

DECLARATION OF MASTER DEED
FOR
THE CLIFF VIEW TERRACE CONDOMINIUMS,
A CONDOMINIUM PROPERTY REGIME

THIS DECLARATION made and entered into this 22nd day of June, 2007, by Cliff View Terrace, LLC, hereinafter referred to as "Developer", and PBI Bank, Inc., a Kentucky Corporation, hereinafter referred to as "Lender".

WITNESSETH:

That whereas, Developer is the owner in fee simple of a certain tract located at 2411 Brownsboro Road, Louisville, Kentucky 40206, Jefferson County, Kentucky as shown on Plat attached hereto, and when fully developed shall consist of not more than thirty condominium units; and

WHEREAS, Developer desires to, and does hereby file its plans for said buildings and units, all as shown on plans simultaneously recorded herewith together with any and all other structures and improvements and other permanent fixtures of whatsoever kind

thereon, and all rights and privileges belonging or in anywise pertaining thereto, to the provisions of the Kentucky Horizontal Property Law KRS 381.805 to 381.910 as amended; and

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

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

NOW, WHEREFORE, Developer declares as follows:

1. Legal Description of Land

The real estate which is hereby submitted and subjected to the provision of the Horizontal Property Law of Kentucky, as amended, is legally described as follows:

Beginning in the original North line of Brownsboro Road at its intersection with the West line of the tract conveyed to Irwin B. Weyer and wife, by deed dated January 17, 1961 of record in Deed Book 3673, Page 309, in the Office of the Clerk of Jefferson County, Kentucky; thence with the West line of said tract and same extended, North 9 degrees 27 minutes West 150.45 feet to a pipe, corner to Lot 16, as shown on plat of Honeysuckle Hill Subdivision, plat of which is of record in Plat and Subdivision Book 21, Page 94, in the office aforesaid; thence with the Southeasterly line of said Lot 16, North 54 degrees 23 minutes East 85.18 feet to the Southwesterly line of Idlewylde Drive, as shown on the aforesaid plat; thence with the Southwesterly line of said Drive, South 35 degrees 37 minutes East 170.07 feet; thence continuing with a line of said Drive, and with a curve to the right having a radius of 20 feet to its intersection with the original North line of Brownsboro Road; said point being North 77 degrees 45 minutes East 134.63 feet from its intersection with the West line of the tract conveyed to Irwin B. Weyer and wife, by deed aforesaid, as measured along the original North line of Brownsboro Road; thence with said Road, South 77 degrees 45 minutes West 134.63 feet to the beginning. Said tract being shown on the plat of Honeysuckle Hill Subdivision aforesaid.

Being the same property conveyed to Developer by Deed dated June 22, 2006 of record in Deed Book 8855, Page 759 in the aforesaid Clerk's office.

Said real estate is also described and delineated on a Plat or survey filed simultaneously herewith.

Said real estate and all improvements thereon and appurtenances thereto shall be known as "Cliff View Terrace Condominiums".

2. Definitions

(a) Except to the extent hereinafter modified or changed, the following word and terms, whenever used herein, shall have the following meaning:

- i. "Board" refers to the Board of Directors of the Council of Co-Owners.
- ii. "Council" refers to the Cliff View Terrace Condominiums Council of Co-Owners.
- iii. "Condominium regime" refers to the Cliff View Terrace Condominiums.
- iv. "Horizontal Property Law" or the "Act" refers to KRS 381.805 to 381.910 as amended.

(b) Except to the extent hereinafter modified or changed, the following words and terms, wherever used herein, shall have the same meaning as provided for such words and terms in the Horizontal Property Law:

“Unit”, “Condominium”, “Master Deed”, “General Common Elements”, “Common Expenses”, “Persons”, “Property” and “Limited Common Elements”.

3. Description of Building

Said building is situated on the real estate and are fully described in a set floor plans of the buildings filed simultaneously with the recording hereof, pursuant to KRS 381.835. Said floor plans are incorporated by reference to and are hereto made a part of this Master Deed.

