

mortgages) 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, including attorneys' fees, 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. No mortgagee shall be required to collect any unpaid Common Expenses. Failure to pay Common Expenses shall not constitute a default under any mortgage unless otherwise stated in the mortgage. Unpaid Common Expenses, together with interests, costs and attorney's fees are the personal obligation of the person who was the owner of such Unit at the time the Common Expenses fell due. The personal obligation for unpaid Common Expenses shall not pass to the successors in title or interest, unless expressly assumed by them, or required under applicable law.

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. Any such sale or transfer

pursuant to a foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit so sold or transferred from the lien of, any Common Expenses thereafter becoming due.

N. Insurance The Board of Administration shall carry (i) a master policy of fire and extended coverage, vandalism, malicious mischief insurance, (ii) comprehensive general public liability insurance in a combined single limit amount of not less than \$2,000,000.00, and (iii) 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 Declaration and the Bylaws (and provisions shall be made for the issuance of appropriate mortgagee endorsements to the mortgagees of the Unit owners). The Unit owners shall be responsible for obtaining fire and extended insurance coverage at their own expense upon their Unit interiors and equipment, trade fixtures and personal property and, in addition, shall be responsible for obtaining comprehensive general public liability insurance covering liability for injury to person or damage to property of others within such Unit owners Unit, or in another Unit in the Regime or upon the Common Elements resulting from the negligence of the insured Unit owner, in a combined single limit amount as may from time to time be determined by the Board of Administration, but in no event less than One Million Dollars (\$1,000,000.00). 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 and Limited Common Elements of the Regime shall be insured against fire, earthquake 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 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 interests in the Common Elements), to another Unit owner.

4. The Board is authorized to procure errors and omission insurance protecting its members from individual liability arising out of their Board activities 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, provided, however, if the rate of insurance is increased as a result of a particular owner's use of the Unit, then that Unit owner shall pay to the Council within ten days after the Council delivers to that Unit owner a certified statement from the Council's insurance carrier stating that the rate increase was caused solely by an activity of that Unit owner a sum equal to the difference between the original premium and the increased premium.

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

Notwithstanding the foregoing, (1) any restoration or repair of the Regime after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and

specifications unless the approval of the Eligible Mortgagees of Units to which at least 51% of the votes of Units subject to mortgages held by such Eligible Mortgagee are allocated, is obtained, (2) any election to terminate the Regime after substantial destruction or a substantial taking in condemnation of the Property requires the approval of the Eligible Mortgagee on Units to which at least 51% of the votes of Units subject to mortgages held by such Eligible Mortgagees are allocated, and (3) unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the condominium project may be effected without the approval of the Eligible Mortgagees on Units to which at least 51% of the votes of Units subject to mortgages held by such Eligible Mortgagee are allocated.

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 holders of all liens on Units affected and in accordance with the 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 an amendment to this Declaration together with

a complete set of floor plans of the Units of the Regime as so altered, certified "as built" by a registered architect or engineer.

Q. Common Expense Fund The Board shall establish and pay into a common expense fund (the "Common Expense Fund") all Common Expense collections from the Unit owners, assessed for and attributable to current expenses and shall pay from the Common Expense Fund all current Common Expenses of the Regime. Notwithstanding the foregoing, until administration of the Regime is passed to the Council as provided in Article H, the Common Expense Fund shall maintain a balance equal to at least two months' estimated Common Expenses of the Regime.

R. Capital Replacement Fund The Board of Administration shall establish a capital replacement fund (the "Capital Replacement Fund") and pay into same from time to time 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 the Capital Replacement 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. Capital Replacement 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 Common Expenses of the Regime, the following requirements and limitations are applicable:

1. The proportionate interest of each Unit owner in the Common Expense 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. If the Regime shall be terminated or waived, any part of the Funds remaining after full payment of Common Expenses and costs of termination shall be distributed evenly to the then existing Unit owners in accordance with their respective percentages of common interest.

3. The Developer shall be responsible for the maintenance cost of the Regime, incurred over and above amounts payable to the Common Expense Fund by the Unit owners, until control of the Regime is transferred from the Developer as above provided in Section H hereof, provided, however, the Developer shall be entitled to recoup any such accumulated funded deficit of the Council, now or hereafter existing, and whether funded in cash or in kind, from any excess amounts in the Common Expense Fund collected prior to such transfer. After control of the Regime is transferred from the Developer as provided in Section H, the Developer shall be liable for assessment for Common Expenses on Units owned by the Developer.

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 twenty-four (24) months from anticipated Common Expense income not needed for ongoing operations.

