%) of the total voting power in the Council are present in person or by proxy. For a vote on any matter to be valid, the quorum requirement must also be met at the time of completion of that vote.

Section 5. Adjourned Meetings. If at any regular or special meeting of the Members of the Council less than a quorum is present, a majority of those Members present and entitled to vote may adjourn that meeting. Notice of the adjournment need not be given if the time and place to which the meeting is adjourned are fixed and announced at the meeting.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. The person designated a proxy need not be a Unit Owner. All proxies shall be in writing and filed with the Secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit, except as otherwise provided in the Declaration or the Articles of Incorporation, about the proxy given to the Developer. If a first mortgagee has been designated a proxy under the terms of a first mortgage covering a Unit the presentation to the board of Managers of a copy of the mortgage containing the proxy designation shall be notice of that designation, and, if the mortgage so states, of the irrevocability of that designation.

Section 7. Voting. At any meeting of the Members at which a quorum is present all matters shall be determined by a majority vote of those voting on the matter, unless the question is one upon

- 4 -

which a different vote is required by provision of the laws of the Commonwealth of Kentucky, the Declaration, the Articles of Incorporation or these Bylaws.

Section 8. Suspension of Voting Privileges. No Member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books of the Council to be more than thirty (30) days delinquent in the payment of any assessment due the Council.

Section 9. Developer's Proxy. For a period of seven (7) consecutive years, beginning with the date of the recording of the Declaration, the Developer, or such person or entity as the Developer has designated in writing, shall have the irrevocable proxy to vote the vote of every Member of the Council, unless sooner terminated by the Developer as provided in Article IV of the Declaration.

Section 10. Stock. In order to comply with the corporation laws of Kentucky for a profit corporation, each Unit has one share of stock appurtenant to it. Ownership and/or voting of the share cannot be separated from ownership of the Unit. There is no certificate for any share. The deed for each Unit and the Declaration shall be considered notice of the name of the Council; that the grantee in any deed to a Unit, which deed is properly recorded, becomes automatically a shareholder in the Council as a Member of the Council; that there is only one class of shares; that each share is otherwise identical to each other share; and that there is one, and only one, share of stock appurtenant to the ownership of each Unit.

ARTICLE IV

BOARD OF DIRECTORS-SECTION-TERM OF OFFICE

Section 1. Number. The affairs of the Council shall be managed by a Board of three (3) Directors, during the Development Period as defined in Section 2 of this Article, and by a Board of

- 5 -

five (5) Directors, during the Post Development Period, as defined herein. During the Development Period, a Director does not need to be a Member of the Council.

The Developer has the sole right to appoint all Directors until the happening of the earlier of the following events:

- (a) The Developer no longer owns a Unit in the Condominium;
- (b) The Developer gives up, in writing, the right to appoint Directors; or
- (c) Seven (7) years has passed since the date of recording of the Declaration.

The period of time from the date of the Declaration, until the happening of the earlier of one of the aforementioned events, shall be referred to as the "Development Period".

The "Post Development Period" shall mean that period after the termination of the Development Period.

Section 2. Term of Office. The Board of Directors during the Development Period shall be elected at the annual meetings, by the Developer, or at any special meeting called for that purpose. During the Post Development Period, the Board of Directors shall be elected at the annual meetings, by the Unit Owners, or at any special meeting called for that purpose.

The terms of not less than one-third ($\frac{1}{3}$) of the Directors shall expire annually. Accordingly, the Directors elected by the Unit Owners at the "Development Period Special Meeting" shall be elected to staggered terms of the following lengths: two (2) Directors shall be elected to serve until the next annual meeting following the Development Period Special Meeting, and three (3) Directors shall be elected to serve until the second annual meeting following the Development Period Special Meeting. The three (3) Directors with the most votes shall be the Directors who shall serve until the second annual meeting following the Development Period Special Meeting.

- 6 -

Each Director elected by the Unit Owners after the "Development Period Special Meeting" shall serve for a two-year term until the next annual meeting of Unit Owners and until a successor is elected, or until the Director's earlier resignation, removal from office, or death.

