

MASTER DEED AND DECLARATION OF
CONDOMINIUM PROPERTY REGIME OF
SHELBY POINTE CONDOMINIUM HOMES

MARQ CORP. (the "Developer"), declares this as its plan for ownership in condominium of certain property on the north-west side of Moser Road, southeast of Shelbyville Road, in Jefferson County, Kentucky, more particularly described in "Exhibit A" attached and made a part of this Master Deed and Declaration (the "Master Deed").

W I T N E S S E T H:

The Developer hereby submits the property described in Exhibit A and improvements thereon (the "Property") 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 "Shelby Pointe Condominium Homes." The Developer makes the following declarations regarding divisions, limitations, expansions, restrictions, reservations, easements, covenants and conditions, hereby declaring that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to this Master Deed. The provisions of this Master Deed 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 or parcel of or interest in 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 Master Deed, any amendments thereto, the bylaws and any other governing documents.

2. "Common Elements" means:

- (a) The land in fee simple;
- (b) The foundations, main walls, roofs, exits, entrances, and communication ways;
- (c) The grounds, landscaping, roadways, parking areas and walkways;
- (d) The installations for central services; 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 exclusive use of a Unit, or more than one Unit but less than all of the Units, including but not limited to:

- (a) Interior unfinished surfaces of each Unit's perimeter walls, ceilings and floors and space between floors;
- (b) Entrances and exits to the Unit;
- (c) Chimneys except that portion, if any, totally inside a unit;
- (d) Utility service facilities serving a Unit or several Units;

- (e) Attic areas, if any, immediately above a Unit;
- (f) Door and window frames for each Unit;
- (g) Unit stairs, patios and decks, indicated on plans recorded or to be recorded under Section B of this Declaration;
- (h) Any garage entranceways leading from the roadways in the Regime to the Unit; and
- (i) Automobile parking spaces in the paved parking areas, designated for the exclusive use of a Unit by the Developer or the Board of Administration under subsection 9 of Section D of this Master Deed.

4. "Unit or "Condominium Unit" means the enclosed space occupying one or more floors in a building and having direct access to the Common Elements. The location and extent of each Unit are as shown on the plans of the Regime recorded with this Master Deed or which may be recorded under Section W hereof. Enclosed basement space, other than garage and storage space, is a part of the Unit as indicated or to be indicated in the plans. 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, hot water heater, telephone lines, window panes, garbage disposer, doors (including storm and screen doors) and windows, 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, except to the extent that the Regime's insurance policy carried by the Council covers repair or replacement.

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 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 of the Council 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 acquisition, operation, maintenance, improvement and replacement of any recreational facilities and equipment, and shall include amounts incurred in acquiring, replacing, or substantially repairing major capital improvements of the Regime, including, but not limited to, roof replacement and road, driveway and parking lot resurfacing. All of the above shall constitute Common Expenses of the Regime for which the Unit owners shall be severally liable for their respective proportionate shares in accordance with

their percentage of common interest. The Regime's Common Expense budget may include a reserve for capital expenditures.

B. Description of Units. The Regime is initially composed of 12 Units, with the owners of each Unit having a common right to share with the other Unit owners in the Common Elements of the Regime in accordance with each Unit's percentage of common interest, representing the square footage of the Unit in relation to the total square footage of all 12 Units of the Regime. Plans of the Regime are being recorded in the office of the County Clerk of Jefferson County, Kentucky in Condominium Ownership Book 38, pages 38 through 39, (File No. 505), simultaneously with the recording of this Master Deed, which plans show the site and floor plans of the 12 Units, as built, contained in 2 separate buildings.

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 B" attached and made a part of this Master Deed, which percentages may be altered but only in accordance with the provisions hereof, including alteration by the Developer by Amendment under the provisions of Section W hereof, upon expansion of the Regime.

D. Easements; Reservations; Parking Spaces. The Units and Common Elements and the owners and occupants thereof are subject to the following easements:

1. Those shown on the site plan referenced in Section B, above, those shown on the plat of Shelby Pointe, Section 2, of record in Plat and Subdivision Book 34, Page 69 in the office of the Clerk of Jefferson County, Kentucky.

2. Those set forth in the document entitled EASEMENT, SUBDIVISION RESTRICTIONS AND MAINTENANCE REQUIREMENTS of record in Deed Book 5355, Page 643, in the aforesaid Clerk's Office.

