

SECOND AMENDMENT AND MODIFICATION TO MASTER DEED  
HORIZONTAL PROPERTY LAW  
OF  
AMBASSADOR EAST OF 1612 GARDINER LANE  
CONDOMINIUM APARTMENTS

BOOK 5867 PAGE 87

This Amended Declaration made this 17 day of April,  
1989 by the Homeowners Association of Ambassador East of 1612  
Gardiner Lane, Inc. (a Kentucky non-profit Association),

W I T N E S S E T H:

WHEREAS, on July 28, 1978, there was recorded in the  
Office of the Clerk of the County Court of Jefferson County, Ken-  
tucky, the Master Deed under the Horizontal Property Law for  
Ambassador East of 1612 Gardiner Lane Condominium Apartments, of  
record in Deed Book 5029, Page 106, in said Clerk's Office, and

WHEREAS, on October 19, 1978 there was recorded in  
said Clerk's Office in Deed Book 5048, Page 606, Amendment to Mas-  
ter Deed Horizontal Property Law of Ambassador East of 1612 Gardi-  
ner Lane Condominium Apartments, and

WHEREAS, paragraph (19) of the Master Deed, which para-  
graph is entitled Amendments, provides in section (b) as follows:

"(b) The provisions of this Master Deed may be  
amended, changed or modified by an instrument  
in writing setting forth such amendment, change  
or modification signed and acknowledged by owners  
of 75% of apartment units and 75% of first mortga-  
gees having bona fide liens of record against any  
apartments. The by-laws herein, unless otherwise  
provided, shall be amended, changed or modified  
only by an instrument in writing, setting forth  
such amendment, change or modification signed by  
the majority of the members of the Board and owners  
of at least 75% of all apartment units." and,

WHEREAS, as is hereinafter shown, more than 75% of the  
owners of apartment units and more than 75% of the first mortga-  
gees having bona fide liens of record against any apartments  
located on the hereinafter described property have approved this  
amendment and modification, and

WHEREAS, the Homeowners Association of Ambassador East  
of 1612 Gardiner Lane, Inc. hereby desires to amend and modify the  
Master Deed of record in Deed Book 5029, Page 106 and Amendment of

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record in Deed Book 5048, Page 606 in the aforesaid Clerk's Office and the By-laws contained therein.

Now, Therefore, the Homeowners Association of Ambassador East of 1612 Gardiner Lane, Inc. amends and modifies said Master Deed and Amendment and the By-laws and when amended and modified said Master Deed shall read as follows:

(1) Legal Description of Land and Definitions

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

BEGINNING at a point in the center line of Gardiner Lane, said point being South 54 deg 45' West 575.50 feet from a corner common to Lots 8 and 9 as shown on the plan of the subdivision of the Danforth Farm, of record in Deed Book 425, Page 640, in the office of the Clerk of the County Court of Jefferson County, Kentucky, as measured along the center line of Gardiner Lane, said point being the corner of the property conveyed to Georgia M. Frenz by Joseph Crawford and wife, by deed dated September 21, 1938, of record in Deed Book 1688, Page 132 in the office aforesaid; thence with a line of the tract conveyed to Georgia M. Frenz by the deed aforesaid, South 39 deg 9' East 303 feet to an iron pipe; thence with another line of the tract conveyed to Georgia M. Frenz by the aforesaid deed, South 60 deg 1' East 385.75 feet to the Northwest line of the tract conveyed to Lee Allgeier by deed dated January 6, 1933, and recorded in Deed Book 1518, Page 371 in the office aforesaid; thence with the northwest line of the tract conveyed to Lee Allgeier by the aforesaid deed South 54 deg 39' West 209.43 feet to an iron pin; thence North 60 deg 1' West 333.38 feet to an iron pin; thence North 39 deg 9' West 351.02 feet to the center line of Gardiner Lane; thence with the center line of Gardiner Lane, North 54 deg 45' East 190.79 feet to the beginning.

BEING the same property acquired by Fourth Avenue Corporation by deed dated March 30, 1977 of record in Deed Book 4920, Page 254, in the office of the Clerk aforesaid.

Said real estate is also described and delineated on a plat or survey attached hereto as Exhibit "A" which by reference thereto is made a part hereof.

Said real estate and all improvements thereon and appurtenances thereto shall be known as Ambassador East of 1612 Gardiner Lane, a Condominium.

Except to the extent hereinafter modified or changed, the following words and terms whenever used herein shall, have the

same meaning as provided for such words and terms in the Horizontal Property Law:

"Apartment", "Condominium", "Master Deed", "General Common Elements", "Common Expenses", "Person", "Property", and "Limited Common Elements".

(2) Description of the Building

The improvements situated on said real estate are fully described in a set of floor plans of the building filed simultaneously with the recording hereof pursuant to KRS 381.835, sub section (2) and by reference thereto, made a part of this Master Deed and is fully shown by the plan attached hereto and made a part hereof.