Section 3. Resignation; Removal; Vacancies. A Director may resign at any time by oral statement made at a meeting of the Board or by written notice to the Secretary. The resignation shall take affect immediately or at the time specified by the resigning Director.

A Director appointed by the Developer may be removed by the Developer at any time, with or without cause. An elected Director whose removal has been proposed by a Unit Owner shall be given an opportunity to speak at an annual or special meeting of the Members, after which that Director may be removed, with or without cause, by a majority vote of the Members.

If a vacancy is created because of resignation, removal, or death, a successor shall be appointed or elected to serve for the unexpired term of the departed Director. The Developer shall appoint a successor for any appointed Developer, and the Members shall elect a successor for any elected Director using the procedure set forth in Section 2 above, at any annual meeting of the Members or at any special meeting of the Members called for the purpose of filling this vacancy.

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Council. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

- 7 -

Section 6. Number of Initial Board. Notwithstanding any other provision of these Bylaws, the initial Board of Directors shall consist of no less than three (3) persons. The initial Board of Directors shall be appointed by the Developer, Hills Communities, Inc. ("Developer") and shall serve at the pleasure of the Developer.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Council. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among Members only.

Section 2. Election. Elections to the Board shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and the Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI**MEETINGS OF DIRECTORS**

Section 1. Regular Meeting. The Board of Directors shall meet annually within ten (10) days after the annual meeting of Members and in addition to the annual meeting shall meet at regular meetings reasonably established as to time and place by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Council, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Waiver of Notice. Any requirement of notice to a Director provided under this Article VI may be waived by the Director entitled thereto by written waiver of such notice signed by the Director and filed with the Secretary of the Council. Attendance at a meeting is considered waiver of notice.

Section 4. Quorum. A simple majority of the Directors then in office shall constitute a quorum for any meeting, provided that the quorum requirement must be met at the time of completion of a vote on any matter for that vote to be valid. Whether or not a quorum is present, a majority of the Directors present at a meeting may adjourn that meeting. Notice of the adjournment need not be given if the time and place to which the meeting is adjourned are fixed and announced at the meeting.

Section 5. Voting Power. Every act or decision done or made by a majority of the Directors present and voting at a duly held meeting at which a quorum is present shall be regarded as the act

of the Board, except as may be otherwise expressly provided in the Declaration and these Bylaws.

The President may cast an additional vote to break a tie vote on any matter.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas and Limited Common Areas and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Exercise for the Council all powers, duties and authority vested in or delegated to the Council by provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(c) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) Employ a manager, an independent contractor and/or such other employees as it deems necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is required in writing by Members who together can cast twenty-five (25%) of the votes of the Council;

- 10 -

(b) Supervise all officers, agents and employees of the Council, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period (failure to receive the notice or to give it shall not excuse payment of the assessment);

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date and/or to bring an action at law against the Owner personally obligated to pay the same, when, in the sole determination of the Board, foreclosure or an action at law is necessary to collect such assessments and otherwise protect the interest of the Council;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain insurance as provided in the Declaration;

(f) Cause the Common Areas to be maintained; and

(g) Otherwise perform duties imposed on the Council by the Declaration.

- 11 -

ARTICLE VIII**OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The Officers of this Council shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The Officers of this Council shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other Officers as the affairs of the Council may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. The office of Vice-President may be held by any other Officer except the President. No person shall hold more than two (2) offices simultaneously. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board and shall see that orders and resolutions of the Board are carried out. The President may sign all legal instruments authorized by and on behalf of the Council.

(b) Vice-President. The Vice-President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Council together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Council and shall disburse such funds as directed by resolution of the Board; keep proper books of accounts; cause an annual audit of the Council's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures, a copy of which shall be given to each Member at the Council's regular annual meeting.

ARTICLE IX**COMMITTEES**

The Board may appoint and disband such committees as it chooses.

ARTICLE X**INDEMNIFICATION PROVISIONS**

In addition to any other right or remedy to which the persons hereinafter described may be entitled, under the Articles of Incorporation, Bylaws, Declaration, any other agreement, or by vote of the Members or otherwise, the Council shall indemnify any Director or Officer of the Council or former Director or Officer of the Council, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a Director or Officer of the Council, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Council, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plead of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Council, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

ARTICLE XI**MISCELLANEOUS**

Section 1. Books and Records. The books, records and papers of the Council shall at all time, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Council shall be available for inspection by any Member at the principal office of the Council, where copies may be purchased at reasonable cost.

