

MASTER DEED AND DECLARATION OF
CONDOMINIUM PROPERTY REGIME OF

SPRING ARBOR CONDOMINIUMS

SPRING ARBOR, INC., a Kentucky corporation, hereafter referred to as the
"Developer," declares this as its plan for ownership in condominium of certain fee simple
property in the Jefferson County, Kentucky, more particularly described as follows:

BEING TRACT 1 as shown on the Minor Subdivision Plat of
record in Deed Book 6694, Page 253, in the Office of the Clerk
of Jefferson County, Kentucky.

BEING the same property acquired by Developer by Deed dated
January 29, 1996, of record in Deed Book 6694, Page 253, in
the Office of the Clerk aforesaid.

W I T N E S S E T H:

In order to create a Condominium Regime consisting of the property described above
and improvements thereon (the "Regime"), to be known as SPRING ARBOR
CONDOMINIUMS, the Developer hereby submits this property and all of the Developer's
interest therein to a condominium property regime established under the Horizontal Property
Law, Sections 381.805 through 381.910 of the Kentucky Revised Statutes ("KRS"). The
term "property" as used herein means the above described real estate and any additional real
estate that may become subject to this Declaration pursuant to Section Y of this Declaration.
In furtherance thereof, the Developer makes the following declarations regarding divisions,
limitations, restrictions, reservations, easements, covenants and conditions, hereby declaring
that this property shall be held, conveyed, mortgaged, encumbered, leased, rented, used,
occupied and improved subject to this Declaration. The provisions of this Declaration

constitute covenants running with the land and are binding on and for the benefit of present and future owners, lessees and mortgagees of any part of the Regime.

A. Definitions. Certain terms as used in this Declaration shall be defined as follows:

1. "Association" means Spring Arbor Condominiums Association, Inc., a Kentucky non-stock, non-profit corporation, composed of all of the Unit owners acting as a group in accordance with this Declaration, any amendments thereto, the articles of incorporation, the bylaws and any other governing documents.

2. "Common Elements" means and includes, as provided in KRS 381.810(7):

- (a) The land in fee simple described herein;
- (b) The foundations, main walls, roofs and entrances and exits or communication ways;
- (c) The grounds, landscaping, roadways, streets, public parking areas, public parking bays and walkways;
- (d) The compartments and installations for central services such as energy, communication or utilities;
- (e) All other devices or installations, for common use, and all other elements of the Regime rationally of common use or necessary to its existence, upkeep and safety.

3. "Limited Common Elements" means and includes, pursuant to KRS 381.810(8), as expanded upon herein, those Common Elements which are reserved for the use of a certain Unit or number of Units to the exclusion of other Units including but not limited to:

- (a) Interior unfinished surfaces of each Unit's perimeter walls, ceilings and floors and crawl space below floors;
- (b) Entrances and exits to each Unit, including the sidewalk area immediately in front of each entrance and exit;
- (c) Chimneys;
- (d) Utility service facilities serving each Unit or several Units;
- (e) Driveways that are immediately in front of the garage entrance for each Unit;
- (f) Door and window frames for each Unit;
- (g) Unit porches and patios indicated on plans recorded or to be recorded under Section B of this Declaration.

4. "Unit" means the enclosed space as measured from interior unfinished surfaces consisting of one or more rooms, including the attached garage and storage area above the garage, comprising each dwelling unit, and having direct access to the Common Elements. The location and extent of each Unit are as shown on the plans of the Regime recorded herewith or to be recorded under Section B of this Declaration. Notwithstanding that some of the following might be located in the Common Elements or Limited Common Elements, the plumbing fixtures, heating and air conditioning equipment, hot water heater, window panes, garbage disposer, and other equipment located within or connected to each Unit for the sole purpose of serving same, are a part of the Unit to the extent that the maintenance, repair and replacement of same are the responsibility of the Unit owner, except to the extent Regime insurance covers repair or replacement.

