

MASTER DEED AND DECLARATION OF
CONDOMINIUM PROPERTY REGIME OF
HIGHLANDS VILLAGE CONDOMINIUMS

LOUISVILLE HOUSING SERVICES CORPORATION, a non-profit Kentucky corporation, hereinafter referred to as the Developer, on the 14th day of APRIL, 1992 declares this as a plan for ownership in condominium of certain property situated at the corner of Breckinridge and Rubel Avenue in Louisville, Jefferson County, Kentucky, more particularly described as follows:

BEGINNING at Northwest corner of Breckinridge Street and Rubel Avenue; thence Westwardly along the North side of Breckinridge Street, 220 feet and extending back Northwardly of that width throughout the Eastern line of Rubel Avenue, 200 feet to an alley 12 feet wide.

BEING the same property acquired by Louisville Housing Services Corporation, by deed dated February 19, 1991, of record in Deed Book 6038 Page 309, in the office of the Clerk of Jefferson County, Kentucky.

In order to create a Condominium Project consisting of the property described above and improvements thereon (the "Project"), to be known as Highlands Village Condominiums, a Condominium Regime, the Developer hereby submits this property and all the Developer's interest therein to a condominium property regime established under the Kentucky Condominium Property Law, Sections 381.805 through 381.910 of the Kentucky Revised Statutes ("KRS"). In furtherance thereof, the Developer makes the following declarations regarding divisions, limitations, restrictions, 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 and lessees of any part of the Project.

A. Division of Property. The Project is hereby divided into the following separate and freehold estates:

1. Units. The Regime is hereby divided into a maximum of twenty-four (24) units separately designated and described freehold estates consisting of the space within the perimeter walls of each of the twenty-four (24) units referred to in the instrument as "units" or "condominium units". All units are shown or designated on Plans recorded in the office of the County Court Clerk of Jefferson County, Kentucky in Apartment Ownership Book 46 Pages 1 through 3; which Plans are incorporated in this instrument by reference.

(a) The twenty-four (24) units located in seven (7) buildings are designated with numbers and are more fully identified and surveyed on the aforesaid

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Plans. They are identified and described by square footage as follows:

<u>RUBLE AVENUE</u>	<u>AREA (sq. ft.)</u>
Unit No. 816-A	1,000.70
Unit No. 816-B	1,000.70
Unit No. 818-A	950.50
Unit No. 818-B	932.10
Unit No. 820-A	745.05
Unit No. 820-B	745.05
Unit No. 822-A	1,000.70
Unit No. 822-B	1,000.70
Unit No. 824-A	745.05
Unit No. 824-B	745.05

BRECKINRIDGE ST.

Unit No. 1423-A	1,000.50
Unit No. 1423-B	1,000.50
Unit No. 1425-A	950.50
Unit No. 1425-B	932.10
Unit No. 1427-A	745.05
Unit No. 1427-B	745.05
Unit No. 1429-A	1,000.70
Unit No. 1429-B	1,000.70
Unit No. 1431-A	745.00
Unit No. 1431-B	745.00
Unit No. 1433-A	745.10
Unit No. 1433-B	745.10
Unit No. 1435-A	903.68
Unit No. 1435-B	903.68

(b) The respective units shall not be deemed to include the un-decorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors, and ceilings surrounding each unit, or any pipes, wires, conduits or other utility lines running through each unit which are utilized for or serve more than one unit, the same being the common elements as hereinafter provided. Each unit shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings and all built-in-appliances.

2. Common Elements. A freehold estate consisting of all remaining portions of the Project shall be hereafter referred to as "common elements". This term includes the building, the land on which it is located and all elements mentioned in said Condominium Property Law which are actually constructed in the Project. This includes, but is not limited to:

- (a) The land in fee simple;
- (b) All foundations, columns, girders, beams, supports, bearing walls, roofs, entries, stairways, corridors, entrances and exists of the building, and the common basement space, and fire place flues.
- (c) All ducts, pipes, electrical equipment, wiring and other central and appurtenant installations for services, including installations for power, light, hot water, refuse disposal and telephone service (not including items under

subsection 4).

(d) Furnaces. There are separate furnaces for each unit served by separate gas lines, operations, maintenance and replacement of furnaces shall be at the expense of each unit owner.