4. Units, (as built, as shown on Plan filed herewith).

(a) The unit number of each of the units created are fully set forth in said plans attached hereto and are as follows: 1 (2415 Brownsboro Rd), 2 (300 Idlewylde Dr), 101, 103, 105, 107, 109, 201, 202, 203, 205, 301, 302, 303, 304, 305, 307, 309, 310, 311, 312, 313, 401, 402, 403, 407, 408, 409, 410, 411

(b) The location, dimensions and limited common area to which each unit has access are set forth in and on said floor plans. The legal description of each unit shall consist of the unit number aforesaid followed by the words, "a Condominium Unit in the Cliff View Terrace Condominiums". Each unit shall consist of the space enclosed and bounded by the horizontal plane of the undecorated interior finished surfaces of the ceiling, floor and perimeter walls of each unit, as are shown on said plans attached hereto, and shall include the exclusive right to use any limited common elements, including the terrace, immediately adjacent to said unit.

(c) Each unit owner shall obtain fee simple ownership of the unit acquired, the appurtenant undivided interest of the general common elements of the condominium project, and, if applicable, any limited common elements appurtenant to the unit. The form of ownership of a unit may be individual, corporate, in partnership, joint with rights of survivorship, a tenancy in common, a tenancy by the entirety, or (subject to the other provisions of the condominium documents) and other estate in real property recognized by law and which may be conveyed and encumbered.

(d) The Developer reserves the exclusive right to subdivide any unit that the Developer may own or have an interest in at any time as provided for in KRS 381.827. The Developer may exercise said right without the prior written approval of the Council and any other person holding a lien on such units. No other owner shall subdivide any unit except as provided for in KRS 381.827.

5. Definition and Description of General Common Elements

The general common elements shall consist of that property as set forth on plans recorded herewith, excepting the individual units and fixtures therein and excepting any portion of the property or appurtenances thereto described as limited common elements, and shall include but not be limited to the land as set forth in attached plans and designated as common area and improvements, and fixtures attached thereto, sidewalks, common grass areas, entrances and exits, roofs, pipes, ducts and electrical wiring in walls, garbage and refuse areas, public utility lines, stairways, floor and ceilings (other than the interior undecorated surfaces thereof located within the units), space between floors, perimeter walls of the units, structural parts of the building, and all other

portions of the property, all exterior surfaces of the building including the windows. Structural columns and load bearing walls located within the boundary of the unit shall be a part of the general common elements. Common elements shall include tangible personal property used for the maintenance and operation of the Condominium regime even though owned by the Council hereinafter described. All responsibility and the expenses of maintaining and repairing general common elements shall be paid by the Council.

6. Definition and Description of Limited Common Elements

“Limited common elements” means and includes those common elements which are specifically reserved for the use of a certain unit or a specifically designated number of units, including, but not limited to the following which are specifically reserved for a unit or a specifically designated number of units:

- (a) Interior undecorated surfaces of each unit’s perimeter walls, ceilings and floors.
- (b) Entrances and exits to the specific units.

(c) Utility service facilities within the units.

(d) Doors, screens and window frames.

(e) Heating and air conditioning units.

(f) Terraces and balconies, if any

(e) Parking spaces. Parking spaces are those areas as shown on the plans attached and filed simultaneously herewith. Said plan is attached hereto as exhibit "A" and made a part hereof. The parking spaces are numbered the same as the unit numbers and are limited common elements and benefiting a particular unit owner. Purchase of a unit entitles the owners to the "exclusive right to use" the corresponding numbered parking space(s). All expenses of maintaining and repairing parking spaces shall be paid by the Council.

(f) Storage closets. Storage Closets are those areas as shown on the plans attached and filed simultaneously herewith. Said plan is attached hereto as exhibit "A" and made a part hereof. They are numbered Closets 1, 2, 3, 4, 5, 6, 7, 8, 9. Storage closets are limited common elements and benefiting a particular unit owner who has

purchased the "exclusive right to use" said storage closet. All expenses of maintaining and repairing storage closet shall be paid by the Council.

(g) Such other limited common elements which are agreed upon by the Council, Board or Developer that are to be reserved for the use of a particular unit as well as any other limited common elements elsewhere designated in this Master Deed.

All expenses of maintaining and repairing limited common elements shall be paid by the unit owners benefited thereby, except that which is covered under Common Expenses. All expenses of maintaining and repairing the terraces and balconies shall be paid by the Council as a common expense and not the unit owner benefiting therefrom.