5. "Common Expenses" means and includes all charges, costs and expenses incurred by the Association for and in connection with the administration and

operation of the Regime, including, without limitation thereof, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Elements (except any enclosed patio, partially or otherwise, which the Association shall have no duty to maintain); any additions and alterations thereto; all labor, services, common utilities, materials, supplies and equipment therefor; liability for injuries or damage to others arising out of or in connection with operation and use of the Regime; all premiums for hazard, liability and other insurance with respect to the Regime and, with respect to the insurance required to be maintained by the Unit owners pursuant to Section N, paragraph 1, up to \$250.00 of any deductible amount if the damage was not caused by the act of omission of that owner; all liabilities incurred in acquiring a Unit pursuant to judicial sale; and all administrative, accounting, legal and managerial expenses. "Common Expenses" shall also include amounts incurred in replacing, or substantially repairing, major capital improvements of the Regime, including, but not limited to, roof replacement and road, driveway and parking lot resurfacing, and any special assessments deemed necessary by the Association or its Board of Directors. In addition, "Common Expenses" shall include all charges for utilities not separately metered, including water and sewer service, and garbage collection; provided, however, if the rate for any of the common utilities or garbage collection service is increased as a result of a particular owner's excessive use, the Association may collect such increase from that Unit owner. All of the above shall constitute Common Expenses of the Regime for which the Unit owners shall be severally liable for their respective proportionate shares in accordance with their percentage of common interest. A reserve or reserves shall be included in the Regime's Common Expense budget for capital replacement.

B. Description of Units. The Regime is hereby divided into no more than 250 Units, provided that additional Units may be added to the Regime if the Regime is expanded by the addition of other property pursuant to Section O. The owners of each Unit shall have a common right to share with other owners in the Common Elements of the Regime in accordance with each Unit's percentage of common interest, representing the square footage of the Unit in relation to the total square footage of all Units of the Regime. The Regime may be developed in two or more phases. Currently, Developer plans that Phase 1 shall consist of 64 Units to be constructed in Buildings 1 through 17, inclusive.

The completed Units and Common Elements are shown or designated on Plans, recorded herewith in the office of the County Court Clerk of Jefferson County, Kentucky in Condominium Ownership Book 57, Pages 43 through 44, which Plans shall be amended 126579 from time to time as construction of additional Units in the Regime are completed. The 9-20-96 Plans and amended Plans are deemed incorporated in this Declaration by reference. The Developer reserves the exclusive right to amend this Declaration and the Plans, from time to time, for the purpose of adding completed Units "as built" without the necessity of any Unit owner or other interest holder joining in the amendments.

C. Common Interest. Each Unit shall have appurtenant thereto an undivided percentage of common interest in the Common Elements; shall have the same percentage interest in all common profits and Common Expenses of the Regime; and shall have the same percentage interest for all other purposes including voting. The undivided percentage of common interest for each Unit is shown in Exhibit A, attached hereto and made a part hereof by reference, which exhibit also indicates the square footage of completed Units and the

estimated square footage of Units planned for Phase 1 of the Regime but yet to be completed. Until such time as the Regime has been fully completed and final plans of all Units have been recorded showing the Regime as ultimately built, Developer shall have the right to determine each Unit's percentage of common interest on the basis of the estimated square footage of the Units planned, from time to time, for the Regime, and such estimate shall be applicable for all purposes herein until the final percentages are actually determined.

Recognizing that the square footage of unbuilt Units may be altered as completion of Units progresses and that less than 250 Units might be built, Developer hereby reserves the exclusive right to amend Exhibit A, from time to time, to show any alteration in square footage of a particular Unit or Units or to reflect the elimination of a Unit or Units, without the necessity of any Unit owner or other interest holder joining in the amendments, and as a result thereof and in compliance with the Horizontal Property Law, to adjust the percentage of common interest of all Units so that each Unit's percentage is based on its square footage as relates to the square footage of all Units of the Regime as ultimately built.

D. Easements. The Units and Common Elements shall have and be subject to the following easements:

1. An easement for any maintenance, repair and replacement of any and all pipes, wires, conduits, or other utility lines running through, under, over or around any Unit, which facilities are utilized for or serve more than that Unit, such facilities being a part of the Common Elements.
2. An easement for ingress and egress for the maintenance, repair and replacement of any load bearing wall located within a Unit.

