

MASTER DEED AND DECLARATION OF
CONDOMINIUM PROPERTY REGIME OF

KENILWORTH HEIGHTS LOFTS & TOWNHOMES

LEGACY DEVELOPMENT CORPORATION, d/b/a Legacy Homes, a Kentucky corporation, (the "Developer") declares this as its plan for ownership in condominium of certain property located at 339 Kenilworth Road, 343 Kenilworth Road, and 349 Kenilworth Road, Jefferson County, Kentucky, known as KENILWORTH HEIGHTS LOFTS & TOWNHOMES, more particularly described on "Exhibit A" attached and made a part of this Master Deed and Declaration (the "Declaration").

WITNESSETH:

The Developer submits the property described on Exhibit A and improvements thereon to a condominium property regime (the "Regime") under the Condominium Property Law, Sections 381.805 through 381.910 of the Kentucky Revised Statutes ("KRS"). The Regime shall be known as "KENILWORTH HEIGHTS LOFTS & TOWNHOMES." The Developer makes the following declarations regarding divisions, limitations, expansions, restrictions, reservations, easements, covenants and conditions, hereby declaring that the property described on Exhibit A 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. "Council of Co-owners" or "Council" means all of the Unit owners acting as a group in accordance with this Declaration, any amendments thereto, the bylaws and any other governing documents.

2. "Common Elements" means:

- (a) The land in fee simple;
- (b) The grounds, landscaping, roadways, parking areas and walkways not otherwise reserved as limited common elements
- (c) The installations for central services;
- (d) The foundations, exterior walls, and roofs of buildings; and
- (e) All other devices or installations existing for common use, and all other elements of the buildings rationally of common use or necessary to their existence, upkeep and safety.

3. "Limited Common Elements" means 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 exclusively:

- (a) The space between the ceiling and first floor between units, where applicable;
- (b) Utility service facilities serving a Unit or several Units;
- (c) Yard areas fenced in and maintained by an individual owner, with approval at the sole discretion of the Board of the Council of Co-Owners.

4. "Unit or "Condominium Unit" means the walls from the interior paint of the exterior walls in, terraces, balconies, decks, floors, and the enclosed space consisting

of a residence occupying one or more floors in a building, having direct access to the Common Elements. The location and extent of each Unit are as shown on the plans of the Regime recorded with this Declaration or which may be recorded under Section V of this Declaration. Notwithstanding that some of the following might be located in the Common Elements or Limited Common Elements, the plumbing, heating and air conditioning equipment (including all ducts and pipes), electrical wiring and equipment within a Unit, windows, doors, garbage disposer, hot water heater, telephone and cable TV lines, floors, balconies, decks, fences, and other equipment located within or connected to a Unit for the sole purpose of serving that Unit exclusively, are a part of the Unit; the maintenance, repair and replacement of same being the responsibility of the Unit owner.

5. "Common Expenses" means and includes all charges, costs and expenses incurred by the Council for and in connection with the administration and operation of the Regime, including, without limitation thereof: maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Elements; 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 Elements and their use; all premiums for hazard, liability and other insurance with respect to the Regime; all liabilities incurred in acquiring a Unit pursuant to judicial sale; and all administrative, accounting, legal and managerial expenses. Also, "Common Expenses" shall include the cost of operation, maintenance, improvement and replacement of any open space facilities and equipment, and shall include amounts incurred in replacing, or substantially repairing, major capital improvements of the

Regime, including, but not limited to, roof replacement, common area landscaping and road and driveway resurfacing. All of the above shall constitute Common Expenses of the Regime for which the Unit owners shall be severally liable monthly or quarterly (as determined by the Board of Administration), for their respective proportionate shares in accordance with their percentage of common interest. The Regime's Common Expense budget shall include a reserve for capital expenditures.