7. Square Footage and Percentage Interest.

(a) Unless otherwise provided herein, the percentage of the undivided interest in

the common elements pertaining to each unit and its owner for all purposes is as follows:

<u>UNIT</u>	<u>SQ. FEET</u>	<u>% INTEREST</u>
1 (2415 Brownsboro Rd)	1868	5.931%
2 (300 Idlewylde Drive)	635	2.016%
101	857	2.721%
103	872	2.769%
105	872	2.769%
107	576	1.829%
109	595	1.889%
201	1065	3.381%
202	1365	4.334%
203	734	2.330%
205	1459	4.632%
301	1067	3.388%
302	732	2.324%
303	1062	3.372%
304	706	2.241%
305	734	2.330%
307	1438	4.566%
309	1088	3.454%
310	1112	3.530%
311	1088	3.454%
312	1086	3.448%
313	1090	3.461%
401	1092	3.467%
402	896	2.845%
403	1203	3.819%
407	1863	5.915%
408	1075	3.413%

<u>UNIT(cont.)</u>	<u>SQ. FEET</u>	<u>% INTEREST</u>
409	1085	3.445%
410	1086	3.448%
411	1096	3.480%
Total	42,555	100%

(b) Each unit owner shall own an undivided interest in the percentage, hereinabove set forth, in the common elements as a tenant in common with all the other unit owners, and, except as otherwise limited in this Master Deed, shall have the right to use and occupy the common elements for all purposes incident to the use of a residential unit and for such other incidental uses permitted by this Master Deed, which right shall be appurtenant to each unit. Any conveyance, encumbrance, judicial sale or transfer of an interest in the common elements shall be void unless a unit to which that interest is allocated is also transferred or encumbered. Notwithstanding the unit owners' joint title to the common elements, no unit owner shall use any common element in any manner calculated to disturb or annoy any other owner in the peaceable possession and enjoyment of a unit.

(c) The term "unit" as used herein and throughout this Master Deed shall mean a

“unit” as defined in KRS 385.810(1), together with the percentage of undivided ownership interest in the common elements allocated to such unit as hereinabove set out. Any conveyance of an individual unit shall be deemed also to convey the undivided interest of the owner in the common elements, both general and limited, appertaining to said unit, without specifically or particularly referring to same. Such interest shall remain undivided and shall not be the subject of an action for partition or division of the co-ownership.

8. Common Expenses.

“Common Expenses” of the Condominium project means all charges, costs and expenses incurred by the Council, the Board, and/or the Managing Agent, for and in connection with the operation and administration of the Condominium regime. Common expenses include (a) those expenses for the building, equipment and ground maintenance and repair; (b) all costs for utility services not separately metered, insurance premiums, janitorial service, garbage removal, painting of the common elements, concrete repair and replacement, costs of Condominium regime materials, supplies, equipment and tools; (c)

all costs for management, legal accounting and engineering; (d) all costs for service fees, repair and replacement of common element utility lines and equipment; (e) all expenses for the repayment of any loans obtained to pay for common expenses and to establish reserves to be maintained to cover future replacement costs and contingencies.

9. Unpaid Common Expenses Constitute a Lien.

(a) All sums assessed for common expenses or maintenance fees shall constitute a lien on the units, prior to all other liens except for ad valorem taxes and assessments lawfully imposed by governmental authorities against such units and a lien of a first mortgage holder. Said lien arises automatically, and no notice of lien need be recorded to make the lien effective. Such lien may be enforced by legal action by the Council, its administrator or managing agent, acting on behalf of the Council, provided that thirty (30) 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 as shown on the Council's record of ownership. Suit to recover a money judgment for unpaid common expenses shall be maintainable without judicial lien enforcement and without waiving the

lien securing same. Said lien shall not be extinguished by the sale or transfer of a unit except through a judicial sale.

(b) Late charge, interest and cost. The Council may impose a late charge against any unit owner who fails to pay any amount assessed by the Council against a unit within fifteen (15) days after such assessment is due and payable. Said late charge shall be in the amount of \$25.00. If an assessment is not paid within thirty days after the due date, the assessment shall bear interest at a reasonable rate of twelve (12%) percent per year. The assessment lien includes all collection costs, including but not limited to, reasonable attorney's fees, court cost, filing fees, collection fees and any other expenses incurred by the Council in enforcing the assessment or collecting the assessment.