Section 2. Fiscal Year. The fiscal year shall begin on the first day of January of every year, except that the first fiscal year of the Council shall begin at the date of incorporation. The commencement date of the fiscal year herein established may be changed by the Board of Directors.

Section 3. Execution of Corporation Documents. With the prior authorization of the Board of Directors, all notes, contracts and other documents shall be executed on behalf of the Council by either the President or the Vice-President, and all checks and other drafts shall be executed on behalf of the Council by such officers, agents or other persons as are, from time to time, by the Board, authorized so to do.

Section 4. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 5. Amendments. These Bylaws may be amended, at a regular or special meeting of the Members, by affirmative vote of fifty-one percent (51%) of the total number of votes of the Members of the Council. Notwithstanding the foregoing, the Developer, or any person or entity whom the Developer has designated, must consent in writing to the amendment before the amendment is effective if the amendment is passed during the Development Period.

Section 6. Governing Law. The Bylaws shall be interpreted and enforced under the laws of the Commonwealth of Kentucky.

Section 7. Perpetuities; Restraints on Alienation. If an option, privilege, covenant, or right created by the Bylaws shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) rule restriction restraints on alienation, or (c) any other statutory or common law rule imposing time limits, then that provision shall continue only until twenty-one years after the death of the last survivor of the now living decedents of William Jefferson Clinton.

Section 8. Severability. The invalidity of part or all of any provision of the Bylaws shall neither impair the validity of nor affect in any manner the Declaration or the rest of the Bylaws.

Section 9. Heirs, Successors and Assigns. These Bylaws shall be binding upon and shall inure to the benefit of the Council, the Developer, Members and the Developer's and Members' heirs, successors, and assigns.

Section 10. Interpretation of Bylaws. The Section headings are for convenience only and shall not affect the meaning or construction of the Bylaws. A reference to a Specific section without further identification of the document containing that Section is a reference to a Section in the Bylaws.

ADOPTED this ____ day of October, 1997.

WORTHINGTON GLEN COUNCIL OF
CO-OWNERS, INC.

By: _____
Name: _____
Title: _____

VIII. Participant Reforms.

A. **Disclosure to Participants.** RPA section 775. The RPA requires that plan administrators of certain underfunded plans annually notify participants and beneficiaries in language that can be understood by average participants of the plan's funding status and the limits of the PBGC's guarantee should the plan terminate while underfunded. Only those plans that are subject to the VRP and that are not exempt from the DRC are required to provide this notice. This participant notice requirement applies to all plans including plans with 100 or fewer participants. This new section 4011 of ERISA is effective for plan years beginning after December 8, 1994. However, no notification is required until the PBGC issues regulations prescribing the form, manner and time of the notice. The PBGC is developing regulations, and anticipates having them published so that plans will give the notice for the 1995 plan year. The regulations will include a model notice that plans can use to satisfy the requirements.

B. **Missing Participants.** RPA section 776. The RPA amends ERISA's standard termination requirements for participants whom the plan administrator cannot locate after a diligent search ("missing participants") (see sections 4041(b) and 4050 of ERISA). The RPA requires a plan administrator to transfer assets to the PBGC for each missing participant whose benefit is not provided by the purchase of an annuity. The RPA also requires that a plan administrator provide the PBGC with information, such as the name of the annuity provider and the participant, in the case of any missing participant for whom the plan administrator purchases an annuity.

The RPA provides that a plan that operates in accordance with these provisions will not fail to be a qualified plan solely because it followed these provisions with respect to the benefits of missing participants (see section 401(a)(34) of the Code) and that plans shall provide that, upon termination, benefits of missing participants shall be treated in accordance with new section 4050 (see section 206(f) of ERISA).

This provision is effective for distributions that occur in plan years commencing after the PBGC issues final regulations implementing these provisions. The PBGC is working quickly to develop the operational and system changes, forms and regulations needed to implement the program.