It is constructed of the following principal materials: Masonary, concrete and steel.

(3) Suites

(3)(a) The suite numbers of each of the suites are fully set forth in said Floor Plans attached hereto and are as follows:

102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113,  
114, 115, 116, 117, 118, 119, 120, 121, 201, 202, 203, 204,  
205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216,  
217, 218, 219, 220, 221.

(3)(b) The location, dimensions and immediate common area to which each suite has access are set forth in said floor plans. The legal description of each suite shall consist of its number as aforesaid followed by the words, "In Ambassador East of 1612 Gardner Lane Horizontal Property Regime". Each suite shall consist of the space enclosed and bounded by the horizontal plane of the undecorated finished surfaces of the ceiling, floor, and perimeter walls of each suite as are shown on said plans attached hereto, and shall include the exclusive right to use the limited common elements immediately adjacent to said suite as shown by said plan or plat.

(3)(c) No suite shall by deed, plat, court decree, or otherwise be subdivided or in any other manner separated into tracts or parcels smaller than the whole suite as shown on the Floor Plans.

(3)(d) If two horizontally adjoining suites are purchased simultaneously by one party, the wall separating the units may be wholly or partially removed, if said wall is not a load-bearing wall and does not contain any ducts or utility lines servicing other units. ~~Ownership rights, percentage interest and the maintenance charges attributable to each unit shall not be altered by reason of said removal.~~ However, if said wall is replaced it shall not thereafter be removed without the unanimous approval of the Board of Directors of the Association.

(4) Description of the Common Elements

The general common elements shall consist of all property (as hereinafter defined), excepting the individual suites and fixtures thereto and excepting any portion of the property or appurtenances thereto described as limited common elements, and shall include, but not be limited to, the land and any improvements and fixtures attached thereto, corridors, halls, elevators, elevator shafts, stairways, entrances and exits, lobby, garbage chutes, storage areas, social and athletic rooms, swimming pool, sun deck, pool deck, walkway to pool deck, roofs, terrace or roof garden, pipes, ducts, electrical wiring and conduits, public utility lines, floors and ceilings (other than interior surfaces thereof located within the suites), perimeter walls of the suites (other than the interior undecorated surfaces thereof), structural parts of the building, outside walks and outside driveways, landscaping, and all portions of the property except the individual suites and any limited common elements attached thereto. Structural columns and load bearing walls located within the boundary of the suite shall be part of the general common elements. Common elements shall include tangible personal property used for the maintenance and operation of said horizontal property regime even though owned by the Association hereinafter described.

The term "Property" as used in this Master Deed means all of the land, property and space comprising the real estate described in Paragraph one (1) hereof and all improvements and structures

erected, constructed, or contained therein or thereon, including the building and all easements, rights and appurtenances belonging thereon, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the property owners.

(5) Definition and Description of Limited Common Elements

A limited common element is a common element whose ownership or percentage of ownership is conveyed by deed, will, or other evidence of conveyance of the suite unit. It is a common element which shall be maintained as any other common element, but limited to the use, enjoyment and occupancy of the particular unit or units.

The patio or balcony, as the case may be, adjoining a suite shall be limited common element (as defined in the Horizontal Property Law) reserved for the use of the respective suite adjoining such patio or balcony to the exclusion of all other suites in the building.

"The parking area and storage areas, are limited common elements, which are shown on the plat of the Ground Floor area of record in Apartment Ownership Book 12, Pages 26 through 29 inclusive, in the aforesaid Clerk's Office. ~~The parking areas and storage areas, shall be assigned by the Association to the owner of the management of the property.~~ The parking areas and storage areas are reserved for the exclusive use of the condominium unit to which they are appurtenant, to the exclusion of other condominium suites, and they shall pass with the passing of title to the suites."

(6) Percentage Interests

Unless otherwise provided herein, the percentage of the undivided interest in the common elements appertaining to each suite and its owner for all purposes is as follows:

SUITE NUMBER	PERCENTAGE
102	1.99
103	1.99
104	2.42
105	2.42

106	2.42
107	2.42
108	2.42
109	2.42
110	2.75
111	2.75
112	1.99
113	1.99
114	2.42
115	2.42
116	2.42
117	2.42
118	2.42
119	2.42
120	2.75
121	2.75
201	4.00
202	1.99
203	1.99
204	2.42
205	2.42
206	2.42
207	2.42
208	2.42
209	2.42
210	2.75
211	2.75
212	1.99
213	1.99
214	2.42
215	2.42
216	2.42
217	2.42
218	2.42
219	2.42
220	2.75
221	2.75
<hr/>	
TOTAL.	100.00%

Each suite owner shall own an undivided interest, in the percentage hereinabove set forth, in the common elements as a tenant in common with all the other suite owners, and except as otherwise limited in this Master Deed, shall have the right to use and occupy the common elements for all purposes incident to the use and occupancy of his suite as a place of residence, and such other incidental uses permitted to this Master Deed, which shall be appurtenant to and run with his suite.