(c) In the event that a unit owner is delinquent for the payment of common expenses and/or maintenance fees and the delinquency shall continue for more than 60 days from the date the first amounts come due, then the Council or the Board shall notify any valid first mortgage holder of said delinquency. Furthermore, no valid first mortgage holder shall be liable for more than six months of a unit holder's common expenses

and/or maintenance fees.

(d) Anything to the contrary contained in this Master Deed or in the Council Bylaws notwithstanding, until the Developer's transfer of control and management of the Council, the Developer shall not be liable for the payment of any assessment, monthly or otherwise, for common expenses, or reserve or contingency accounts or other Condominium regime assessments. The units owned by the Developer, prior to the Developer's transfer of control, shall not be subject to any lien therefore; and the Developer shall not have any liabilities of a unit owner. The Developer shall, however, until Developer's transfer of control, be responsible for the maintenance costs of the Condominium regime in accordance with Developer's own determination, incurred over and above assessments or amounts paid by unit owners for common expenses and other appropriate charges.

10. Administration of the Condominium Regime.

(a) Developer has or will cause the formation of a Kentucky not-for-profit corporation known as "Cliff View Terrace Condominiums Council of Co-Owners, Inc.",

to act as the Council of Co-Owners as defined in KRS 381.810 (4 and 5) and governing body for all unit owners in administration and operation of the Condominium regime and property. Each unit owner or owners shall be a member of such corporation, which membership shall terminate upon the sale or other disposition of such member of his or her unit, at which time the new unit owner or owners shall automatically become a member therein.

(b) Administration of the project shall be conducted by the Council and its Board in accordance with its Bylaws. Said Board shall be authorized to delegate the administration of its duties and powers to a managing agent or administration employed for that purpose by the Board.

(c) Administration of the Condominium regime, including the use, maintenance, repair, replacement and restoration of the common elements and any additions and alterations to them, shall be in accordance with the provisions of the Horizontal Property Law, this Master Deed, the Bylaws of the Council and all project rules and regulations adopted by the Board.

11. Purpose.

The buildings and the units therein are intended for and restricted exclusively for residential purposes. Additional provisions with respect to the use and occupancy of the units and common areas and facilities are contained in paragraph 17 hereof.

12. Insurance.

(a) The Council, acting by and through its Board, shall acquire 100% full replacement value insurance protection for the Condominium regime, including but not exclusively, hazard, flood, casualty, liability, and employee workmen's compensation insurance, if needed, without prejudice to the right of co-owners to insure their units on their own account and for their own benefit. The premiums on such insurance shall be considered common expenses, enforceable under lien rights. Should the amount of any insurance premium be affected by a particular use of a unit or units, the owners of such units shall be required to pay any increase in premium resulting from such use. The name of the insured shall be the Council of Co-Owners for Cliff View Terrace Condominiums, Inc. for the use and benefit of the individual unit owners.

(b) Insurance Trustee. The Board shall act, on behalf of the unit owners, as an insurance trustee and shall be the authorized representative, with exclusive authority, to negotiate losses under any insurance policy and to perform such other functions as are necessary to accomplish this purpose.

13. Damage or Destruction.

(a) 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 Paragraph.

(b) 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 and repaired.

(c) If more than sixty-six and two-thirds (66 2/3%) percent 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:

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

(2) 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 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 or repair are approved at such meeting by the unit owners 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.

(3) 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 mortgage holder 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, or at the Board's discretion, to the Council for the use and benefit of the remaining Unit Owners in the Project. The Board may then decide upon the ultimate fate of the Unit, including its extinguishment, and shall have full power and authority to make any such disposition, including by deed, by amendment to this Declaration or otherwise. 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.

(4) The purchase price shall be paid in cash or upon terms approved by the Unit Owner and the Council.

(5) 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.

(6) 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.

(7) 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.

(d) Any reconstruction or repair must be substantially according to the plans and specifications approved by the Council. Said reconstruction or repair shall be in a manner consistent with the design and building specifications of Norton Commons.

(e) The responsibility of reconstruction and repair after casualty shall be that of the Council.

(f) 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.

14. Eminent Domain.

(a) 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, or the amount of such award shall be set off against the sums hereafter made 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 these Articles.

(b) 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:

(1) 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.

(2) The balance of the award, if any, shall be distributed to the Owner of the Unit and to each mortgage of the Unit, the remittance being payable jointly to the Owner and mortgages.