C. **Modification of Maximum Guarantee for Disability Benefits.** RPA section 777. The RPA provides that the PBGC's maximum guaranteed monthly benefit paid to a participant who is totally and permanently disabled on or before the plan termination date is not reduced to reflect the age at which the participant commences benefits. To be considered disabled for purposes of the maximum guarantee, the Social Security Administration must have determined that the participant satisfies the definition of disability under Title II or XVI of the Social Security Act. This provision is effective for plans with respect to which termination proceedings are instituted by the PBGC, or in the case of distress terminations for which notices of intent to terminate are filed, on or after December 8, 1994.

D. **Remedies for Noncompliance With Requirements for Standard Termination.** RPA section 778(a). The RPA provides the PBGC with discretion not to issue a notice of noncompliance invalidating a standard termination if the PBGC determines that issuance of such a notice would be inconsistent with the interests of participants and beneficiaries. The PBGC can continue to exercise other current law remedies in those situations; for example, assessing penalties against the plan administrator under section 4071 of ERISA. This provision is effective for standard terminations with respect to which the PBGC has not issued a notice of noncompliance or a final determination notifying the termination as of December 8, 1994. Until further guidance is issued, the PBGC will apply this discretion in narrow circumstances where it is clearly in the interests of participants.

EXHIBIT J
REGIONAL STORMWATER FACILITIES FEE AGREEMENT

BOOK 6952 PAGE 0087

No. _____

THIS AGREEMENT made and entered into this 22nd day of January, 1997,
by and between the Louisville and Jefferson County Metropolitan Sewer District, hereinafter referred to as "MSD", and

Stephen Guttman of Hills Communities, Inc.

whose address is 7420 Montgomery Road Cincinnati OH 45236

WITNESSETH:

WHEREAS, Owner is proposing a development in the regional area known as the
Harrods Creek watershed of MSD's stormwater service area, and described
as follows (description of Project and location): Worthington Glen Condominiums
hereinafter referred to as the "Project", and;

WHEREAS, the Project will contribute to greater stormwater runoff entering existing drainage facilities maintained, operated and provided by MSD within its stormwater service area unless Owner provides on-site stormwater drainage detention/retention facilities, and;

WHEREAS, in accordance with MSD's Regional Facilities Policy, adopted October 24, 1988, MSD is authorized to enter into a voluntary agreement with the Owner for the acceptance of payment in lieu of constructing on-site drainage detention/retention facilities, in order to mitigate a direct impact that has been identified as a consequence of Owner's Project or to provide funding which may be used to reduce, improve or enhance drainage within MSD's stormwater service area, (all of which is hereinafter referred to as the "direct impact"), and;

WHEREAS, the payment accepted by MSD shall be used for the purpose of mitigating said direct impact, as determined appropriate by MSD;

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree to the terms and conditions as stated herein.

1. Owner agrees that in order to mitigate the direct impact that has been identified, Owner shall pay to MSD, at the time of execution of this Agreement:

The fee of Twenty-Seven Thousand Five Hundred Dollars (\$ 27,500.00). Such fee is equivalent to MSD's estimated cost of providing stormwater storage volume necessary to mitigate the impact of the increase in runoff from the development into MSD facilities, and is a fixed fee based on community wide average costs for such facilities.

2. Owner acknowledges and agrees that there is a direct impact as a result of Owner's Project and that this Agreement is necessary as a result of that impact.

3. MSD accepts Owner's contribution in lieu of requiring Owner to provide all necessary on-site stormwater drainage detention/retention facilities for the Project.

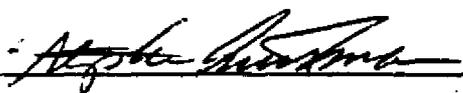
4. Owner agrees that nothing contained herein shall relieve Owner of the responsibility for providing adequate drainage facilities on-site, and discharging to a public drainage facility in accordance with approved plans. Owner shall be responsible for preparing plans and constructing drainage facilities in accordance with MSD design standards and practices.