The term "suite" as used herein and throughout this Master Deed shall mean "apartment" as defined in KRS 381.810 (1), together with the percentage of undivided ownership interest in the common elements allocated to such suite in accordance with Paragraph 6. Any conveyance of an individual suite shall be

leemed also to convey the undivided interest of the owner in the common elements, both general and limited, appertaining to said suite without specifically or particularly referring to same. Such interest shall remain undivided and shall not be the object of an action for partition or division of the co-ownership.

(7) Purpose

The building and suites therein are intended for and restricted exclusively to single family residential use. Additional provisions with respect to the use and occupancy of the suites and common areas and facilities are contained in Paragraph 12 hereof.

(8) Damage or Destruction

In case of fire or other destruction or damage, the Regime's insurance indemnity, except as provided herein, shall be applied to reconstruct and repair the common elements affected.

~~Where the Regime's insurance indemnity is not sufficient to cover the cost of reconstruction or repairs, the cost of such reconstruction or repairs shall be a common expense and the Association, by majority vote, is authorized to borrow funds therefor and to amortize the repayment of same over a period of time, not exceeding the reasonable life of the reconstruction or repairs. ~~Such reconstruction shall be deemed an assessment to the suite owners.~~~~

Reconstruction shall not be compulsory where two-thirds or more of the building is destroyed. In the event an agreement by the co-owners to reconstruct the building is not evidenced by agreement in writing, executed by fifty-one percent (51%) of all co-owners and fifty-one (51%) percent of all mortgagees holding first liens thereon within ninety (90) days following the catastrophe, the decision not to reconstruct shall be presumed to have been made. In the event of such an agreement by the co-owners of the building and the mortgagees to reconstruct is not obtained, the insurance proceeds shall be delivered to the owners of said suites, their duly authorized agent, executor, administrator, guardian or committee and any mortgagee and other lien holders entitled thereto.

In the event that the building is more than two-thirds damaged or destroyed and the decision is made not to reconstruct, then this Condominium Regime shall terminate and the Board shall sell the premises in its entirety for the best price possible and the proceeds, after costs are paid, shall be paid to all suite owners based upon their percentage interest, but first deducting therefrom the unpaid balance of the then existing indebtedness due on any first mortgage.

(9) Easements and Encroachments

(9)(a) Easements are hereby declared reserved and granted for utility purposes, including but not limited to the right to install, lay, maintain, repair, and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits, wires and equipment over, under, along and on any part of the common elements as they exist on the date of recording hereof.

(9)(b) In the event that by reason of the construction, reconstruction, settlement, or shifting of the building, or the design or construction, or any part of any suite or any part of the common elements encroaches or shall hereafter encroach upon any part of any other suite, or any part of any suite encroaches on any part of the common elements, valid easements for the maintenance of such encroachments are hereby established and shall exist for the benefit of such suite and the common elements as the case may be, so long as all or any part of the building containing such suite shall remain standing; provided however, that in no event shall a valid easement for any encroachment be created in favor of the owner of any suite or in favor of the owners of the common elements if such encroachment occurs due to the willful conduct of said owner or owners. In addition to the foregoing, it is expressly understood that an easement for support is included in this section of the Master Deed.

(9)(c) All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the



enefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee, and other person having an interest in said land, of any part or portion thereof.

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

(9)(e) Easements for Future Utilities. Upon a majority vote of the Board of Directors of the Association known as "Ambassador East of 1612 Gardiner Lane, Inc.", the Board may direct its President to grant easements for utility purposes for the benefit of the Project, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits and wires over, under, along and on any portion of the common elements and each suite owner hereby grants the Board (acting by and through its President) an irrevocable Power of Attorney to execute, acknowledge and record, for and on behalf of each suite owner, such instruments or documents as may be necessary to effectuate the foregoing. The Power of Attorney shall survive any disability or death of the suite owner and shall be binding on each successive owner.

(10) Sale, Leasing or Other Alienation

(10)(a) Any suite owner or a mortgagee of a suite who has acquired title thereto in lieu of or through foreclosure, who wishes to sell or lease his suite (or any lessee of any suite wishing to assign his lease or sublease such suite) to any person shall give to the Association no less than ten (10) days prior written notice of any such sale, lease, assignment, or sublease, setting forth in detail the terms of any contemplated sale,

assignment or sublease, which notice shall specify the name and address of the proposed purchaser, assignee or lessee. The Association shall have the first right and option to purchase or lease such suite upon the same terms, which option shall be exercisable for a period of ten (10) days after receipt of such notice. If said option is not exercised by the Association within said ten (10) days, the suite owners (or lessee) may, at the expiration of said ten (10) day period and at any time within sixty (60) days after the expiration of said ten (10) day period, contract to sell or lease (or sublease or assign) such suite to the proposed purchaser, assignee, or lessee named in such notice upon the terms specified therein.