(3) 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.

(c) 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:

(1) The market value of such Unit immediately prior to the taking shall be paid to the Unit Owner and to each mortgage of the Unit, the remittance being paid jointly to the Owner and mortgages, provided that the Owner simultaneously convey by deed all 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.

(2) 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.

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

(4) 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 Unit's percentage of common interest as calculated after the taking.

(d) 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, shall be evidenced by an amendment to the Declaration.

(e) *Each Unit Owner and/or his respective mortgagee by acceptance of a deed conveying his Unit and each mortgage 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 mortgage 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 mortgage any amending instruments as may be necessary or desirable to effect the purpose of this Article. This power of attorney includes the right to receive proceeds and execute releases on behalf of each Unit Owner and each mortgagee.*

15. Easements and Encroachments.

(a) Easements are hereby declared reserved and granted for utility purposes,

including but not limited to the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, cable TV lines and equipment, and electrical conduits and wires and equipment over, under, along and on any part of the common elements as they exist on the date of the recording hereof; and a permanent power of attorney is hereby granted to the Board to grant any such easement.

(b) In the event that, by reason of the construction, reconstruction, repair, settlement, shifting of the building or the design or construction, or other movement of any portion of the buildings, any part of any unit or any part of the common elements encroaches or shall hereafter encroach upon any part of any unit, or any part of any unit encroaches on any part of the common elements, valid easements of maintenance of such encroachments are hereby established and shall exist for the benefit of such unit and the common elements as the case may be, so long as all or any part of the building containing such unit shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of the owner of any unit or in favor of the owners of the common elements if such encroachments occurred due to the willful

conduct of said owner or owners. In addition to the foregoing, it is expressly understood that an easement for support is included in this section of the Master Deed.

(c) There is expressly reserved the right of ingress and egress to a unit owner for access to his/her unit.

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

(e) The respective deed of conveyance, or any mortgage or trust deed or other evidence of obligation shall be subject to the easements and rights described in this Master Deed, and reference to this Master Deed shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

16. Bylaws.

The Bylaws for Cliff View Terrace Condominiums Council of the Co-Owners shall be adopted and exercised initially by the Developer in order to develop same into a condominium project and to assure the placing of the Council on a sound basis for the protection of all owners of the Condominium regime.

Subsequently, the administration of the Condominium regime shall be governed by the bylaws, and they may be amended from time to time by amendment procedure hereinafter set forth.

The above paragraph and anything to the contrary notwithstanding, the administration and control of the Condominium regime, Council and the property, including but not limited to the adoption and amendment of the bylaws, adoption of Condominium regime rules, assessment of common expenses and all other rights relating to the governing, managing and administration of the Condominium regime and the property and all rights and powers which would otherwise be vested in the Council or Board shall all be vested in the Developer alone until 75% of the units have been sold,

transferred and recorded, or five (5) years after the date of the filing of this Master Deed, whichever first occurs. Until that time, the Developer shall possess the irrevocable proxy of the unit owners, which proxy each unit owner automatically gives the Developer upon the acceptance of a deed to a unit and all unit owners agreeing to such administration by the Developer in accepting unit conveyances.

17. Use and Occupancy of Units and Common Areas and Facilities.

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

(a) No part of the property shall be used for any purpose other than residential purposes and the related common purposes for which the property has been designated and permitted. Excepting, therefrom Unit 2 (300 Idlewylde Drive) and Unit 109, which may be used for commercial office space.

(b) There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board except as herein expressly provided. Each unit owner shall be obligated to maintain and keep his or her own unit including the exterior of doors in good, clean order and repair.

(c) No unit owner shall permit anything to be done or kept in his or her or its unit, or in common elements or limited common elements which will result in the cancellation of insurance on the building or contents thereof, or which would be in violation of any law. *No waste shall be committed in the common elements or limited common elements.*

(d) Unit owners shall not cause or permit anything to be hung or displayed on the outside of the windows or placed on the outside walls of the building, and no sign or signs, lettering, awning, canopy, shutter, radio or television antenna, satellite dish shall be affixed to or placed upon the exterior walls, doors, windows, or roof of any part thereof, without the prior written consent of the Developer and/or Board.

(e) No noxious or offensive activity shall be carried on in any unit or on the property, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other unit owners or occupants, or constitute waste at common law.