3. Limited Common Elements. Certain parts of the common elements designated as "limited common elements" are hereby set aside and reserved for the exclusive use of certain units and such units shall have appurtenant thereto an exclusive easement for the use of the applicable limited common elements. The limited common elements so set aside and reserved are those customarily and rationally for limited common use for less than all of the units.

4. Cooling Units and Hot Water Heaters. Unit ownership shall include the ducts and pipes leading from said items to the unit to be serviced, which ducts and pipes are not a part of the common elements under Section 2(c) hereof. There is a separate cooling unit and hot water heater for each individual unit. Each unit owner shall bear the cost of operation, maintenance, and replacement of the cooling unit and hot water heater, pertaining to such unit.

B. Common Interest. Each unit shall have appurtenant thereto an undivided percentage of common interest in the common elements as set out below; shall have the same percentage share in all common profits and common expenses of the Project; and shall have this percentage interest for all other purposes including voting. The undivided percentage of common interest for each of the twenty-four (24) units shall be as follows:

<u>RUBLE AVENUE</u>	<u>INTEREST</u>
Unit No. 816-A	4.76%
Unit No. 816-B	4.76%
Unit No. 818-A	4.52%
Unit No. 818-B	4.43%
Unit No. 820-A	3.54%
Unit No. 820-B	3.54%
Unit No. 822-A	4.76%
Unit No. 822-B	4.76%
Unit No. 824-A	3.54%
Unit No. 824-B	3.54%
 <u>BRECKINRIDGE ST.</u>	
Unit No. 1423-A	4.76%
Unit No. 1423-B	4.76%
Unit No. 1425-A	4.52%
Unit No. 1425-B	4.43%
Unit No. 1427-A	3.54%
Unit No. 1427-B	3.54%
Unit No. 1429-A	4.76%
Unit No. 1429-B	4.76%
Unit No. 1431-A	3.54%
Unit No. 1431-B	3.54%
Unit No. 1433-A	3.54%
Unit No. 1433-B	3.54%
Unit No. 1435-A	4.31%
Unit No. 1435-B	4.31%

E. 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 except as provided by the Condominium Property Law of Kentucky.

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 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 Project rules which may be adopted from time to time by the Council of Co-owners as to the use and appearance of the units and the limited and general common elements. For copy of Bylaws, see Exhibit D, made a part hereof.

2. Violation of this Declaration, the Bylaws or any rules of the Project properly adopted by the Council of Co-owners, may be remedied by the Council, or its agent, by legal action for damages, injunctive relief, restraining order, or specific performance.

3. In addition, an aggrieved unit owner may maintain a legal action for similar relief.

G. Council of Co-owners. The administration of the Project shall be vested in its Council of Co-owners, consisting of all the unit owners of the Project in accordance with the Bylaws of the Council. The owner of any unit, upon acquiring title, shall automatically become a member of the Council and shall remain a member until such time as his ownership of such unit ceases for any reason, at which time his membership in the Council shall automatically cease.

II. Administration of the Project. Administration of the Project, including the use, maintenance, repair, replacement and restoration of the common elements, and additions and alterations of them, shall be in accordance with the provisions of the Kentucky Condominium Property Law, this Declaration, the Bylaws of the Council, and all Project Rules adopted by the Council. Specifically, but without limitation, the Council shall.

1. Make, build, maintain and repair all improvements in the common elements which may be required by law to be made, built, maintained and repaired upon, adjoining, in connection with, or for the use of any part of the Project.

2. Keep all general 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 Project.

3. Well and substantially repair, maintain and keep all common elements of the Project in good order and condition; maintain and keep said land and all adjacent land between any street boundary of the Project and the establishment 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 Project required in this instrument to be repaired by the Council.

4. Except as may be provided herein, in the Bylaws and Project 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 Project as shown on the Plans herein mentioned.

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

7. To annually determine the estimated common expenses of the Project for the forthcoming calendar year, and having so determined, to make and collect the monthly assessments from each unit owner based on his percentage of common interest. Where no such determination is formally made by any year, the calculations and assessments for the previous year shall remain in effect until a new budget and assessment is enacted.

I. Common Expenses. All charges, costs and expenses incurred by the Council for or in connection with the administration of the Project; maintenance, repair, replacement and restoration of the common elements; any additions and alterations thereto; all liability for loss or damage arising out of or in connection with the common elements; any accident or fire on the common elements or any nuisance thereof; all premiums for hazard, liability and other types of insurance with respect to the Project; and legal, accounting, management and other services shall constitute common expenses of the Project, of which the unit owners shall be severally liable for their respective proportionate shares. Services may be withheld to enforce payment if 90 days in arrears.