\* (10)(b) In the event any suite owner shall default in the payment of any monies required to be paid under the provisions of any mortgage or trust deed against his suite, the Association shall have the right to cure such default by paying the amount so owing to the party entitled thereto, and shall thereupon have a lien therefore against such suite, which lien may be foreclosed in like manner as a lien for unpaid common expenses as provided herein.

(10)(c) The Association shall not exercise any option hereinabove set forth to purchase or lease any suite without the written consent of fifty-one percent (51%) of all suite owners. The Association through its duly authorized representatives may bid to purchase at any auction or sale the suite or interest herein of any suite owners, deceased or living, which said sale is held pursuant to an order or direction of a court, upon the prior written consent of fifty-one percent (51%) of the suite owners, which said consent shall set forth a maximum price which the Association is authorized to bid and pay for said suite or interest therein.

(10)(d) If the Association does not exercise any of the options contained in this Paragraph 10 said option may be deemed to have been released and waived.

(10)(e) A certificate executed by two (2) appointed members of the Board of Directors of the Association stating that the provisions of this Paragraph 10 as herein set forth have been met by a suite owner or duly waived by the Association, and that the rights of the Association hereunder have terminated.

(10)(f) The terms of this Paragraph 10 hereinabove contained, shall not be applicable to the transfer by gift, testate or intestate succession, or operation of law nor to the sale of the interest of a co-owner of any suite to any other co-owner of the same suite, where such co-owners hold title to such suite as tenants in common or as joint tenants.

(10)(g) Where title to any suite is held by a trust, the assignment, sale, conveyance or other transfer by a beneficiary of such trust of his or her beneficial interest in such trust (other than as security for a bona fide indebtedness shall be deemed an assignment, sale, conveyance, or other transfer of the suite owned by such trust.

(10)(h) Where title to any suite is held by a corporation, or a partnership, the transfer of fifty (50%) percent or more of the issued and outstanding shares of such corporation, or of fifty (50%) percent or more of the interest in such partnership, shall be deemed a transfer of the suite owned by such corporation or partnership.

(10)(i) The terms of this Paragraph 10 hereinabove contained shall not be applicable to the sale, conveyance or leasing of a suite by any mortgagee if said mortgagee shall acquire title to such suite by foreclosure of a mortgage on the property, or any suite.

(10)(j) Acquisitions of suites or interest therein under the provisions of this paragraph shall be made from the maintenance or common expense fund. If said fund is insufficient, the Board shall levy a special assessment against each suite owner in the ratio that his percentage of ownership in the common elements, as set forth in Paragraph 6, bears to the total of all such percentages

applicable to suites subject to said special assessment, which assessment shall become a lien upon each such suite and may be foreclosed in like manner as a mortgage. The Association may borrow money to finance the acquisition of a suite or interest therein which said acquisition is authorized by this paragraph; provided, however, that no financing may be secured by an encumbrance or hypothecation of any portion of the property other than the suite or interest therein to be acquired.

(10)(k) Suites or interest therein acquired pursuant to the terms of this paragraph shall be held of record in the name of the Association or such nominee or entity as the Board shall designate, for the use and benefit of all the suite owners in the same proportion that the Board could levy a special assessment under the terms of sub-paragraph (j) hereof. Said suites or interests therein shall be sold or leased by the Association for the benefit of the suite owners upon such price and terms as the Board shall determine. All proceeds of such sale and/or leasing shall be deposited in the maintenance or common expense fund and may thereafter be disbursed at such time and in such a manner as a majority of the residents shall determine.

(11) Association By-Laws

The provisions of this Paragraph 11 shall constitute the by-laws by which, in addition to the other provisions of this Master Deed, the administration of the property shall be governed:

(11)(a) The term "Association" as used herein and throughout this Master Deed shall mean Ambassador East of 1612 Gardiner Lane, Inc., a not-for-profit corporation of Kentucky, the members of which are all the owners from time to time of suites in Ambassador East of 1612 Gardiner Lane Condominium. If any suite is owned by more than one person, the voting rights with respect to such suite shall not be divided but shall be exercised as if the suite owners consisted of only one person in accordance with the proxy or other designation made by the persons constituting such suite owner. The suite owners shall have one vote for each suite owned in this condominium.

(11)(b) The direction and administration of the property on behalf of the suite owners shall be vested in the Board of the Association (herein referred to as the "Board"); consisting of seven (7) persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the suite owners provided however, that in the event a suite owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or director of such corporation, partner of such partnership, beneficiary, or individual trustee of such trust, or manager of such other legal entity shall be eligible to serve as a member of the Board.