(f) *Nothing shall be done in any unit or in, on, or to the common elements which will impair the structural integrity of the building or which would structurally change the*

building, except as otherwise provided herein.

(g) No personal property or other articles shall be left out or exposed on any part of the common elements. The common elements and the limited common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

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

(i) Other rules and regulations may be made by the Developer and/or the Board as to usage of the units, subject to prior written approval of Developer's mortgagee.

18. Violation of Declaration.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained in the Horizontal Property Law shall give the Board the right, in addition to any other rights provided for in this Master Deed (a) to enter upon the unit or any portion of the property upon which, such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting unit

owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof; and the Council, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Each unit owner (and in the case of unsold units, the Developer) shall comply with the provisions of this Master Deed and the Council Bylaws, decisions and resolutions of the Council and its Board or its representative, as lawfully amended from time to time, and failure to comply any such provisions, decisions, or resolution shall be grounds for an equitable action to recover sums for damages and/or fines or for injunctive relief or for any other legal or equitable remedy maintainable by the Council, or its Board on behalf of the Council or, in a proper case, by an aggrieved Co-unit owner.

In the event that a tenant (lessee) of any unit violates any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained in the Horizontal Property Law, the Board shall, in

addition to the remedies prescribed in this Paragraph 17, have the right to bring a forcible detainer action against said tenant on behalf of the owner of said unit.

19. Entry by Council.

The Council or its agents or employees may enter any unit when necessary in connection with any painting, maintenance or reconstruction for which the Council is responsible, or which the Council has the right or duty to do. Such entry shall be at reasonable hours and with prior notice and shall be made with as little inconvenience to the unit's owners as practicable, and any damage caused thereby shall be repaired by the Council at the expense of the maintenance fund.

20. Grantees.

Each Grantee by the acceptance of a deed of conveyance accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Master Deed, and the provisions of the Condominium Property Law, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created,

reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants estate in any unit, and shall inure to the benefit of the such owner in like manner as though the provisions of this Master Deed were recited and stipulated at length in each and every deed of conveyances.

21. Failure to Enforce.

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

22. Notices.

Notices required or permitted to be given to the Council, the Board or any unit owner may be delivered to any officer of the Council, member of the Board or such unit owner at his or her unit or as set forth in the Bylaws.

Notice, shall be given, upon written request by any holder, insurer or guarantor of a first mortgage of the following for any proposed amendment to any condominium instrument effecting a change in the boundaries of any unit or the exclusive easement

rights appertaining thereto, the interest in the general or limited common elements or liability for common expenses, the number of votes, the purposes to which any unit or common element is restricted, any proposed termination of the condominium regime/project, any condemnation loss, any delinquency in payment of assessments owed by a unit owner of a unit subject to the mortgage held by the requesting party, any lapse, cancellation or material modification of any insurance policy maintained by the Council

23. Amendments.

(a) If before seventy-five (75%) percent of the units have been sold, conveyed and recorded, it is found that an error exists on the part of the draftsman of this instrument or on the part of the surveyor or engineer, and amendment setting forth the error and correction may be filed by the Developer, subject to the terms and priority of Developer's mortgage, without the consent of any other party thereto, and shall become a part of this Master Deed. No further change shall be made except by amendment procedures immediately following.

(b) The provisions of this Master Deed and the Bylaws of the Council may

be amended, changed or modified by an instrument in writing setting forth such amendment, change or modification signed and acknowledged by the unit owners casting a least sixty-seven (67%) percent of the votes in the Council and the approval of at least fifty-one (51%) percent of the first mortgagees having a bona fide liens of record against the units. Amendments, changes and modification shall include, but are not limited, to the following:

1. Voting rights;
2. Increases in assessments that raise the previous assessment amount by more than 25%, or the priority of assessment liens;
3. Reductions in reserves for maintenance, repair and replacement of common elements;
4. Responsibility for maintenance and repairs;
5. Reallocation of interests in the general or limited common elements, or rights to their use (except for those rights reserved herein in favor of Developer);
6. Redefinition of unit boundaries;
7. Convertibility of units into common elements or vice versa;
8. Expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;
9. Hazard or fidelity premiums;
10. Imposition of any restrictions on the leasing of any units;
11. Imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
12. A decision by the Council to establish self-management in the

event that professional management has been required by this Master Deed or the Bylaws or by an eligible mortgage holder;

13. Restoration or repair of the Condominium project (after damage or partial condemnation) in a manner other than that specified in this Master Deed;

14. Any provision that expressly benefits mortgage holders, insurers, or guarantors;

15. A change in the boundaries of any unit.

16. A change in any provision regarding the rights to use of the common elements.

17. Imposition of any right of first refusal or similar restriction on the right of a unit of a unit owner to sell, transfers, or otherwise convey a unit.