3. All other easements and restrictions of record in the aforesaid Clerk's Office.

4. An easement exists in favor of the Council for any maintenance, repair and replacement of any and all pipes, wires, conduits, or other utility lines running through or around any Unit, which facilities serve more than that Unit and are part of the Common Elements.

5. An easement exists in favor of the Council for ingress and egress for the maintenance, repair and replacement of any load bearing wall located within a Unit.

6. If any part of the Common Elements encroaches upon any Unit or Limited Common Element, an easement shall exist in favor of the Council for the encroachment, and for 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.

7. An easement exists in favor of the Council for ingress, egress and maintenance in favor of any public utility providing utility service to the Regime and the Units.

8. An easement exists in favor of the Council, 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, at any time for necessary action to prevent damage to any part of the Regime.

9. Developer reserves the right during development to grant, transfer, cancel, relocate, and otherwise deal with all road utility and other easements now or hereafter affecting the Common Elements, including the right to publicly dedicate the private drives designated as Rosewood Drive and Rosewood Court on the site plan.

10. Developer reserves non-exclusive access and utility easements in and over the Common Elements for the benefit of Developer, its successors and assigns. The access easements shall be over the roadways and walkways constructed on the Common Elements and may be used for vehicular and

pedestrian ingress and egress to and from public rights of way abutting the Regime. The utility easements may be used by utility companies serving or to serve Lots in Shelby Pointe Subdivision, Section 2, now owned or later acquired by Developer in the event existing utility easements are not adequate.

11. Any parking area or other paved portion of the Regime designated for parking purposes shall be part of the Common Elements and not part of any individual Unit. The Developer hereby reserves the right, until sale and conveyance of all Units, to grant to any Unit owner, and to no other person, the perpetual and exclusive use of up to two 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, 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. Subject to the foregoing, the Board of Administration may determine to grant to a Unit owner the exclusive use and possession of an additional parking space or spaces in any portion of the Common Elements designated for parking. A Unit owner's use and possession of parking spaces shall be subject

to such reasonable rules and regulations as the Board determines. Nothing herein shall prevent the Developer or the Board of Administration from constructing or permitting the construction of carports in the parking areas, nor prevent a Unit owner from conveying or acquiring a Developer-assigned parking space to or from another Unit owner by recorded instrument.

E. Alteration and Transfer of Interests. The Common Elements, including Limited Common Elements, and easements appurtenant to each Unit shall have a permanent character and shall not be altered without the consent of the Board of Administration and the Unit owner affected, except where such authority is retained herein by the Developer. 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 permitting (and allowing the construction of) attached porches, larger patios (with enclosure fences) and decks, as Limited Common Elements.

F. 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.

G. Restrictions. The Units and the Common Elements shall be subject to the following restrictions, which restrictions shall be permanent and as may be permitted herein:

1. The Unit shall be used only for single family residential purposes, shall not be subdivided and shall be subject to such limitations and conditions, including age limitations on residents, as may be contained herein, in the Bylaws of the Council of Co-owners, or in 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 Units as models or sales offices.

2. The number of Units owned by one person or organization, for the purpose of rental, may be limited by the Developer and, subsequently, the Board of Administration.

3. Any Unit lease shall be (i) in writing, (ii) at least one year in duration and (iii) shall be subject to this Master Deed, as may be amended, and to the Bylaws and other Regime rules as amended from time to time. A photocopy of such lease shall be deposited with the Board of Administration or Council prior to commencement of the tenancy.

4. Violation of this Master Deed, 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, and/or by instituting legal action for debt, 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 such enforcement in the event of a violation.

H. 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. PROVIDED, HOWEVER, 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 120 days from the date ninety percent (90%) of all Units of the Regime (as may be expanded pursuant to Section W of this Declaration) have been conveyed, until the Developer elects to surrender this power to the Unit owners, or until December 31, 1997, whichever first occurs. Until that time,

the Developer shall constitute the Council of Co-owners and the Board of Administration of the Regime, and shall possess the irrevocable proxy of the Unit owners to manage and operate 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 authorization.

I. 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 Developer and, subsequently, the Board of Administration. Specifically (but not exclusively), administration shall include the duty to:

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 where it is the duty of Unit owner 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 reasonable use of the Common Elements and Limited Common Elements in keeping with the goal of an attractive, peaceful residential community.

J. Board of Administration and Common Expense Budget. Administration of the Regime may be conducted for the Council by a Board of Administration (the Developer during the period of its control outlined in Section H) 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 cancellable by the Board upon at least 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's obligation being in accordance with his 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, which adjustment, if any, may be retroactive.