B. Description of Units. The Regime is hereby initially divided into 4 Units (351 Kenilworth Road, 353 Kenilworth Road, 355 Kenilworth Road, 357 Kenilworth Road), with the owners of each Unit having a common right to share with the other Co-owners in the Common Elements of the Regime in accordance with each Unit's percentage of common interest, representing their square footage of the Unit in relation to the total square footage of all Units of the Regime. Plans of the Regime have been recorded in the office of the County Clerk of Jefferson County, Kentucky in Condominium Ownership Book 110, pages 96 through 99, inclusive, File No. 2116 simultaneously with this Declaration.

C. Common Interest. Each Unit shall have appurtenant thereto an undivided percentage of common interest in the Common Elements; shall have the same percentage share in all common profits and Common Expenses of the Regime; and shall have this percentage interest for all other purposes including voting. The undivided percentage of common interest for each Unit is shown on "Exhibit C" attached and made a part of this Declaration, which percentages may be altered but only in accordance with the provisions of this Declaration.

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

1. An easement exists for any maintenance, repair and replacement of any and all pipes, wires, conduits, or other utility lines running through and around any Unit, which facilities serve more than that Unit and are part of the Common Elements.
2. An easement exists for ingress and egress for the maintenance, repair and replacement of any load bearing wall located within a Unit, or any roof, foundation, exterior wall, brick, siding, soffit, gutter or downspout of any Unit.
3. If any part of the Common Elements encroaches upon any Unit or Limited Common Element, an easement shall exist for the encroachment, the maintenance, repair and replacement thereof, so long as it continues. If any building of this 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 easements shall exist for the encroachments.
4. An easement exists for ingress, egress and maintenance in favor of any public utility providing utility service to the Regime and the Units.
5. An easement exists in favor of the Council of Co-owners, exercisable by the Board of Administration 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 Common Elements), or in the event of emergency, for necessary action to prevent damage to any part of the Regime.
6. Developer reserves the right during development to grant, transfer, cancel,

relocate, and otherwise deal with all utility and other easements now or hereafter affecting the Common Elements.

7. (a) Except as otherwise set forth herein, all parking area or other paved portion of the Regime designated for parking purposes shall be part of the Common Elements and not part of the individual Unit.

(b) The Developer reserves the right, until sale and conveyance of all Units, to grant to any Unit owner in writing, and to no other person, the exclusive use of one or more designated parking spaces, which exclusive use shall be deemed to be appurtenant to and pass with the title to the Unit even though not expressly mentioned in documents passing title to the Unit. The Developer shall, in the event of exercise of the reserved right, file with the records of the Board of Administration, the name of the Unit owner to whom the Developer has granted the exclusive use of a parking space or spaces, which record shall be conclusive upon the Board of Administration and all Unit owners as to the rights of the Unit owner designated in such instrument.

(c) A Unit owner's use and possession of parking spaces shall be subject to such reasonable rules and regulations as the Board of Administration determines and, in addition, shall be subject to the payment of such additional Common Expense as may be assessed by the Board of Administration.

(d) Any Unit owner may sell or otherwise transfer the right to the exclusive use and possession of a parking space to another Unit owner by filing with the Board of Administration a written instrument designating the name of the Unit owner affected, except where such authority is retained herein by the Developer.

E. Partition. The Common Elements shall remain undivided and shall not be the object of any action for partition or division of any part thereof except as provided by the Condominium Property Law of Kentucky. The 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 the Unit even though the Common Elements or easements are not expressly mentioned or described in the conveyance or other instrument. Nothing in this Section shall prevent the Developer or the Board of Administration from subsequently designating (and allowing the construction of) exterior modifications, but such must be approved in writing by the Board.

F. Restrictions. The Units and the Common Elements shall be subject to the following restrictions, which restrictions shall be permanent:

1. The Unit shall be used only for single-family residential purposes, and shall be subject to such limitations and conditions as may be contained herein, or in the Bylaws of the Council of Co-owners, or any rules which may be adopted from time to time by the Board of Administration of the Council as to the use and appearance of the Units and the Common Elements. Notwithstanding this residential restriction, the Developer shall be permitted to use unsold residential Units as models or sales offices.