3. If any part of the Common Elements encroaches upon any Unit or Limited Common Element, a valid easement for such encroachment, the maintenance, repair and replacement thereof, so long as it continues, shall and does exist. If any building in the Regime shall be partially or totally destroyed and then rebuilt, minor encroachments on any parts of the Common Elements due to reconstruction shall be permitted, and valid easements for such encroachments and the maintenance, repair and replacement thereof shall exist.

4. An easement for ingress and egress and maintenance in favor of any public utility providing utility service to the Regime and the Units therein for the purpose of maintenance, repair and replacement of the facilities and equipment necessary to provide said services.

5. An easement in favor of the Association, exercisable by its officers and its agents, to enter any Unit and any Limited Common Element from time to time during reasonable hours, as may be necessary for the operation of the Regime (including the right to inspect the Unit, the Common Elements and the Limited Common Elements), or at any time in the event of emergency for necessary action to prevent damage to any part of the Regime.

6. Existing easements of record affecting the Regime property.

7. Developer reserves the right to grant, transfer, cancel, relocate, and otherwise deal with all utility and other easements now or hereafter located on the Regime without the necessity of any Unit owner or other interest holder joining in any such instrument or agreement.

E. Alteration and Transfer of Interests. The Common Elements, Limited Common Elements and easements appurtenant to each Unit shall have a permanent character

and shall not be altered without the consent of the Association and the Unit owner affected (except where such authority is retained herein by the Developer), and must be expressed in a recorded amendment to this Declaration when the square footage of the Unit is modified. The Common Elements, Limited Common Elements 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 elements or easements are not expressly mentioned or described in the conveyance or other instrument. Nothing in this paragraph shall prevent the Developer or the Association from subsequently designating (and allowing the construction of) attached porches and patios as Limited Common Elements.

F. Partition. The Common Elements, including Limited Common Elements, shall remain undivided and shall not be the object of any action for partition or division of any part thereof.

G. Restrictions. The Units and the Common Elements, including Limited Common Elements, shall be subject to the following restrictions:

1. The Unit shall be used only for residential purposes, shall not be subdivided, and shall be subject to such limitations and conditions as may be contained herein, in the Bylaws of the Association, or any Regime rules and regulations which may be adopted from time to time by the Board of the Association as to the use and appearance of the Units and the Limited and General Common Elements. Notwithstanding this residential restriction, the Developer shall be permitted to use any unsold Units as models or sales offices.

2. Any alteration in the Common Elements or Limited Common Elements desired by a Unit owner is prohibited unless approved in advance by the Association to insure that the alteration is not harmful to the appearance, safety and environmental well-being of the Regime and its occupants. The Association may require such information as it deems reasonable to satisfy said concerns and may deny or modify such proposed alteration as it sees fit and may impose conditions upon any approval given. If the alteration approved results in increasing the living space of a Unit the Association is authorized and directed to amend this Declaration and the Regime's recorded floor plans to include the additional square footage as a part of the Unit, amending the percentage of common interest for all Unit owners in light of the change.

3. The number of Units owned by one person or organization, for the purpose of rental, may be limited by the Bylaws or rules and regulations adopted by the Association; provided, however, there shall be no restriction on the right of the Developer to lease any unsold Unit.

4. Violation of this Declaration, the Bylaws or any rules and regulations of the Regime adopted by the Association may be remedied by the Association, or its agent, by the imposition of reasonable fines or by legal action for damages, injunctive relief, restraining order, or specific performance. In addition, an aggrieved Unit owner may maintain a legal action for similar relief. Each Unit owner in accepting ownership agrees to be subject to such remedies in the event of such violation.

H. Association. The administration of the Regime shall be vested in the Association, consisting of all the Unit owners of the Regime in accordance with the Bylaws

of the Association. The owner of any Unit, upon acquiring title, shall automatically become a member of the Association and shall remain a member until such time as his ownership of such Unit ceases for any reason, at which time membership in the Association shall automatically cease.