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 a Lien. All sums assessed for common expenses shall constitute a lien on the units, 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 any mortgage. Such lien may be enforced by

suit by the Council, its Administrator or Agent, acting on behalf of the Council, 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 as shown on the Council's record of ownership. [The Council shall have the power to bid on such unit at judicial sale 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 lien securing same.

L. Acquisition at Judicial Sale. Where the mortgagee of a first mortgage of record or other purchaser of any unit obtains title to such unit as a result of the Judicial enforcement of the mortgage, such party and his successors shall not be liable for unpaid assessments on the share of common expenses which become due prior to such acquisition of title, except for any amount available from the proceeds of sale. Such unpaid shares of common expenses shall be deemed to be common expenses collectible from all unit owners, including such new owner.

M. Insurance. The Board of Administration shall carry a master policy of fire and extended coverage, vandalism, malicious mischief and liability insurance and if required by law, workmen's compensation insurance (hereinafter referred to as "master policy"), with respect to the Property and the Council's administration thereof in accordance with the following provisions.

1. The master policy shall be purchased by the Council for the benefit of the Council, the unit owners and their mortgagees as their interest may appear, subject to the provisions of this Declaration and the Bylaws (and provisions shall be made for the issuance of appropriate mortgagee endorsements to the mortgagees of the unit owners). The unit owners shall obtain insurance coverage at their own expense upon their unit interiors and personal property, and in addition, shall obtain comprehensive personal liability insurance covering liability for damage to person or property of others located within such unit owner's unit, or in another unit in the Project or upon the common elements resulting from the negligence of the insured owner, in such amounts as shall from time to time be determined by the Council of Co-owners. The Council 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, agents and guests of the unit owners or the Council as the case may be.

2. All building, improvements, personal property and other common elements of the Project shall be insured against fire and other perils covered by a standard fire and extended coverage policy, in an amount equal to the maximum insurable replacement value thereof, or at least ninety percent thereof, as determined from time to time by the Council. The Council may elect to carry insurance to cover such other perils as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use. The Council shall use its best efforts to see that the liability insurance carried by it shall contain cross-liability endorsements or appropriate provisions to cover liability of the unit owners, individually and as a group (arising out of their ownership interest in the common elements), to another unit owner.

3. All premiums upon insurance purchased by the Council shall be common expenses.

4. Proceeds of all insurance policies owned by the Council shall be received by it, as Trustee for itself, the unit owners and their mortgagees as their interests may appear, provided, however, whenever repair or reconstruction of the Project shall be required as provided herein or in the Bylaws, the proceeds of any insurance received by the Council as a result of any loss requiring repair or reconstruction shall be applied to such repair or reconstruction.

5. Each unit owner shall be deemed to appoint the Council as his true and lawful attorney in fact to act in connection with all matters concerning the maintenance of the master policy. Without limitation on the generality of the foregoing, the Council as said attorney shall have full power and authority to purchase and maintain such insurance, to collect proceeds and to distribute the same to the Council, the unit owners and their respective mortgagees as their interest may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such unit owners and the Project as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Council in regard to such matters. The Council shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any unit nor the liability of any unit owner for occurrences therein not caused by or connected with the Council's operation, maintenance or use of the Project.

N. Reconstruction. Where casualty, destruction, partial or total, 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 Project. Restoration or replacement of the Project (unless resulting from casualty destruction) or construction of any additional buildings (other than those initially contemplated in the Project), or substantial structural alteration or addition to any building, different in any material respect to the condominium plans of the project, shall be undertaken by the Council or any unit owners only after unanimous approval of it, by all who shall have the authority to amend this Declaration, with written consent of the holders of all liens affecting any of the units. Promptly, upon completion of such restorations, alterations, or replacement, the Council shall duly record the amendment with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or engineer.

P. Maintenance Reserve Fund. The Council of Co-owners shall establish and maintain a Maintenance Reserve Fund, made up from the assessment by the Council of all unit owners, payable in monthly instalments, according to the unit owner's respective percentage of interest, which the Council may annually estimate as adequate to cover the common expenses. The proportionate interest of each unit owner in said fund cannot be withdrawn or separately assigned, but shall be deemed to be transferred with such unit even though not mentioned or described in the conveyance thereof.