K. 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.

L. 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 percent of the unpaid amount 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 lien for unpaid Common Expenses may be enforced by suit by the Council or the Board, the Board's Administrator or agent, acting on 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 judicial sale or pay for and accept a deed in lieu of foreclosure; and to acquire, hold, lease, mortgage and convey such Unit. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without judicial lien enforcement and without waiving the right to enforce the lien securing same. 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, material-men or laborers.

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

N. Insurance. The Board of Administration shall carry a master insurance policy of fire and extended coverage, vandalism, malicious mischief insurance and liability insurance, in a minimum amount of \$100,000 for each occurrence, and if required by law, workmen's compensation insurance (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 Master Deed and the Bylaws (and provisions

shall be made for the issuance of appropriate mortgagee endorsements to the mortgagees of the Unit owners). The Unit owners shall be responsible for obtaining fire and extended insurance coverage at their own expense upon their Unit interiors, 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 Unit 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 \$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 with greater protection than specified above as minimum and 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 interests in the Common Elements), to another Unit owner.

4. The Board is authorized to procure errors and omissions insurance protecting its members from individual liability arising out of their Board and Council activities and to procure fidelity bond coverage for persons or entities handling Regime funds.

5. All premiums upon insurance purchased by the Board on behalf of the Council (and the Board) shall be considered Common Expenses.

6. Proceeds of all insurance policies owned by the Council, payable to the Council, or its agent, 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 interior of any Unit nor the liability of any Unit owner for injuries therein, not caused by or connected with the Council's operation, maintenance or use of the Regime.

O. 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.

P. Alteration of Regime. Restoration or replacement of the Regime (unless resulting from casualty destruction), or construction of any additional buildings (other than those initially contemplated in the Regime), or 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 Unit owners directly affected and holders of all liens on Units directly 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 showing revision, if any, in the percentage of common interest with a complete set of floor plans of the Units of the Regime as so altered, certified as built by a registered architect or engineer.

Q. 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 expenses and shall pay from the Maintenance Fund all current Common Expenses of the Regime.

R. Capital Replacement Fund. The Board of Administration may 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, if any, for capital replacement reserves. For example, if five percent of the Common Expense budget for that particular year is assigned to capital replacement reserves, five 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 T, 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.

S. Additional Common Expense Provisions. 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, if any,

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 (90%) of the Units have been sold, when the Developer so elects, or December 31, 1997, whichever first occurs). Thereafter, the Developer shall be liable for assessment for Common Expenses on Units owned by the Developer, if and when occupied.

T. 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 P of this Declaration. There shall be no more than one authorized loan outstanding at any one time. 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.

U. Voting and Voting Percentages. The term "majority" or "majority of Unit owners" used herein or in the Bylaws shall mean the owners of the Units to which are appurtenant more than fifty percent of the percentage of common interest. Any specified percentage of Unit owners means the owners of Units to which are appurtenant such percentage of the common interest. 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 so long as the other(s) communicates no objection. 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.

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

1. In the event of the taking of an entire Unit by eminent domain, the 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 any other Unit 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 apply the award to rebuilding the Unit as is necessary to make it habitable and remit the balance, if any, of the award to the Unit owner and the Unit owner's mortgagee(s), as their interests may appear.

2. If there is any taking of any portion of the Regime other than any Unit, the condemnation proceeds relative to such taking shall be paid to the Council. The affirmative vote of more than sixty-seven percent (67%) 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%.

W. Expandability of Regime. This 12-Unit Regime is the first phase of a Regime which will not exceed 112 units, existing or to be constructed on the remaining Lots of Shelby Pointe, Section 2, subdivision including land and apartments now owned or hereafter acquired by the Developer. The complete (112 units or less) Regime shall be fully constituted by the Developer no later than December 31, 1997. The real property upon which an additional phase or additional phases may be developed, at Developer's option, are the remaining Lots of Shelby Pointe, Section 2, of record as indicated in subsection 8(a) of Section D, above. The Developer reserves the right (without necessity of written notice or consent of any Unit owner, mortgagee or holder of any other interest) to (a) include in the Regime less than the present estimated maximum number of 112 units; (b) include in the Regime less than the remaining Lots indicated; (c) limit the Regime to no more than the current 12 Units and land submitted under this Master

Deed; and (d) amend this Master Deed, from time to time, to expand the Regime pursuant to these reservations, or prior to December 31, 1997, to waive these reservations with regard to all or portions of the remaining Lots. In expanding the Regime, the Developer covenants that:

1. No more than 112 units will be included in the Regime.

2. The quality of construction of the units, buildings and other improvements in future phases will be equal to and consistent with that of the initial 12-Unit Regime. The exterior design of the units, buildings and other improvements constructed shall be substantially similar to that of the existing Units, buildings and other improvements.