The above paragraph notwithstanding, the administration of the Regime, including the adoption and amendment of Bylaws, adoption of Regime rules and regulations, assessment of Common Expenses, and all other matters relating to the governing of the Regime, shall be vested in the Developer or such person or persons as shall be designated by Developer until all Units of the Regime have been sold or until the Developer elects to surrender this power to the Unit owners, whichever first occurs. Until that time, the Developer or such person or persons as shall be designated by Developer shall constitute the sole voting member of the Association and shall possess the irrevocable proxy of the Unit owners (which proxy each Unit owner automatically grants upon acceptance of a deed to a Unit), all Unit owners agreeing to such administration by the Developer upon accepting ownership of a Unit.

I. Administration of the Regime. Administration of the Regime, including the use, maintenance, repair, replacement and restoration of the Common Elements and the Limited Common Elements, and any additions and alterations to them, shall be in accordance with the provisions of the Kentucky Horizontal Property Law, this Declaration, the Bylaws of the Association, and all Regime rules and regulations adopted by the Association. Specifically (but not exclusively), effective upon completion of all Units, the Association shall:

1. Maintain, repair and replace all improvements in the Common Elements and Limited Common Elements (except any enclosed patio, partially or otherwise, which the Association shall have no duty to maintain) which may be required by law to be maintained, repaired and replaced upon, adjoining, in connection with, or for the use of any part of the Regime.

2. Keep all Common Elements, including Limited Common Elements (except any enclosed, partially or otherwise, patios), in a clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority, where applicable to the Regime.

3. Repair, maintain and keep all Common Elements, including Limited Common Elements (except any enclosed, partially or otherwise, patios), of the Regime in good order and condition; maintain and keep said land and all adjacent land between any street boundary of the Regime and the established street line in a neat and attractive condition, including keeping all trees, shrubs and grass in good cultivation; replant the same as may be necessary and repair and make good all defects in the Common Elements of the Regime required in this instrument to be repaired by the Association.

4. Observe any setback lines affecting the Regime as shown on the plans herein mentioned.

5. Through its Board of Directors, to determine annually the estimated Common Expenses of the Regime and to make and collect the assessment of each Unit Owner on a monthly basis. To the extent there are insufficient funds in the Common Expense Fund, the Board of Directors may either increase the monthly assessment for

Common Expenses or levy a special assessment for Common Expenses against the Unit owners.

6. Not make or suffer any waste or unlawful, improper or offensive use of the Regime.

7. Regulate the use of the Common Elements and the Limited Common Elements.

J. Board of Directors. Administration of the Regime shall be conducted for the Association by a Board of Directors (the Developer during the period outlined in Section H) who shall be chosen by the Association in accordance with the Bylaws. The Board shall be authorized to delegate the administration of its duties and powers by written contract to a professional managing agent or administrator employed for that purpose by the Board so long as such contract does not exceed three years in duration and may be cancelable by the Board upon ninety days prior written notice. It shall be the duty of the Board to determine annually, subject to the approval of the Association, the estimated Common Expenses of the Regime for the succeeding twelve months, and, having so determined, to make and collect the assessment monthly from each Unit owner. Each Unit owner shall contribute to the Common Expenses as so determined in accordance with that Unit's percentage of common interest. Where no such determination is formally made for any year, the calculations utilized for the previous twelve months shall remain in effect until such oversight is corrected. No assessment shall be levied against any Unit until construction of that Unit has been completed; thereafter, Units which are "for sale" but have not received a certificate of

occupancy shall pay an assessment equal to 50% of that charged for a completed Unit having a certificate of occupancy.

K. Waiver of Use of Common Elements. No Unit owner may be excepted from liability for contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit.