~~✱~~ (11)(c) ~~Annual meetings of the Association shall be held the second week of January in each year for the purpose of electing members of the Board, and such other business as may come before the meeting.~~

(11)(d) At each annual meeting of the Association, the suite owners shall by a vote of a majority of the suite owners present at such meeting elect those members of the Board, whose terms have expired. Members of the Board shall serve without compensation for a term of two (2) years, and until their successors are elected. Board members shall be elected as follows: ~~Four members shall be elected in odd numbered years and three members shall be elected in even numbered years.~~ Five members of the Board shall constitute a quorum. Death, incapacity, or resignation of any Board member, or his continuous absence from Board meetings for ~~more than (3) meetings,~~ shall cause his office to become vacant. ~~vacancies in the Board shall be filled by the unanimous vote of the remaining members of the Board.~~

(11)(e) Special meetings of the Association may be called, by written notice to each Homeowner, for any reasonable purpose, either by the President, or not less than twenty-five (25%) percent of the suite owners. ~~The notice shall state the date, time and place of the meeting and specify the matters to be considered at such special meeting.~~

~~A majority of the owners shall constitute a quorum at all~~  
~~such meetings.~~ A suite owner may vote either in person or by proxy at any regular or special meeting of the Association. Every proxy must be in writing and no proxy shall be valid after eleven (11) months from the date of its execution.

(11)(f) An annual meeting of the Board shall be held immediately after the annual meeting of the Association. Other meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may from time to time adopt.

A President, a Vice President, a Secretary and a Treasurer shall be elected at each annual meeting of the Board from among its members. Any such officer may be removed by the vote of the other six members of the Board at any time. Any member of the Board may be removed from office by the affirmative vote of fifty-one (51%) percent of the owners at a special meeting of the owners called for such purpose.

\* A vacancy in any office may be filled by the Board for the unexpired term. Vacancies in the Board shall be filled by the unanimous vote of the remaining members of the Board. Five members of the Board shall constitute a quorum.

All Board meetings of the Association shall take place in some section of the property designated by the person or persons calling the meeting. Written notice of the holding of any Board meeting of the Association shall be posted, stating the date, hour, and place of such meeting.

~~on of a board meeting~~

(11)(g) The President shall preside over the meetings of the Board and of the Association; he shall sign, together with any other officer designated by the Board, any contracts, checks, drafts, or other instruments designated or approved by the Board. 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.

(11)(h) The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board of Directors,

give all notices thereof as provided by these by-laws, maintain and keep a continuous and accurate record of ownership of all units, have charge of such books, documents and records of the Association as the Board may direct.

~~Books of the minutes plus a copy of reports of expenses, charges to the annual budget and reserve balance must be given to each resident at the (10) days of each meeting.~~

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(11)(i) The Treasurer shall keep all financial records and books of account. All expenses, charges and costs of the maintenance, repairs, or replacements of the common elements and any other expenses, charges or costs which the Board may incur or expend pursuant hereto, shall be approved by the Board.

\* ~~The Board shall annually, with compensation of \$301,865, appoint an accountant or any accounting firm as auditor, who may not be an officer of the Association nor own any interest in any suite, to audit the books and financial records of the Association.~~

(11)(j) ~~The Board shall have the power:~~

*New (11) I added 1989*

(i) to engage the services of any persons deemed necessary at such compensation as deemed reasonable, in the operation, repair and maintenance of the property, and to remove, at any time, any such personnel. On ~~August 9, 1988~~ at a special called meeting, the residents by a majority vote, required that our custodial personnel must be a couple and that they would live in Suite #100.

*old*

(ii) to establish and maintain one or more bank accounts for the deposit of any funds paid to, or received by the Board.

(11)(k) The Board shall employ and pay out of the maintenance fund the personnel, and shall make arrangements for and pay out of the maintenance fund the following:

(i) ~~Appropriation warrant, public improvements as assessed by any governmental agency, water, waste removal,~~

electricity and telephone and other necessary utility services for the common elements and such services to the suites as are not separately metered or charged to the owners thereof;

(ii) A policy or policies of insurance for the property against loss or damage by fire and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the common elements and the suites. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association, for the benefit of each of the suite owners in the percentages set forth in Paragraph 6 and any amendment thereto. The Board may also purchase such other insurance as the Board deems advisable, with the approval of the majority of the homeowners.

Premiums for all insurance provided for in this Master Deed shall be common expense.

(iii) A policy or policies insuring the Association and all suite owners against any liability to the public or to the owners of suites and of the common elements, and their invitees or tenants, incident to the ownership and/or use of the common elements, the liability under which insurance shall be not less than One Hundred Thousand (\$100,000.00) Dollars for property damage (such limits to be reviewed at least annually by the Board). Any increase shall be made with the approval, by majority vote, of the homeowners.

(iv) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(v) Landscaping, gardening, snow removal, painting, cleaning, tuck-pointing, maintenance, decorating, repair and replacement of the common elements (but not including the interior surfaces, windows, and doors of the suites,



which the respective suite owner shall paint, clean, decorate, maintain and repair), and such furnishings and equipment for the common elements as the Board shall determine are necessary and proper, and the Board shall have the right and duty to acquire the same for the common elements.