In case the Condominium Property Regime herein created shall be terminated or waived, any part of said fund remaining after full payment of common expenses of the Council and expenses of termination shall be distributed to all unit owners in accordance with their percentage of common interest.

Q. Voting and Voting Percentages. The terms "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.

1. Amendment of Declaration. Except as otherwise provided herein, or in said Condominium Property Law, this Declaration may be amended by signatures of the unit owners, effective only upon recording of the signed instrument setting forth the amendment.

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

S. Recognition of Leases. The Developer recognizes existing leases on the units within the Condominium Property Regime and the provisions contained herein and in the Bylaws are subject to the rights of the tenants under existing leases.

T. Interim Control. The above notwithstanding, the administration of the Regime, including the adoption and amendment of Bylaws, adoption of Regime rules, assessment of Common Expenses, and all other matters relating to the governing of the Regime, shall be vested in the Developer until all of the units of the Regime have been sold, or until the Developer elects to surrender this power to the unit owners. 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 (which proxy each unit owner gives the Developer upon acceptance of a deed to a unit), all unit owners agreeing to such administration by the Developer in acceptance unit conveyances.

WITNESS the signature of Developer, this the date first above written.

LOUISVILLE HOUSING SERVICES CORPORATION,
a non-profit Kentucky Corporation
BY: Andrea S. Duncan
Andrea S. Duncan, Secretary/Treasurer

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 14th day of April, 1992 by ANDREA S. DUNCAN, SECRETARY/TREASURER of LOUISVILLE HOUSING SERVICES CORPORATION, a non-profit Kentucky corporation, on behalf of said corporation.

H. Douglas Mann
Notary Public, Jefferson County, Kentucky
My commission expires: August 21, 1995.

PREPARED BY:
H. Douglas Mann
H. DOUGLAS MANN, ATTORNEY
215 S. Fifth Street
Louisville, KY 40202

BYLAWS OF THE COUNCIL OF CO-OWNERS
HIGHLANDS VILLAGE CONDOMINIUMS

The following Bylaws shall apply to the abovenamed condominium project (herein called the "Project"), situated at the corner of Breckinridge and Rubel Avenue in Louisville, Jefferson County, Kentucky, as described in and created by Master Deed and Declaration of Condominium Property Regime (herein called the "Declaration"), recorded in the office of the Clerk of the County Court of Jefferson County, Kentucky, at Louisville, and to all present and future owners, tenants and occupants of any units of the Project and all other persons who shall at any time use the Project:

ARTICLE I
Membership

Section 1. Qualification. All owners of units of the Project shall constitute the Council of Co-owners, herein called "Council". The owner of any unit upon acquiring title thereto shall automatically become a member of the Council and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership in the Council shall automatically cease. Voting shall be on a percentage of common interest basis as expressed in Section 7 hereof.

Section 2. Place of Meeting. Meetings of the Council shall be held at the Project or such other suitable place convenient to the unit owners as may be designated by the President of the Council.

Section 3. Annual Meetings. Annual meetings of the Council shall be held on the second Monday of APRIL of each year at a time set by the President of the Council. The first such meeting for unit owners shall occur in 1995. Until such time, the Developer shall constitute the Council of Co-owners and shall have all the power and responsibilities thereof.

Section 4. Special Meetings. Special meetings of the Council may be held at any time upon the call of the President, or a petition signed by one of the unit owners.

Section 5. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to every unit owner according to the Council's record of ownership, at least five days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, in any of the following way: (a) by delivering it to him personally, or (b) by leaving it at his usual residence or place of business, or (c) by mailing it, postage prepaid, addressed to his address as it appears on the Council's record of ownership. If

notice is given pursuant to the provisions of this section, the failure of any unit owner to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of any unit owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of fifteen (15) of the unit owners shall constitute a quorum, and the acts of a majority of the unit owners present, in person or by proxy, at any meeting at which a quorum is present shall be the acts of the Council except as otherwise provided herein.

Section 7. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each unit is entitled shall be the percentage of the common interest assigned to such unit in the Declaration. Votes may be cast in person or by proxy by the respective unit owners as shown in the record of ownership of the Council. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Council the percentage of vote for any unit owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Council's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such unit in such capacity.