2. To pay costs of reconstruction, major repair, replacement or alteration of the Common Elements incurred under Section O (to the extent not covered by insurance proceeds) and Section P of this Declaration. When it is necessary to effect such a loan, the Council, acting through the Board, may pledge, as security therefor, its rights to receive that part of the Common Expense income that is necessary to amortize the payoff of the loan.

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

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

1. If there is a 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. If 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 to the extent necessary to make it habitable and remit the balance of the condemnation proceeds, if any, to the owner thereof 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 75% of the Unit owners shall determine whether to rebuild, repair or replace the portion of the Regime so taken or to take such other action as they deem appropriate. If no such affirmative vote is obtained, such condemnation proceeds may be remitted to the Unit owners in accordance with their respective percentages of common interest, or retained by the Board to cover Common Expenses or to fund the Capital Replacement Fund.

3. If the Regime continues after taking by eminent domain, then the remaining portion of the Regime shall be re-surveyed and this Declaration amended accordingly by the Board, and, if any Unit shall have been taken, then the amended Declaration shall reflect such taking and shall proportionately readjust the percentage of common interest of the remaining

Unit owners based upon a total percentage of common interest of 100%.

W. Amendment of Declaration Any amendment will be filed for recording in the Jefferson County, Kentucky Clerk's Office.

1. Voting Power of the Council This Declaration may be amended only by a vote of seventy-five percent (75%) of the voting power of the Council, provided, however, that Developer may amend this Declaration from time to time, recording amended floor plans of Units, when completed, in accordance with KRS 381.830(1)(b), KRS 381.835(5), and Sections B and C of this Declaration, without the necessity for any Unit owners or other interest holders joining in, said persons agreeing and consenting to such amendments in accepting conveyance of a Unit.

2. Approval of Eligible Mortgagees The approval of Eligible Mortgagees holding first mortgages on Units to which at least fifty-one percent (51 %) of the votes of Units subject to such mortgages appertain shall be required for any material amendment to the Declaration or Bylaws made after the date this Declaration is filed for record in the Jefferson County, Kentucky Clerk's office, or the addition of any material provision thereto after such date, which establishes, provides for, governs or regulates any of the following (i) voting, (ii) assessments, assessment liens or subordination of such liens, (iii) reserves for maintenance, repair and replacement of the Common Elements, (iv) insurance or fidelity bonds, (v) rights to use the Common Elements, (vi) responsibility for maintenance and repair of the several portions of the Property, (vii) expansion or contraction of the Property or the addition or annexation of property thereto or the withdrawal of property therefrom, unless the expansion, addition or

annexation is in accordance with Article X hereof, (viii) redefinition of the boundaries of any Unit (except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit owners and the Eligible Mortgagees holding first mortgages in such Unit or Units must approve such action), (ix) reallocation of interests in the Common Elements or Limited Common Elements (except that when Limited Common Elements are reallocated by agreement between Unit owners, only those Unit owners and only the Eligible Mortgagees holding first mortgages on such Units must approve such action), (x) convertibility of Units into Common Elements or of Common Elements into Units, (xi) leasing of Units, (xii) imposition of any right of first refusal or similar restriction on the right of a Unit owner to sell, transfer, or otherwise convey his or her Unit, (xiii) establishment of self management by the Council where professional management has previously been required by any Eligible Mortgagee or Eligible Insurer, or (xiv) provisions that expressly benefit Eligible Mortgagees or Eligible Insurers. Notwithstanding the foregoing, the approval of Eligible Mortgagees shall not apply to any amendment to this Declaration or the Bylaws in connection with the termination of the Regime pursuant to Article O hereof or to an expansion, addition or annexation in accordance with Article X hereof or to a reallocation of interests in the Common Elements which occurs pursuant to such an expansion, addition or annexation.

3. Approval or Eligible Insurers The approval of all Eligible Insurers is required for any of the following which occur after the date this Declaration is filed for record in the Jefferson County, Kentucky Clerk's office (i) annexation of additional property to the Property (provided that approval will not

be withheld if the property to be annexed or added substantially conforms to expansion of the Condominium in accordance with Article X hereof), (ii) the merger or consolidation of the Condominium with any other common interest community or the merger or consolidation of the Council with any other entity, (iii) dedication of Common Elements, (iv) any amendment to the Articles, the Bylaws or this Declaration, or (v) the dissolution of the Council.