(vi) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Board deems necessary or proper for the maintenance and operation of the property as a first-class condominium project or for the enforcement of any restrictions or provisions contained herein.

There shall be no structural alterations, capital additions to, or capital improvements on, the common elements requiring an expenditure in excess of two thousand five hundred (\$2,500.00) Dollars without the prior approval of a majority of suite owners, (other than for the purpose of replacing or restoring portions of the common areas and facilities).

(vii) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the property or any part thereof which may in the opinion of the Board constitute a lien against the property or against the common elements, rather than merely against the interests therein of particular suite owners. Where one or more suite owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said suite owners and shall, until paid by such owners, constitute a lien on the interest of such owners in the property, which lien may be foreclosed in like manner as a mortgage.

In the event of the foreclosure of a lien for unpaid common expenses, the suite owner who is the defendant in such proceedings shall be required to pay a reasonable rental for such suite.

(viii) Maintenance and all repairs of the Parking Area shall be maintained by the Association.

(ix) Maintenance and repair of any suite or other portion of the property which a suite owner is obligated to maintain or repair under the terms thereof, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements, or any other portion of the property, and the owner or owners of said suite have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to said owner or owners.

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(11)(L) Each year on or before December 1, the Board will prepare the annual budget of common expenses, including the total amount required for the cost of wages, materials, insurance, services, and supplies which will be required during the ensuing calendar year for the rendering of all services, (together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and major replacements or repairs.) <sup>Replace</sup> This prepared budget must be presented for approval at the ensuing annual meeting.

[No monies may be transferred <sup>appears no longer in</sup> from any designated part of the approved budget that will create a deficit in that allocated section of the budget.]

The Board shall on or before December 15, submit to each suite owner in writing the amount of such budget with an itemization thereof. Said approved annual budget shall be assessed to the owners according to each owner's percentage of ownership in the common elements.

On or before January First, of each year, and the first of each and every month of said year, each suite owner shall be obligated to pay to the Board, or as it may direct, one-twelfth (1/12) of the assessment made pursuant to this paragraph. This would be retroactive to January First.

If said annual budget proves inadequate for any reason, the Board may at any time levy a further assessment, by a majority vote of approval of the suite owners, which shall be assessed according to each owner's percentage of ownership in the common elements. The Board shall serve notice of such further assessment on all suite owners by a statement in writing giving the amount and reasons therefor. Such further assessment shall become effective with the monthly maintenance payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All suite owners shall be obligated to pay the adjusted monthly amount. The Board shall collect all such assessments and any other assessments herein provided.

BOOK 5867 PAGE 105  
\*  
assessment  
Add  
This  
Amount

The failure or delay of the Board to prepare and submit the annual or adjusted budget on the suite owners shall not constitute a waiver or release in any manner of the suite owner's obligation to pay the maintenance and other costs and necessary reserves, as herein provided. Whenever the same shall be determined, and in the absence of any annual budget or adjusted budget the suite owners shall continue to pay the monthly assessment charges at the then existing monthly rate established for the previous period until the monthly assessment payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

(11)(m) Five days before the annual-meeting, the Board shall supply to all suite owners an itemized accounting of the maintenance expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the accounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any

amount accumulated in excess of the amount required for actual expenses shall be carried over to the following year.

(11)(n) The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year, shall be charged first against such reserve.

(11)(o) The Board shall see that a full and correct set of books are kept and the same shall be open for inspection by any suite owner or any representative of any suite owner duly authorized in writing, at such reasonable time or times during normal business hours as may be requested by the owner. All funds collected hereunder shall be held and expended solely for the purposes designated herein.

(11)(p) In addition to any remedies or liens provided by law, if any suite owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the association may bring suit for and on behalf of itself and as representative of all suite owners, to enforce collection thereof or to foreclose the lien hereinafter provided. There shall be added to the amount due the costs of said suit, together with legal interest and reasonable attorney fees to be fixed by the Court. No owner may waive or otherwise escape liability for the assessments provided herein by non-use of the common elements, parking stalls or abandonment of his or her suite. The unpaid common expenses assessed to a suite owner shall constitute a lien against the suite of such owner and against such owner's interest in the property, as provided in the Kentucky Horizontal Property Act.

(11)(q) Upon ten (10) days notice to the Board, any suite owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

(11)(r) Two exterior keys shall be given to each suite owner. Extra keys may be granted for reasonable or emergency

reasons by the Board. A deposit of ten (\$10.00) dollars per extra key and the name of each person using an extra key shall be provided by the owner requesting the key.

Upon the sale of a suite all extra Security keys must be returned to the Association at which time your deposit will be refunded.

(11)(s) The Board, with the approval of the Homeowners, may from time to time adopt or amend such administrative rules and regulations governing the operation, maintenance, beautification and use of the common elements, the limited common elements, and the suites not inconsistent with the terms of this Master Deed, and the suite owners shall conform to and abide by such rules and regulations.