L. Unpaid Common Expenses Constitute Lien. Unpaid Common Expenses, including late charges and any accelerated assessments as a result of delinquent payment, shall constitute a lien on the Unit of the delinquent Unit owner, prior to all other liens except (1) liens for taxes and assessments lawfully imposed by governmental authorities against such Unit and (2) the lien of any first mortgage against such Unit. Such lien may be enforced by suit by the Association or the Board of Directors, or its management agent, acting on behalf of the Association, in like manner as a mortgage of real property, provided that thirty days' written prior notice of intention to sue to enforce the lien shall be mailed, postage prepaid to all persons having an interest in such Unit (including any mortgagees) as shown on the Association's record of ownership. The Association shall have the power to bid on such Unit at judicial sale or pay for and accept a deed in lieu of foreclosure; and to acquire, hold, lease, mortgage and convey such Unit. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without judicial lien enforcement and without waiving the right to enforce the lien securing same. Any assessment for Common Expenses not paid within 10 days after the due date as established by the Association or its Board of Directors shall incur a late charge of 10% of the unpaid amount. If such assessment shall remain unpaid for 30 days after such due date, then the entire assessment for the next 12

months, as determined by the Board of Directors of the Association, shall immediately become due and payable in full without demand and shall be subject to the provisions of this Section L. The Association may also recover its expenses, including reasonable attorney's fees, in the collection of unpaid assessments and the enforcement of the provisions of this Section L.

M. Acquisition at Judicial Sale. Where the mortgagee of a first mortgage of record or other purchaser of any Unit acquires ownership of such Unit as a result of the judicial enforcement of the mortgage, such Unit shall no longer be subject to a lien for unpaid assessments for Common Expenses which became due prior to such acquisition of title, except where such lien rights may be asserted against surplus proceeds of the judicial sale.

N. Insurance. The Association shall carry a master policy of fire and extended coverage, vandalism, malicious mischief insurance and liability insurance, in a minimum amount of \$500,000 for each occurrence, and if required by law, workmen's compensation insurance (hereinafter referred to as "master policy"), with respect to the Regime and the Association's administration thereof in accordance with the following provisions.

1. The master policy shall be purchased by the Association for the benefit of the Association, the Unit owners and their mortgagees, as their interests may appear, subject to the provisions of this Declaration and the Bylaws (and provisions shall be made for the issuance of appropriate mortgagee endorsements to the mortgagees of the Unit owners). The Unit owners shall be responsible for obtaining fire and extended insurance coverage at their own expense upon their Unit interiors and equipment and personal property and, in

addition, shall be responsible for obtaining comprehensive personal liability insurance covering liability for injury to person or damage to property of others within such owner's Unit, or in another Unit in the Regime or upon the Common Elements or Limited Common Elements resulting from the negligence of the insured Unit owner, in such amounts as may from time to time be determined by the Board of Directors, but in no case less than One Hundred Thousand Dollars (\$100,000.00) for each occurrence. The Board and the Unit owners shall use their best efforts to see that all property and liability insurance carried by a Unit owner or by the Association shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Unit owners or the Association and the respective employees, and agents of the Unit owners or the Association as the case may be.

2. All buildings, improvements, personal property and other Common Elements and Limited Common Elements of the Regime shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the maximum insurable replacement value thereof, as determined from time to time by the Board. The Association, acting through the Board, 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.

3. The Board shall use its best efforts to see that the liability insurance carried by the Association shall contain cross-liability endorsements or appropriate provisions to cover liability of the Unit owners, individually and as a group (arising solely because of their ownership interests in the Common Elements), to another Unit owner.

4. The Board is authorized to procure errors and omission insurance protecting its members from individual liability arising out of their Board activities.

5. All premiums upon insurance purchased by the Association shall be Common Expenses.

6. Proceeds of all insurance policies owned by the Association shall be received by the Association for the use of the Unit owners and their mortgagees as their interests may appear, provided, however, the proceeds of any insurance received by the Board because of property damage shall be applied to repair and reconstruction of the damaged property, except as may otherwise be permitted by Section 0 of this Declaration.

7. Each Unit owner shall be deemed to appoint the Board as his true and lawful attorney in fact to act in connection with all matters concerning the maintenance of the master policy. Without limitation on the generality of the foregoing, the Board 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 Association, the Unit owners and their respective mortgagees as their interests 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 Regime as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Board in regard to such matters. The Board 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 Association's operation, maintenance or use of the Regime.