5. If the Project referenced by this Agreement is not located within the MSD stormwater drainage service area as of the date of this Agreement, Owner shall execute and deliver to MSD an Extension of Stormwater Drainage Boundary Agreement, the effect of which will officially enlarge and extend the boundary of MSD's stormwater drainage service area to include the property on which the project is to be constructed.
6. MSD and the Owner each binds itself and its partners, successors, executors, administrators and assigns to the other party to this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Neither MSD nor the Owner shall assign, sublet or transfer its interests in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer, director, employee or agent or any public body which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than MSD and the Owner.
7. This Agreement supercedes all previous agreements, oral or written, between MSD and the Owner and represents the whole and entire Agreement between the parties regarding this matter. No other agreements or representations, oral or written, have been made by MSD. This Agreement may not be altered, modified or amended except in writing properly executed by an authorized representative of MSD and the Owner.
8. If any section, clause or provision of this Agreement shall be held invalid, such holding of invalidity shall not affect the validity of any remaining section, clause, paragraph, portion or provision of this Agreement.
9. The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted and maintained in any court of competent jurisdiction located in the County of Jefferson, Commonwealth of Kentucky.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement the day, month, and year first above written.

OWNER Hills Communities, Inc.

LOUISVILLE AND JEFFERSON COUNTY
METROPOLITAN SEWER DISTRICT

By: 

Gordon R. Garner
Executive Director

(Printed Name) Stephen Guttman

(Title) President

This Instrument Reviewed By:

Camille Erwin
Attorney at Law
400 South Sixth Street
Louisville, Kentucky 40202-2397
Telephone: (502) 587-0591

STATE OF OHIO _____)
COUNTY OF HAMILTON _____) SS

I, the undersigned Notary Public in and for the Commonwealth and County aforesaid, do hereby certify that the foregoing instrument was this day presented to Me by Stephen Guttman, who, being by me first duly sworn, declared that he signed the foregoing instrument as President by authority and direction of its Board of Directors, as a true and proper act and deed.

WITNESS my hand this 22nd day of January, 19 97.

My Commission expires: JUNE 21, 1999.

Margaret L. Kothrade
NOTARY PUBLIC

MARGARET L. KOTHRADÉ
Notary Public, State of Ohio
My Commission Expires June 21, 1999

CONSENT OF MORTGAGEE

BOOK 6952 PAGE 0091

Hills Financial Group, A Limited Partnership, an Ohio limited partnership, and the holder of a mortgage deed to the premises recorded on 10-20-97 at Mtg. Book 4484 Page 824 of the Jefferson County, Kentucky Recorder's Records, hereby consents to the execution and delivery of the foregoing Declaration of Master Deed, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects the above-described mortgage to the provisions of the foregoing Declaration with attached exhibits.

IN WITNESS WHEREOF, Hills Financial Group, A Limited Partnership, by its authorized officer, has caused the execution of this Consent this 15 day of October, 1997.

Signed and acknowledged
in the presence of:

HILLS FINANCIAL GROUP, A
Limited Partnership, an Ohio limited
partnership

BY: Hills Developers, Inc., an Ohio
corporation, General Partner

John Acklen
Print: John Acklen

By: [Signature]
Name: Louis Guttman
Title: Secretary/Treasurer

Marsha K. Beckham
Print: Marsha K. Beckham

STATE OF OHIO)
 : ss:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this 15 day of October, 1997, by Louis Guttman, Secretary/Treasurer of Hills Developers, Inc., an Ohio corporation, as General Partner of Hills Financial Group, A Limited Partnership, an Ohio limited partnership, on behalf of the corporation and partnership.

[Signature]
Notary Public

This instrument prepared by:

Jody Klekamp Stachler
Jody Klekamp Stachler, Esq.
KEATING, MUETHING & KLEKAMP
1800 Provident Tower
One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-6400



DEAN E. CLEVINGER
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JAN. 28, 2000

CONDOMINIUM
OR
APT. OWNERSHIP
BOOK 102 PAGE 29-32
FILE NO. 940

Document No: 1997145834
Lodged By: PITT & FRANK
Recorded On: Oct 20, 1997 02:58:49 P.M.
Total Fees: \$248.00
County Clerk: Rebecca Jackson
Deputy Clerk: CHERYL

END OF DOCUMENT

[Handwritten mark]