Written notice of such rules and regulations shall be given to all suite owners and occupants. A violation of such rules or regulations shall be deemed a violation of the terms of this Master Deed.

(11)(t) Whenever any notice whatsoever is required to be given under the provisions of this Master Deed or by-laws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated therein, shall be deemed equivalent to the giving of such notice.

(11)(u) Nothing hereinabove contained shall be construed to give the Association authority to conduct an active business for profit on behalf of all the suite owners or any of them.

(11)(v) For the purpose of interpreting the language of this Master Deed KRS 381.890 is incorporated in and made a part of the by-laws of the Association.

(12) Use and Occupancy of Units and Common Areas and Facilities

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

(12)(a) No part of the property shall be used for other than housing and the related common purposes for which the property was

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designed. Each suite shall be used as a residence for a single family and for no other purpose.

(12)(b) No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise shall be conducted, maintained or permitted on any part of the property. No "FOR SALE" or "FOR RENT" signs, advertising, or other displays shall be maintained or permitted on any part of the property except at such location and in such form as shall be determined by the Board.

(12)(c) There shall be no obstruction of the common elements nor shall anything be stored in the common elements without the prior consent of the Board except as herein expressly provided.

(12)(d) Each suite owner shall be obligated to maintain and keep his own suite, its windows and doors, and the patio or balcony, which is a limited common element reserved for the use of his suite, in good, clean order.

(12)(e) Nothing shall be done or kept in any suite or parking stall or in the common elements which will increase the rate of insurance on the building or contents thereof applicable for residential use without the prior written consent of the Board. No suite owner shall permit anything to be done or kept in his suite, parking stall or in the common elements or limited common elements which will result in the cancellation of insurance on the building or contents thereof, or which would be in violation of any law. ~~No waste shall be permitted in the common elements or limited common elements.~~

(12)(f) Suite owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the building, and no sign, awning, canopy, shutter, radio or television antenna shall be affixed to or placed upon the exterior walls or roof of any part thereof, without the prior consent of the Board.

(12)(g) ~~No animals~~, rabbits, livestock, reptiles, fowl or poultry of any kind shall be raised, bred, or kept in ~~any suite~~

in any part of the property, except that dogs under sixteen pounds, cats, or other household pets may be kept in suites subject to rules and regulations adopted by the Board, provided that they are not kept, bred, or maintained for any commercial purpose, and any pet permitted under this section when outside the confines of the owner's suite must be kept on a leash and accompanied by a responsible person; and provided further that such pet creating or causing a nuisance or unreasonable disturbance shall be permanently removed from the property upon three (3) days written notice from the Board. All dogs, cats or other pets so allowed shall be carried by a responsible person while in corridors, lobbies or any other inside common areas.

(12)(h) No noxious or offensive activity shall be carried on in any suite or on the property, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other suite owners or occupants.

(12)(i) Nothing shall be done in any suite or in, on, or to the common elements which will impair the structural integrity of the building or which would structurally change the building, except as otherwise provided herein.

(12)(j) No clothes, sheets, blankets, laundry of any kind, or other articles shall be hung out or exposed on any part of the common elements. The common elements and the limited common elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(12)(k) There shall be no ~~parking~~ lounging, parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches, chairs, or other personal property on any part of the common elements without the prior consent of, and subject to any regulations of the Board.

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

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(12)(m) Drapery backing which is visible from the outside shall be of an "off white" color.

(12)(n) All garbage be it wet, solid or otherwise must be placed in plastic bags securely fastened before disposing of same in the garbage disposal chutes. Bags containing diapers and broken glass shall be double bagged and tightly wrapped for safety and sanitary conditions.

(12)(o) There shall be no parking of any automobile, bicycle or any other vehicle in any driveway and further there shall be no parking under any portico except for loading and unloading of passengers and except for moving in or out.

(13) Violation of Declaration

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained or contained in the Horizontal Property Law shall give the Board the right, in addition to any other rights provided for in this Master Deed:

(13)(a) To enter into the suite or any portion of the property upon which, or as to which, such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting suite owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or

(13)(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. Furthermore, if any suite owner (either by his own conduct or by the conduct of any other occupant of his suite) shall violate any of the covenants of this Master Deed or the regulations adopted by the Board and such violation shall continue for thirty (30) days after notice in writing or shall recur more than once thereafter, then the Board shall have the power to issue to the defaulting suite owner a ten



(10) day notice in writing to terminate the rights of the said defaulting owner to continue as a suite owner and to continue to occupy, use or control his suite, and thereupon an action in equity may be filed by the Association against the defaulting suite owner for a decree of mandatory injunction against the suite owner or occupants, or, in the alternative, a decree declaring the termination of the defaulting suite owner's right to occupy, use or control the suite owned by him on account of the breach of covenant and ordering that all the right, title and interest of the suite owner in the property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms as the court shall establish, except that the court shall enjoin and restrain the defaulting suite owner from re-acquiring his interest at such judicial sale or by virtue of the exercise of any right of redemption which may be established. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorney fees, and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting suite owner in said decree. Any balance of proceeds after satisfaction of such charges and any unpaid assessments hereunder or any liens, shall be paid to the suite owner. Upon the confirmation of such sale, the purchaser thereof shall thereupon be entitled to a deed to the suite and immediate possession of the suite sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any sale, and the decree shall so provide, that the purchaser shall take the interest in the property sold subject to this Master Deed.