O. Reconstruction. Where casualty or destruction, partial or total, of one or more buildings occurs, arising from events covered by insurance or not, the determination as to reconstruction shall be governed by the Kentucky Horizontal Property Law, more particularly Section 381.890 of the Kentucky Revised Statutes, as may be amended or supplemented from time to time. As provided in KRS 381.890, the Board of Directors of the Association shall have the right to elect not to reconstruct a building or buildings in the Regime if two-thirds or more of the Units in such building or buildings are destroyed provided that the owner or owners of such Units receive an amount equal to the fair market value of their Unit at the time immediately prior to such casualty, such value to be determined by the average fair market value of three appraisers, one selected by the Board, one selected by the Unit owner, and the third selected by the other two appraisers, all of whom must have had at least five years of experience in appraising real estate in Jefferson County, Kentucky. Each party shall pay the costs of their own appraiser and the cost of the third appraiser shall be shared equally. Thereafter, the percentage of common interest of the remaining owners of Units in the Regime shall be recalculated without reference to those Units that are not reconstructed.

P. Alteration of Regime. Restoration or replacement of the Regime (unless resulting from casualty destruction), or construction of any additional buildings (other than those initially contemplated in the Regime), or substantial structural alteration or addition to any building, different in any material respect from the condominium Plans of the Regime, shall be undertaken by the Association or any Unit owner only after unanimous approval by the Board of Directors, who shall have the authority to amend this Declaration, with the written consent of the holders of all liens on Units affected and in accordance with the

complete plans and specifications approved in writing by the Board. Promptly upon completion of such restoration, alteration or replacement, the Board of Directors shall duly record the amendment with a complete set of floor plans of the Units of the Regime as so altered, certified "as built" by a registered architect or engineer.

Q. Common Expense Fund. The Board of Directors shall establish and pay into a Common Expense Fund all Common Expense collections from the Unit owners and shall pay from such Fund all current Common Expenses of the Regime. Amounts included in the monthly assessment for replacement reserves may be used by the Board to satisfy and pay the current Common Expenses of the Regime.

R. Investment Fund. Common Expense Fund balances available for investment may be invested by the Board of Administration in interest-bearing securities and/or interest bearing accounts, so long as such investment is issued by an instrumentality of the United States or insured under a program secured by the full faith and credit of the United States.

S. Additional Common Expense Provisions. In addition to the other provisions of this Declaration relating to the Regime's Common Expenses, the following requirements and limitations are applicable:

1. The percentage interest of each Unit owner in the Common Expense Fund cannot be withdrawn or separately assigned and shall be deemed to be transferred with such Unit even though not mentioned or described in the conveyance thereof.

2. If the Regime shall be terminated or waived, any part of the Fund remaining after full payment of Common Expenses and costs of termination shall be

distributed to the then existing Unit owners in accordance with their respective percentage interest.

T. Incurrence and Retirement of Indebtedness. The Association, acting by unanimous vote of the Board of Directors, may borrow money from time to time for the following purposes:

1. To cover any budgetary deficit for Common Expenses, so long as such loan can be repaid within 24 months from anticipated Common Expense income not needed for ongoing operations.
2. To pay costs of reconstruction, major repair, replacement or alteration of the Common Elements and Limited Common Elements incurred under Section O (to the extent not covered by insurance proceeds, including any payment to a Unit owner if the Board elects not to reconstruct) and Section P of this Declaration, provided that the repayment of such loan can be amortized over a period of no more than fifteen (15) years and will not require a monthly payment in excess of one/one-hundredth of one percent (.01%) of the total fair market value of all the Units, said fair market value to be determined by use of the values (based upon 100% assessment value) placed on the Units by the Jefferson County Property Valuation Administrator or such other governmental officer as may succeed to his duties as they now exist, on January 1st of the initial loan year and without taking into consideration any loss of value arising out of destruction to property being restored or replaced from the proceeds of the loan. There shall be no more than one authorized loan outstanding at any one time. When it is necessary to effect such a loan, the Association, acting through its Board of Directors, may pledge, as security, its rights to

receive that part of the Common Expense income that is necessary to amortize the payoff of the loan.