3. The percentage of common interest of any one Unit, when and if adjusted by expansion of subsequent phases, shall not be reduced below five-tenths of one percent (.5%). The maximum percentage of common interest for any Unit, which assumes no more than 12 Units in the Regime, is the highest percentage shown in Exhibit B.

4. The right, reserved herein, to amend this Master Deed to include one or more subsequent phases as a part of the Regime shall not be exercisable by the Developer, its successors or assigns, after December 31, 1997.

X. Amendment of Master Deed. Except as otherwise provided and reserved in this Master Deed, or in the Kentucky

Condominium Property Law, this Master Deed may be amended from time to time by a majority of the Unit owners, effective upon recording of the signed instrument setting forth the amendment; provided, however, no such amendment shall be valid and effective if it directly affects the market value of a Unit unless the person or entity, if any, having a first mortgage lien on the affected Unit has joined in the instrument to indicate consent.

Y. 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.

Z. Consent of Mortgage Holders. Joining in this instrument is Liberty National Bank and Trust Company of Louisville, a national banking association ("Liberty"), holder of a mortgage dated June 27, 1985, recorded in Mortgage Book 2289, Page 199, in the Jefferson County Clerk's office, affecting the property being submitted herein to a Condominium Property Regime, to indicate its consent hereto, the Developer agreeing that Liberty's lien rights are hereby transferred to the respective individual Units of the Condominium Regime hereby established so that as a result of this submission, Liberty

ends up with a first mortgage lien on the Units situated within the building mortgaged to it.

WITNESS the signature of the Developer by its duly authorized officer and the signature of Liberty by its duly authorized officer as of the 10th day of September, 1987.

MARQ CORP.

By *Ralph L. Marquette, Sr.*
Ralph L. Marquette, Sr.
President

Date: 9-10-87

LIBERTY NATIONAL BANK AND TRUST
COMPANY OF LOUISVILLE

By *Gary E. B...*
Title: Vice President

Date: Sept. 11, 1987

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this September 10, 1987, on behalf of Marq Corp. by Ralph L. Marquette, Sr., President.

[Signature]
Notary Public

Commission expires: August 10, 1990

BOOK 5710 PAGE 140

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this
September 11, 1987, by Gary E. Seaman,
Vice Pres of Liberty National Bank and Trust Com-
pany of Louisville, a national banking association on behalf
of said association.

Joseph B. Helm
Notary Public

Commission expires: August 10, 1990

This instrument prepared by
Joseph B. Helm
Dale E. Ahearn
Brown, Todd & Heyburn
1600 Citizens Plaza
Louisville, Kentucky 40202

Joseph B. Helm

BOOK 5710 PAGE 140

EXHIBIT A

SHELBY POINTE CONDOMINIUM HOMES

MASTER DEED AND DECLARATION

BEING Lots 28 and 31/32 Shelby Pointe, Section 2, a subdivision of record in Plat and Subdivision Book 34, Page 69, as amended by minor subdivision plat of record in Deed Book 5709 Page 490, all in the office of the Clerk of the County Court of Jefferson County, Kentucky.

Being property acquired by the Developer by deed dated September 5, 1987, and recorded in Deed Book 5709, Page 490, in the office of the Clerk aforesaid.

EXHIBIT B
 SHELBY POINTE CONDOMINIUM HOMES
 MASTER DEED AND DECLARATION

<u>BUILDING</u>	<u>UNIT</u>	<u>UNIT SQUARE FOOTAGE</u>	<u>PERCENTAGE OF COMMON INTEREST</u>
28	A	1225.440	9.54
	B	1224.450	9.53
	C	1225.290	9.54
	D	1225.110	9.53
31	B	992.790	7.73
	D	992.460	7.73
	F	992.790	7.73
	H	992.460	7.73
32	A	993.160	7.74
	C	992.460	7.73
	E	993.160	7.74
	G	992.460	7.73
TOTALS		12,842.03	100.00

CONDOMINIUM
 OR
 APT. OWNERSHIP
 BOOK 38 PAGE 30-39
 FILE NO. 505

1987 APR 11 PM 2:12
 505-0
Subiliana
 Helene
 88738

EMD OF 02/21/87