X. Expansion of Regime Until December 31, 2008, Developer may, with the prior written consent of any Eligible Mortgagee or Eligible Insurer and without the consent of any other owner of a Unit or other interest holder in any Unit, expand the Regime to include other property, at which time all of such additional property designated by Developer shall become a part of the Regime covered by the provisions of this Declaration, provided that all improvements shall be substantially completed before such property is added to the existing Regime. Any such future improvements to the Regime shall be consistent with initial improvements in terms of quality of construction. Upon such expansion, Developer shall have the right to amend this Declaration to include such property as part of the Regime and shall also have the right to readjust the percentage of common interest of each Unit so as to reflect the addition of those Units added to the Regime as a result of the addition of such property to the Regime. Liens arising in connection with the Developer's ownership of, and construction of improvements upon, the property to be added to the Regime shall not adversely affect the rights of existing Unit owners, or the priority of first mortgages on Units in the existing condominium property. All taxes and other assessments relating to such property, covering any period prior to the addition of the

property, shall be paid or otherwise satisfactorily provided for by the Developer.

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. Interest of Unit Owner in Woodridge Lake Homeowners Association Inc. or Common Areas of Woodridge Lake Subdivision Except as expressly provided in the Woodridge Lake Declaration Amendment, no Unit owner or any other person or entity shall, by virtue of any ownership of Unit or Units, membership in the Council or residence in Woodridge Lake Patio Homes, be entitled to (i) any membership or other right, title and interest in Woodridge Lake Homeowners Association, Inc or (ii) right of enjoyment in or use of the "Woodridge Lake Common Area" or "Common Area" (as such terms are defined in the Woodridge Lake Declaration).

AA. Consent of Mortgage Holder Joining in this instrument is Branch Banking and Trust Company, a North Carolina banking corporation f/k/a Bank of Louisville ("Lender"), holder of the following mortgages on the subject property, (i) Mortgage Book 6493, Page 53, (ii) Mortgage Book 7229, Page 035, (iii) Mortgage Book 7229, Page 039, and (iv) Mortgage Book 7375, Page 654, all in the office of the Clerk of Jefferson County, Kentucky, to indicate its consent thereto, the Developer agreeing that Lender's lien rights are hereby transferred to the individual Units of the Regime hereby established or to be established.

BB. Notice of Eligible Mortgagees and Eligible Insurers Upon written request to the Council identifying the name and address of the Eligible

Mortgagee, the Eligible Insurer and of the Unit owner or address, such Eligible Mortgagee and Eligible Insurer will be entitled to timely written notice of

1. Any proposed amendment of the condominium instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Elements appertaining to any Unit or the liability for Common Expenses appertaining thereto, (iii) the number of votes in the Council appertainmg to any Unit or (iv) the purposes to which any Unit or the Common Elements are restricted,
2. Any proposed termination of the Regime,
3. Any condemnation loss or any casualty loss which affects a material portion of the Regime or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer,
4. Any delinquency in the payment of assessments or charges owed by an owner of a Unit subject to the mortgage of such Eligible Mortgagee or Eligible Insurer, where such delinquency has continued for a period of 60 days, and
5. Any lapse, cancellation or material modification to any insurance policy maintained by the Council

CC. Termination The Regime may be terminated by any method permitted by Kentucky law or, except as otherwise provided herein (including without limitation, as provided in Article V), by (i) the vote of at least seventy-five percent (75%) of the voting power of the Association (which must include the Developer if the Developer owns any Units), or (ii) the approval of Eligible

Mortgagees holding first mortgages on Units to which at least sixty-seven percent (67%) of the votes of Units subject to such mortgage appertain.

DD. Right of First Refusal The owner of any Unit may transfer his or her Unit free of any right of first refusal on the part of the Council or the Developer.

CERTIFICATION

This, the Second Amended and Restated Master Deed and Declaration of Condominium Regime of Woodridge Lake Patio Homes – A Condominium, and the amendments herein, have been duly approved and adopted by the Council of Co-Owners of Woodridge Lake Patio Homes, by a vote of 77.674% of ownership interest, on the 26th day of February, 2009. In testimony whereof, witness the signature of the Officer of the Council of Co-Owners of Woodridge Lake Patio Homes, Inc.

Council of Co-Owners of Woodridge Lake Patio Homes, Inc.

E. Pamela Stone
E. PAMELA STONE, President

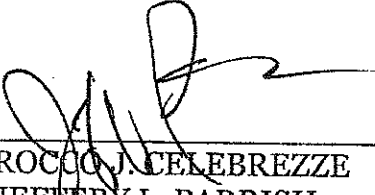
STATE OF KENTUCKY }
 }
COUNTY OF JEFFERSON }

Subscribed and sworn to before me by *E. Pamela Stone* as President of the Council of Co-Owners of Woodridge Lake Patio Homes, Inc., on behalf of same, on this 11th day of March, 2009.

My Commission Expires: 8-16-2012

Joseph S. Bales
NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:



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JEFFERY L. PARRISH
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