2. Any residential unit lease shall be in writing and shall be subject to this Declaration, as may be amended, and to the Bylaws and rules, as amended from time to time. Common area parking spaces, if any, shall be used solely for the parking of vehicles. No Unit owner shall use or permit the use of a parking space for recreational purpose except as provided herein.

3. Violation of this Declaration, the Bylaws or any rules adopted by the Board of Administration, may be remedied by the Board, 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. A Unit owner in accepting ownership of a Unit agrees to become subject to this enforcement in the event of violation. No waiver of any violation of this Declaration shall be implied from any omission by the Developer, the Board or a Unit owner to take any action with respect to such violation.

G. Council of Co-owners. The administration of the Regime shall be vested in a Council of Co-owners consisting of all the Unit owners of the Regime. 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 administration of the Regime, including the adoption and amendment of Bylaws, adoption of rules, assessment of Common Expenses and all other matters relating to the administration of the regime, is vested in the Developer until (i) 120 days from the date ninety percent of all Units of the Regime (as may be expanded pursuant to Section V of this Declaration) have been conveyed, or (ii) until the Developer elects to surrender this power to the Unit owners, or (iii) until December 31, 2007, whichever first occurs. Until that time, the Developer shall constitute the Council of Co-owners and the Board of Administration, and shall possess the irrevocable proxy of the Unit owners to operate and

administer the Regime during this time, which proxy each Unit owner automatically grants upon acceptance of a deed to a Unit. All Unit owners, by acceptance of a deed to a Unit, agree to this administration of the Regime by the Developer.

H. Administration of the Regime. Administration of the 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 Kentucky Condominium Property Law, this Declaration, the Bylaws of the Council, and all rules adopted by the Board of Administration. Specifically (but not exclusively), effective upon completion of all Units, the Council shall:

1. Maintain, repair and replace all improvements in the Common Elements 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 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. Well and substantially repair, maintain and keep all Common Elements 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 Council.

4. Except as may be provided herein, in the Bylaws and Regime Rules, keep all Limited Common Elements in a clean and sanitary condition and well and substantially repair, maintain and keep them in good order and condition.

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

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 Limited Common Elements.

8. Should any exterior element of a Unit be deemed to be in need of repair or maintenance by the Council, the Council shall so notify the owner in writing, giving 30 days for said repair to be made. If said repairs are not made in 30 days, the Council may take action to make said repair, with the owner to pay for said repairs. The Council may take corrective action as it deems proper if an owner is delinquent in paying for said repairs in excess of 30 days, following the procedure similar to unpaid common expenses.

- I. Board of Administration. Administration of the Regime shall be conducted for the Council by a Board of Administration (the Developer during the period outlined in Section G) 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 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 is 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 Council, the estimated Common Expenses of the Regime for the succeeding twelve months, and, having so determined, to make and collect the assessment monthly or quarterly from each Unit owner. Each Unit owner shall contribute in accordance with its 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.

J. Waiver of Use of Common Elements. No Unit owner may except himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

K. Unpaid Common Expenses Constitute Lien. Unpaid Common Expenses 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 Units and (2) the lien of a first mortgage. In the event a Unit owner shall fail to pay the proportionate share of Common Expenses for a period of ten days following the date on which the same become due, the Board may assess a "late charge" of up to ten dollars and, if

such share remains unpaid for a period of thirty days following the due date, together with any late charge thereon, the Board may declare the entire proportionate share of Common Expenses of that Unit owner for the next succeeding full twelve calendar months immediately due and payable, without further notice or demand, and proceed to collect the same. The Unit owner is responsible for all costs of collection, including interest on past due amounts at 1% per month (12% per annum) on said unpaid balance. The lien for unpaid Common Expenses may be enforced by suit by the Council or the Board, the Board's Administrator or agent, acting on the behalf of the Council, in like manner as a mortgage of real property, provided that thirty days' prior written notice of intent 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 Council's record of ownership. The Council shall have the power to bid on such Unit at a 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 judgement for unpaid Common Expenses shall be maintainable without judicial lien enforcement and without waiving the right to enforce the lien securing same. Without in any manner limiting its rights aforesaid, the Council or the Board, the Board's Administrator or agent, acting on behalf of the Council, may also file a lien for

unpaid Common Expenses in the manner provided by the laws of the Commonwealth of Kentucky for mechanics, materialmen or laborers.