Section 8. Proxies and Pledges. The authority given by any unit owner to another person to represent him at meetings of the Council shall be in writing, signed by such owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any unit or interest therein, a true copy of which is filed with the Council through the Secretary, Administrator, or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Council in like manner.

Section 9. Adjournment. Any meeting of the Council may be adjourned from time to time to such place and time as may be determined by majority vote of the unit owners present, whether or not a quorum be present without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE II
Officers

Section 1. Designation. The principal officers of the Council of Co-owners shall be a President, Vice-President, Secretary, and Treasurer, who shall be elected by, and in case of the President, from the Council of Co-owners. The offices of Secretary and Treasurer may be combined in one person. The President may appoint an assistant treasurer, an assistant secretary and such other officers as in his judgment may be necessary.

Section 2. Election and Term. The officers of the Council shall be elected annually by the Council at its annual meeting and shall hold office at the pleasure of the Council. No person who is delinquent in payment of condominium fees may serve on the Council of Co-owners nor be elected an officer. During their term any officer may be removed from office by the Council at a special meeting called for that purpose. The removal requires a two-thirds vote of the Council. The unexpired term of that office shall be filled at that meeting.

Section 3. President. The President shall be the chief executive officer of the Council and shall preside at all meetings of the Council. He shall exercise general supervision and direction over the management and conduct of the business and affairs of the Council. He shall also have such other powers and duties as may be provided by these Bylaws or assigned to him from time to time by the Council. In the absence of the President, or in the event of his inability to act, the Vice-President shall perform the duties of the President.

Section 4. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Council, give all notices thereof as provided by these Bylaws, maintain and keep a continuous and accurate record of ownership of all units, and have charge of all books, documents and records of the Council.

Section 5. Treasurer. The Treasurer shall maintain and keep the financial records and books of account of the Council, prepare regular reports thereof and be responsible for the property deposit and custody, in the name of the Council, of all its funds and securities. The Treasurer may be paid \$25.00 a month or more and may or may not be an owner.

Section 6. Auditor. The Council may appoint annually an accountant or accounting firm as auditor, who may not be an officer of the Council nor own any interest in any unit, to audit the books and financial records of the Council.

ARTICLE III
Administration

Section 1. Management. The Council of Co-owners shall at all time manage and operate the Project and have such powers and duties as may be necessary

or proper therefore, including without limitation the following:

- (a) Supervision of the immediate management and operation of the Project;
- (b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereof;
- (c) Purchase, maintenance, and replacement of any equipment and provide for all water and utility services required by the common elements;
- (d) Provisions at each unit of all water, sewer, electricity and such other utility services and utilities as the Council shall deem necessary either at the expense of such unit or as a common expense as determined by the Council;
- (e) Employment, supervision and dismissal of such personnel as may be necessary for the maintenance and operation of the Project;
- (f) Preparation at least 60 days before each fiscal year of a proposed budget and schedule of assessments for such year;
- (g) Collection of all installments of assessments levied and payment of all common expenses authorized by the Council;
- (h) Purchase and maintenance in effect of all policies of hazard and liability insurance for the project required by the Declaration and such other insurance and bonds as may be required or authorized by the Declaration or the Council;
- (i) Notification of all persons having any interest in any unit, according to the Council's record of ownership of delinquency exceeding 60 days in the payment of any assessment against such unit;
- (j) Assignment and supervision of motor vehicle parking, including the authority to make reasonable rules and charges in regard thereto;
- (k) Supervision and regulation for the use of the common elements.

Section 2. Managing Agent. The Council of Co-owners may employ from time to time a responsible Managing Agent to manage and control the Project subject at all times to direction by the Council, with all the administrative functions set forth specifically in preceding Section 1, and such other powers and duties, and at such other compensation as the Council may establish.

Section 3, Representation. The President of Managing Agent, subject to the direction of the Council, shall represent the Council or any two or more concerning the Council, the common elements or more than one unit, and on its or their behalf may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings without prejudice to the rights of any unit owners individually to appear, sue or be sued. Service or process in any such action, suit or proceeding may be made on the President or Managing Agent.

Section 4. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Council by such person or persons as shall be provided general or special resolution of the Council of Co-owners or, in the absence of any such resolution applicable to such instrument, by the President or the Treasurer.