U. Voting and Voting Percentages. The term "majority" or "majority of Unit owners" used herein or in the Bylaws shall mean the owners of the Units to which are appurtenant more than fifty percent of the percentage of common interest. Any specified percentage of Unit owners means the owners of Units to which are appurtenant such percentage of the common interest. With respect to any Unit where the owner consists of more than one person or entity, the vote for such Unit shall be exercised as such persons or entities determine among themselves, but in no event shall more than one vote be cast for each Unit. Owners shall be entitled to vote at Association meetings in person or by written proxy.

V. Eminent Domain. The following provisions shall control upon any taking by eminent domain.

1. In the event of the taking of an entire Unit by eminent domain, the owner of such Unit and his mortgagee(s), as their interests may appear, shall be entitled to receive the award for such Unit taking and, after acceptance thereof, he, his mortgagee(s) and other interest holder shall be divested of all interest in the Regime. In the event that any condemnation award shall become payable to any owner whose Unit is not wholly taken by eminent domain, then such award shall be paid by the condemning authority to the Association on behalf of such owner. In that event, the Association shall rebuild the Unit as is necessary to make it habitable and remit the balance, if any, of the condemnation proceeds

pertinent to such Unit to the owner thereof and his mortgagee(s), as their interests may appear.

2. If there is any taking of any portion of the Regime other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Association. The affirmative vote of more than 75% of the Unit owners shall determine whether to rebuild, repair or replace the portion so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds shall be remitted to the Unit owners in accordance with their respective percentages of common interest.

3. In the event the Regime continues after taking by eminent domain, then the remaining portion of the Regime shall be re-surveyed and this Declaration amended accordingly by the Board of Directors, and, if any Unit shall have been taken, then the amended Declaration shall reflect such taking and shall proportionately readjust the percentage of common interest of the remaining Unit owners based upon a total percentage of common interest of 100%.

W. Amendment of Declaration. Except as otherwise provided in this instrument, or in the Horizontal Property Law, this Declaration may only be amended by the affirmative vote of 75% or more of the Unit owners, effective only upon recording of a signed instrument setting forth the amendment; provided, however, the Developer may amend this Declaration from time to time, recording amended floor plans of Units, when completed, in accordance with KRS 381.830(1)(b), KRS 381.835(5) and Sections B and C of this Declaration, without the necessity for any Unit owners or other interest holders joining in such amendments, said persons agreeing and consenting to such amendments in accepting

conveyance of a Unit; provided, further, if at any time it is found that an error exists on the part of the draftsman of this Declaration or on the part of the engineer, an amendment setting forth the error and correction thereof may be filed by Developer without the consent of any other party thereto and shall become a part of this Declaration.

X. Incorporation of Association. The Association may (but is not so required) incorporate itself as a non-stock, non-profit corporation, in the administration of the Regime with the membership and voting rights in such corporation being the same as membership and voting rights hereinabove established for the Association.

Y. Expansion of Regime. Notwithstanding any of the other provisions of this Declaration, Developer may, without the consent of any other owner of a Unit or other interest holder in any Unit of the Association, expand the Regime so as to include all or any part of the property designated as Tract II on the Minor Subdivision Plat of record in Deed Book 6694, Page 253, in the office of the Clerk of Jefferson County, Kentucky, at which time all or any part of such Tract II as so designated by Developer shall be and become part of the "Regime" covered by the provisions of this Declaration. Upon such expansion and at all times thereafter, this Declaration shall govern the ownership, use and transfer of such additional property.

Z. Consent of Mortgagee. Commonwealth Bank and Trust Company ("Mortgagee") is the holder of a mortgage dated August 16, 1996, of record in Mortgage Book ⁴¹⁵¹/_✓, Page ⁹⁵⁴/_✓, in the office of the Clerk of Jefferson County, Kentucky. Mortgagee joins in this Declaration to indicate its consent hereto and to agree that Mortgagee's lien

rights under said mortgage and other collateral documents in favor of Mortgagee are hereby transferred to the individual Units of the Regime hereby established or to be established.

IN WITNESS WHEREOF, Developer and Mortgagee have caused this Declaration to be signed by their duly authorized officers on their behalf, all done at Louisville, Kentucky, as of August 16, 1996 but actually on the dates set forth below.

SPRING ARBOR, INC.