(14) Entry by Board

The Board or its agents or employees may, with the approval of the Homeowner, enter any suite when necessary in connection with any painting, maintenance or reconstruction for which the

Board is responsible, or which the Board has the right or duty to do. Such entry shall be made with as little inconvenience to the suite owners as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the maintenance fund.

(15) Grantees

Each grantee by acceptance of a deed of conveyance, or each purchaser under Articles of Agreement for Deed, accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges and the jurisdiction, rights and powers created or reserved by this Master Deed, and the provisions of the Horizontal Property Law, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations herein imposed shall be deemed and taken to be covenants running with the suite, and shall bind any person having at any time any interest or estate in said suite, and shall inure to the benefit of such owner in like manner as though the provisions of this Master Deed were recited and stipulated at length in each and every deed of conveyance.

(16) Incorporation of Association

Fourth Avenue has heretofore caused the formation of a Kentucky not-for-profit corporation known as "Ambassador East of 1612 Gardiner Lane, Inc.", to act as council of co-owners as defined in KRS 381.810 (4 & 5) and governing body for all suite owners in administration and operation of the property.

(16)(a) Each suite owner or owners shall be a member of such corporation, which membership shall terminate upon the sale or other disposition of such member of his suite, at which time the new suite owner or owners shall automatically become a member therein.

(17) Failure to Enforce

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

(18) Notice

Notices required or permitted to be given to the Association, the Board or any suite owner may be delivered to any officer of the Association, member of the Board, or such suite owner at his suite.

(19) Amendments

(19)(a) The provisions of this Master Deed may be amended, changed or modified by an instrument in writing setting forth such amendment, change or modification signed and acknowledged by owners of fifty-one (51%) percent of suite owners and fifty-one (51%) percent of mortgagees having bona fide liens of record against any suites. The by-laws herein, unless otherwise provided, shall be amended, changed or modified only by an instrument in writing, setting forth such amendment, change or modification signed by the owners of at least fifty-one (51%) percent of all suites.

(19)(b) Any amendment, change or modification shall conform to the provisions of the Horizontal Property Law and shall be effective upon recordation thereof.

(20) Violation of Certain Rules

If any of the privileges, covenants or rights created by this Master Deed shall be unlawful or void for violation of the rule against perpetuities or some analogous statutory provision, then such privileges, covenants or rights shall continue only until twenty-one years after the death of the survivor of the now living lawful descendants of the incorporators of Ambassador East of 1612 Gardiner Lane, Inc.

(21) Severability

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

(22) Construction

The provisions of this Master Deed shall be liberally construed.

to effectuate its purpose of creating a uniform plan for the development and operation of a first-class condominium project.

(23) Certification of Secretary

The undersigned J. Pat Stephens does hereby certify and acknowledge that he is the duly elected qualified and acting Secretary of the Homeowners Association of Ambassador East of 1612 Gardiner Lane, Inc. and that by instruments in writing setting forth the foregoing amendment, change and modification of the aforesaid Master Deed and Amendment thereto were signed and acknowledged by owners of 75% of apartment units and 75% of first mortgagees having bona fide liens of record against any apartments and were signed by a majority of the members of the Board of Directors of the said Homeowners Association. I do further certify that the aforesaid writings have been filed with me as Secretary and that they are filed with and made a part of the official records of said Homeowners Association.

IN WITNESS WHEREOF, the said Homeowners Association of Ambassador East of 1612 Gardiner Lane, Inc. has caused this Second Amendment and Modification of Master Deed to be signed by its duly authorized officers on its and their behalf; all done at Louisville, Kentucky on the date and year first above written.

HOMEOWNERS ASSOCIATION OF AMBASSADOR EAST OF 1612 GARDINER LANE, INC.

By: Louis A. Arru President  
J. Pat Stephens (Sec.) Secretary

STATE OF KENTUCKY )  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me this 17 day of April, 1989 by Louis A. Arru as President and J. Pat Stephens as Secretary of the Homeowners Association of Ambassador East of 1612 Gardiner Lane, Inc., a Kentucky non-profit Association, on behalf of the Association.

My commission expires: July 24 1991

THIS INSTRUMENT PREPARED BY:

James F. Steinfeld  
JAMES F. STEINFELD  
Attorney at Law  
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Louisville, Kentucky 40202  
(502) 583-1300

James F. Steinfeld  
NOTARY PUBLIC  
Notary at Large Ky

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