ARTICLE IV
Obligations of Unit Owners

Section 1. Assessments. All unit owners shall pay to the Council, or if a Managing Agent is appointed, to the Managing Agent, in advance, on the first day of each and every month the monthly installments of assessments against their respective units for common expenses of the Project in accordance with the Declaration, a monthly sum determined by the Council to be sufficient to accumulate and pay when due all common expenses of the Project. In the event any unit owner is delinquent in the payment of any monthly assessment for a period in excess of thirty (30) days, the Council may take such corrective action as it deems proper.

Section 2. Maintenance of Units. Every unit owner and occupant shall reimburse the Council promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the common elements or any furniture, furnishings, and equipment thereof caused by such owner or occupant or by a member of the household or guest or either of them and shall give prompt notice to the Council or Managing Agent of any such loss or damage or other defect in the Project when discovered.

Section 3. Use of Project.

(a) All units of the Project shall be used only for one-family residential unit purposes.

(b) All common elements of the Project shall be used only for their respective purposes as designed.

(c) No unit owner or occupant shall place, store or maintain in the halls, lobbies, stairways, walk-ways, grounds or other common elements of similar nature any furniture, packages, or objects of any kind or otherwise obstruct transit through such common elements or permit said elements to be unsightly or disorderly.

(d) Every unit owner and occupant shall at all times keep his unit and any limited common element appurtenant thereto in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority applicable to the Project.

(e) No unit owner or occupant shall make or suffer any waste or unlawful, improper and offensive use of his unit of the Project nor alter or remove any furniture,

furnishings or equipment from the common elements.

(f) No signs, posters or bills may be placed or maintained in the Project, unless approved by the Council, except that the owner may place and maintain "FOR SALE" type sign in front of his building for a reasonable time.

(g) No unit owner shall decorate or landscape any entrance, hallway, balcony, stoop, or planting area appurtenant to his unit unless approved by the Council.

(h) All occupants shall exercise extreme care about making noises and in the use of musical instruments, radios, televisions and amplifiers that may disturb other occupants.

(i) No garments, rugs or other objects shall be hung from the windows or facades of the Project.

(j) No rugs, or other objects shall be dusted or shaken from the windows of the Project or cleaned by beating or sweeping on any hallways or exterior part of the Project.

(k) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the disposal facilities provided for such purpose.

(l) No domestic pets, livestock, poultry, rabbits, snakes or other such animals shall be allowed or kept in any part of the Project.

(m) No unit owner or occupant without the written approval of the Council shall install any wiring for electric or telephone installation, television antenna, machines or air conditioning units, or other equipment or appurtenance whatsoever on the exterior of the Project or protruding through the walls, windows or roof thereof.

(n) Nothing shall be allowed, done or kept in any units or common elements of the Project which would overload or impair the floors, walls or roofs, thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Council.

(o) The Developer of the Project, or its agent, shall have the right to maintain and show units, including the maintenance and showing of a model unit, until all the units in the Project have been sold originally. Thereafter, a unit owner, or his agent, shall have the right to show his unit at reasonable times of the day for the purpose of sale or lease.

Section 4. House Rules. The Council of Co-owners may adopt, amend or repeal any rules and regulations governing details of the operation and use of the Project not inconsistent with any provisions of law, the Declaration or these Bylaws.

Section 5. Expenses of Enforcement. Every unit owner shall pay to the Council promptly on demand all costs and expenses including reasonable attorney's fees incurred by or on behalf of the Council in collecting any delinquent assessments against such unit, enforcing its lien therefor or enforcing any provisions of the Declaration or these Bylaws against such owner or against any occupant of such unit.

ARTICLE V
Miscellaneous

Section 1. Amendment. These Bylaws may be amended in any respect not inconsistent with provisions of law or the Declaration by vote of more than two-thirds of the unit owners (as defined in the Declaration) at any meeting of the Council duly called for such purpose.

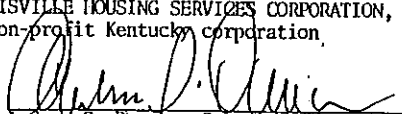
Section 2. Indemnification. The Council shall indemnify every officer and his executors and administrators, against all expenses reasonable incurred by or imposed on him in connection with any action, suit or proceeding to which he may be made a part by reason of being or having been an officer of the Council except in relation to matters as to which he shall be finally adjudged in such action, suit or proceedings to be liable for gross negligence or intentional misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Council is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

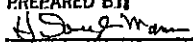
Section 3. Interpretation. In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provisions hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Council to conduct or engage in any active business for profit on behalf of any or all of the unit owners.