L. 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 or deed in lien of the mortgage, such Unit shall no longer be subject to a lien for unpaid assessments for Common Expenses which become due prior to such acquisition of title, except where such lien rights may be asserted against surplus proceeds of the judicial sale.

M. Insurance. The Board of Administration shall carry a master policy of fire and extended coverage, vandalism, malicious mischief, and liability insurance as it sees fit, (referred to in this Declaration as "master policy"), with respect to the Regime and the Council's administration thereof in accordance with the following provisions:

1. The master policy shall be purchased by the Board for the benefit of the Council, 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, 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 resulting from the negligence of the insured Unit owner, in such amounts as may from time to time be determined by the Board of Administration, 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 Council shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Unit owners or the Council and the respective employees, and agents of the Unit owners or the Council as the case may be.

2. All buildings, improvements, personal property and other 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, or at least eighty percent (80%) thereof, as determined from time to time by the Board. The Council, 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 Council 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 interest 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 and to procure fidelity bond coverage for persons or entities handling Council funds.

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

6. Proceeds of all insurance policies owned by the Council shall be received by the Board 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 O 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 Council, 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 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 Regime.

N. Reconstruction. Where casualty 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 Condominium Property Law, more particularly Section 381.890 of the Kentucky revised statutes, as may be amended or supplemented from time to time.

O. Alteration of Regime. Restoration or replacement of the Regime (unless resulting from casualty destruction), or construction of any additional building (other than those initially contemplated in the Regime), or material alterations or additions to any building of the Regime, shall be undertaken by the Council or any Co-owners only after unanimous approval by the Board of Administration, who shall have the authority to amend this Declaration, with 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 Administration 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.

P. Maintenance Fund. The Board shall establish and pay into a Maintenance Fund all Common Expense collections from the Unit owners, assessed for

and attributable to current expense and shall pay from the Maintenance Fund all current Common Expenses of the Regime.

Q. Capital Replacement Fund. The Board of Administration shall establish a Capital Replacement Fund and pay into same from month to month that portion of Common Expense collections from the Unit owners, attributable to the Common Expense budget item for capital replacement reserves. For example, if ten percent of the Common Expense budget for that particular year is assigned to capital replacement reserves, ten percent of Common Expense collections shall be paid over to the Capital Replacement Fund. Disbursements from this Fund, other than for investment as hereinafter authorized, shall be made only for replacing, or substantially repairing, major capital improvements of the Regime, or for repayment of indebtedness incurred under Section V of this Declaration, approved by the Board. Fund balances available for investment may be invested by the Board in interest-bearing securities and/or savings 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.

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

1. The proportionate interest of each Unit owner in the Maintenance Fund and Capital Replacement Fund cannot be withdrawn or separately assigned, but are

deemed to be transferred with such Unit even though not mentioned or described in the conveyance thereof.

2. In the event the Regime herein created shall be terminated or waived, any part of said funds remaining after full payment of Common Expenses and costs of termination shall be distributed to the then existing Unit owners in their respective proportionate shares.

3. The Developer shall be responsible for the maintenance cost of the Regime, incurred over and above amounts payable to the Maintenance Fund by the Unit owners, until the Developer transfers control of the Regime as above provided (when ninety percent of the Units have been sold, when the developer so elects, or December 31, 2007, whichever first occurs). Thereafter, the Developer shall be liable for assessment for Common Expenses on Units owned by the Developer, if and when occupied.