By Henry M. Potter
Henry M. Potter, President

Date: 8/16/96

MORTGAGEE:

COMMONWEALTH BANK AND TRUST
COMPANY

By E. Bruce Parker
Title: Vice President

Date: 9-16-96

COMMONWEALTH OF KENTUCKY)
) SS
 COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 16th day of August, 1996, by Henry M. Potter as President of **Spring Arbor, Inc.**, a Kentucky corporation, party thereto, to be his act and deed on behalf of the corporation. My commission expires: 3/31/98.

Terrie A. Veal
 NOTARY PUBLIC, STATE AT LARGE, KY

COMMONWEALTH OF KENTUCKY)
) SS
 COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 16th day of September, 1996, by E. Barry Osburn, as Vice President of **Commonwealth Bank and Trust Company**, a Kentucky corporation, to be the act and deed of said corporation. My commission expires: 12/31/98.

Kimberly W. Allan
 NOTARY PUBLIC, STATE AT LARGE, KY

This instrument was prepared by:

Timothy W. Martin
 Brown, Todd & Heyburn PLLC
 3200 Providian Center
 Louisville, Kentucky 40202-3363

Timothy W. Martin

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 lw/pw/cj 8/12/96

**DELINEATION OF THE BUILDING, UNIT NUMBERS, ARCHITECTURAL SQUARE FEET,
AND INITIAL PERCENTAGE OF ARCHITECTURAL SQUARE FEET**

<u>Building</u>	<u>Unit</u>	<u>Architectural Square Feet</u>	<u>Initial Percentage of Architectural Square Feet</u>
1	1	1852	1.81%
1	2	1581	1.54%
1	3	1406	1.37%
1	4	1561	1.52%
2	5	1852	1.81%
2	6	1581	1.54%
2	7	1406	1.37%
2	8	1561	1.52%
3	9	1852	1.81%
3	10	1581	1.54%
3	11	1406	1.37%
3	12	1561	1.52%
4	14	1852	1.81%
4	15	1581	1.54%
4	16	1406	1.37%
4	17	1561	1.52%
5	18	1852	1.81%
5	19	1581	1.54%
5	20	1406	1.37%
5	21	1561	1.52%
6	22	1852	1.81%
6	23	1581	1.54%
6	24	1406	1.37%
6	25	1561	1.52%
7	26	1852	1.81%
7	27	1581	1.54%
7	28	1406	1.37%
7	29	1561	1.52%
8	30	1852	1.81%
8	31	1581	1.54%
8	32	1406	1.37%
8	33	1561	1.52%
9	34	1852	1.81%
9	35	1581	1.54%
9	36	1406	1.37%
9	37	1561	1.52%

PHASE I

DELINEATION OF THE BUILDING, UNIT NUMBERS, ARCHITECTURAL SQUARE FEET,
AND INITIAL PERCENTAGE OF ARCHITECTURAL SQUARE FEET

<u>Building</u>	<u>Unit</u>	<u>Architectural Square Feet</u>	<u>Initial Percentage of Architectural Square Feet</u>
10	38	1852	1.81%
10	39	1581	1.54%
10	40	1406	1.37%
10	41	1561	1.52%
11	42	1852	1.81%
11	43	1581	1.54%
11	44	1406	1.37%
11	45	1561	1.52%
12	46	1852	1.81%
12	47	1581	1.54%
12	48	1406	1.37%
12	49	1561	1.52%
14	50	1852	1.81%
14	51	1581	1.54%
14	52	1406	1.37%
14	53	1561	1.52%
15	54	1852	1.81%
15	55	1581	1.54%
15	56	1406	1.37%
15	57	1561	1.52%
16	58	1852	1.81%
16	59	1581	1.54%
16	60	1406	1.37%
16	61	1561	1.52%
17	62	1852	1.81%
17	63	1581	1.54%
17	64	1406	1.37%
17	65	1561	1.52%

Total

Document No: 1996126579
 100.00% Adged By: SPRING ARBOR CONDOSA
 Recorded On: Sep 20, 1996 01:38:14 P.M.
 Total Fees: \$88.00
 County Clerk: Rebecca Jackson
 Deputy Clerk: CARRIED

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