Certification of Adoption

The undersigned owners of all units of the Project hereby adopt the foregoing as the Bylaws of the Council of Co-owners of the Project, this 14th day of APRIL, 1992.

LOUISVILLE HOUSING SERVICES CORPORATION,
a non-profit Kentucky corporation.

BY: 
Andrea S. Duncan, Secretary/Treasurer

PREPARED BY:

H. DOUGLAS MANN, ATTORNEY
215 S. FHH Street
Louisville, KY 40202

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 14th day of APRIL, 1992 by ANDREA S. DUNCAN, SECRETARY/TREASURER of LOUISVILLE HOUSING SERVICES CORPORATION, a non-profit Kentucky corporation, on behalf of said corporation.

H Douglas Mann

Notary Public, Jefferson County, Kentucky

My commission expires: August 2, 1995.

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OR

PAID \$
REBECCA JACKSON J.C.C.
Rebecca Jackson

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**AMENDMENT TO THE BY-LAWS
OF
COUNCIL OF CO-OWNERS OF HIGHLANDS VILLAGE CONDOMINIUMS**

The undersigned, the President and Secretary of the Council of Co-Owners of Highlands Village Condominiums, hereby certify that pursuant to Section Q(1) of the Master Deed attached hereto are signatures of two-thirds of the co-owners approving the following By-Law amendment and the By-Laws are so amended as follows:

The By-Laws are amended by adding a section 3p as follows:

p. Rental of Units

No owner of a Unit may lease said Unit unless a) the owner or spouse living with him or her is transferred out of state by his or her employer outside of a 75 mile radius of the property, or b) the owner is moving to a nursing home for mediation reasons, or c) the owner dies and the title is in the estate or a testamentary trust and there is no surviving spouse who lived with the deceased Unit owner. If any of these three circumstances exist, then the owner or his or her personal representative may lease said Unit provided that:

- i) Any lease of said Unit shall be in writing and a copy of said lease shall be delivered to the Board for its pre-approval no later than ten days prior to the time the term of the lease is to commence;
- ii) Any such lease shall be consistent with the provisions of the Master Deed, the By-Laws of the Association, and rules and regulations of the Association, all of which as may be amended from time to time;
- iii) Such lease shall be for a term of no more than one year and shall not contain any provision for renewal or extension, the intent of this amendment to allow one year only for the rental of a Unit as an accommodation to the Unit owners in the situations as enumerated above. Subsequent lease terms may be permitted provided the same circumstances which existed prior to the first leased term still exists and any such extension or subsequent lease term shall be subject to prior approval by the Board.
- iv) The Board shall have the power to terminate such lease and/or bring proceedings to evict any tenant in the name of the landlord in the event of any default by the tenant in the performance of the lease or if the tenant violates any of the restrictions contained in the Master Deed, Bylaws, or project rules of the Association. Such action may be commenced without any prior notice of such default by the tenant and the Unit owner shall be responsible for the payment of all sums due the Association, including the reasonable attorney fees incurred by the Association in enforcing this provision.

- v) Exempted from the foregoing are owners placed on active military duty during the time period of their active military status only.

Signed this 1st day of December, 2005.

Michael Probus

President

Janet Probus

Secretary

STATE OF KENTUCKY)
) SS.:
COUNTY OF JEFFERSON)

Subscribed, sworn and acknowledged before me this 4th day of January, ~~2005~~ 2006
by Mike Probus, as President of the Council of Co-Owners of Highlands Village
Condominiums.

My Commission expires: 10-14-2009.

Notary Public, State at Large, KY
My commission expires Oct. 14, 2009

NOTARY PUBLIC, STATE AT LARGE
KENTUCKY

STATE OF KENTUCKY)
) SS.:
COUNTY OF JEFFERSON)

Subscribed, sworn and acknowledged before me this 4th day of January, ~~2005~~ 2006
by Dawn Probus, as Secretary of the Council of Co-Owners of Highlands Village
Condominiums.

My Commission expires: 10-14-2009.

Notary Public, State at Large, KY
My commission expires Oct. 14, 2009

NOTARY PUBLIC, STATE AT LARGE
KENTUCKY