18. Any provisions which are for the express benefit of holder, guarantors or insurers of first mortgages.

(c) The provisions of this Master Deed and the Bylaws of the Council with regard to any action for termination of the legal status of the project after substantial destruction or condemnation may be amended, changed or modified by an instrument in writing setting forth such amendment, change or modification signed and acknowledged by the unit owners casting a least sixty-seven (67%) percent of the votes in the Council and the approval of at least sixty-seven (67%) percent of the first mortgagees having a bona fide liens of record against the units.

(d) For first mortgage holders to be eligible voters under this

paragraph they must have requested in writing to the Council their desire for notice of an amendment vote. Said written request shall state the name and address of said mortgagee and the unit number upon which they hold a first mortgage.

(e) Any amendment change or modification to this Master Deed or Bylaws shall conform to the provisions of the Horizontal Property Law and shall be effective upon recordation thereof. Bylaws and any amendments thereto need not be recorded.

24. Revocation of Declaration

The dedication of the Condominium to the Plan of Ownership described in the Master Deed shall not be revoked, nor shall the Condominium be removed from the Plan of Ownership unless all of the Units owners and holders of all deeds of trust, mortgages, or other security instruments covering the units and all other parties having any security in a Unit unanimously agree to such revocation, or removal of the Condominium from the Plan by duly recorded instruments or by "operation of law."

25. Severability.

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

26. Construction.

The provisions of this *Master Deed* shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium Project.

27. Consent of Lien holder.

PBI Bank, Inc. a Kentucky Corporation, holder of Mortgages on the property described herein and dated October 18, 2006 appearing of record in Mortgage Book 10357, Page 609, all in the Office of the County Clerk of Jefferson County, Kentucky, joins herein only for the purpose of consenting and does hereby consent to the submission

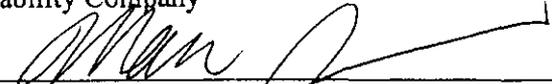
of the property to a Kentucky Horizontal Property Regime and to the provisions of this Master Deed; and the Developer does hereby agree that the lien rights of PBI Bank, Inc., a Kentucky Corporation hereby transferred to the individual units of the regime.

28. Mortgagee of Developer.

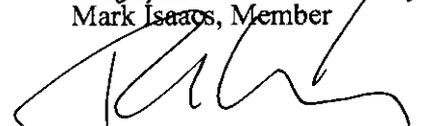
Any mortgagee of Developer which acquires title by foreclosure or by deed in lieu thereof shall enjoy all the rights of the Developer hereunder and under the Bylaws of the Council.

IN WITNESS WHEREOF, the Developer has caused this Master Deed to be signed by the Developer and the lien holder the date first shown above.

Cliff View Terrace, LLC, a Kentucky Limited Liability Company



Mark Isaacs, Member



Reed Weinberg, Member

STATE OF KENTUCKY)
) SS
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before this 25 day of June, 2007 by Gerrald L. Chrestas SR V.P. of PBI Bank, Inc, a Kentucky Corporation, Lender.

Cynthia Radin
Notary Public, Jefferson County, Kentucky
My Commission Expires: January 29, 2011

NO TITLE EXAM PREPARED
This instrument prepared by:

RUSSELL D. FORD, ATTORNEY
MATTINGLY-FORD, PSC
One Oxmoor Place
1650 UPS Drive, Suite 102
Louisville, Kentucky 40223
(502) 212-7000

Recorded in Condo Book
No. 120 Page 61-64
Part No. 2455

END OF DOCUMENT

Document No.: DN2007101460
Lodged By: FORD
Recorded On: 06/25/2007 02:06:17
Total Fees: 139.00
Transfer Tax: .00
County Clerk: BOBBIE HOLSCLOW-JEFF CO KY
Deputy Clerk: CARHAR