S. Incurrence and Retirement of Indebtedness. The Council of Co-owners, acting by unanimous vote of the Board, may borrow money from time to time for the following purposes:

1. To cover any budgetary deficit for operational expenses, so long as such loan can be repaid within six 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 incurred under Section O (to the extent not covered

by insurance proceeds) and Section M of this Declaration. When it is necessary to effect such a loan, the Council, acting through the Board, may pledge, as security thereon, its rights to receive that part of the monthly Common Expense income that is necessary to amortize the payoff of the loan.

T. 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. Where a Unit is jointly owned by one or more persons, the vote for that Unit may be cast by one of the joint owners. Where the joint owners of one Unit cannot agree on a vote, the vote applicable to that Unit shall be divided pursuant to ownership interest. Owners shall be entitled to vote at Council meetings in person or by written proxy.

U. 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 Unit owner and the Unit owner's mortgagee(s), as their interests may appear, shall be entitled to receive the award for such Unit taking and, after acceptance thereof, the Unit owner, the Unit owner's 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 Council of Co-owners on behalf of such owner. In that event, the Council shall rebuild the Unit as is necessary to make it habitable and remit the balance, if any, of the condemnation proceeds pertinent to the Unit owner thereof and the Unit owner's mortgagee(s), as their interest 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 Council. The affirmative vote of more than seventy-five percent (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 Master Deed amended accordingly by the Board, and, if any Unit shall have been taken, then the amended Master Deed 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%.

V. Expandability of Regime. This Regime is contemplated to be expanded to as many as 12 residential Units or more; Developer reserves the right to expand the Regime.

W. Amendment of Declaration. Except as otherwise provided in this Declaration, or in the Kentucky Condominium Property Law, this Declaration may be amended from time to time by:

1. A majority of the Unit owners, effective only upon recording of the signed instrument setting forth the amendment; and
2. The Developer (i) in correcting errors or (ii) in recording amended floor plans of Units on an as-built basis in accordance with KRS 381.830 (1)(b), and KRS 381.835(5) without necessity for any Unit owners or other owners of interests joining in.

X. Incorporation of Council of Co-owners. The Council of Co-owners may (but shall not be required to) incorporate itself as a non-stock, non-profit corporation, with the membership and voting rights in the corporation being the same as membership and voting rights already established for the Council.

Y. Consent of Mortgagee. Ascencia Bank, national banking association ("Mortgagee"), is the holder of a mortgage on the property described on Exhibit A hereto, such mortgage having been recorded on JAN 28, 2005, 2005 of record at Mortgage Book 9182 at Page 120, in the office of the Jefferson County Clerk, Jefferson County, Kentucky. Mortgagee joins in this declaration to indicate its consent hereto and to agree that Mortgagee's lien rights under such mortgage and related collateral documents in favor of Mortgagee are transferred to the individual units of the condominium project hereby established.

WITNESS the signature of the Developer by its duly authorized officer on 1/25, 2005.

LEGACY DEVELOPMENT CORPORATION

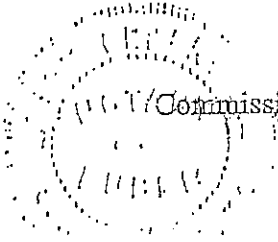
By Mark Isaacs
Mark Isaacs, President

STATE OF KENTUCKY

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 10/26, 2005, by Mark Isaacs, President of Legacy Development Corporation, a Kentucky corporation, on behalf of the corporation.


Notary Public


 Commission expires: 1-31-09

WITNESS the signature of the Lender by its duly authorized officer on 10-25, 2005.

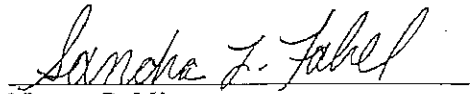
ASCENCIA BANK

By Gerald L. Chreste
Sr. V-P

STATE OF KENTUCKY

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 25TH, OCT., 2005, by Gerald L. Chreste, a duly authorized officer of Ascencia Bank of Kentucky, on behalf of the bank.


Notary Public
Commission expires: JULY 29, 2006