MASTER DEED OF HORIZONTAL PROPERTY REGIME AND DECLARATION OF CONDOMINIUM OWNERSHIP FOR WATERFRONT PARK PLACE CONDOMINIUM

This instrument prepared by:

Marvin J. Hirn, Esq.

Steven H. Schreiber, Esq.

DINSMORE & SHOHL LLP
2000 Meidinger Tower
Louisville, KY 40202
(502)540-2300

TABLE OF CONTENTS

	Page
Section 1. DEFINITIONS	4
Section 2. SUBMISSION OF CONDOMINIUM PROPERTY; PURPOSE; NAME	7
2.1 Submission and Plan.	7
2.2 Purpose.	7
2.3 Name.	7
Section 3. BUILDING DESCRIPTION	7
Section 4. DIVISION OF CONDOMINIUM PROPERTY	7
4.1 Reference to Drawings.	7
4.2 Composition of Units.	8
4.3 Common Areas and Facilities.	8
4.4 Limited Common Areas and Facilities.	9
4.5 Ownership of Common Areas and Facilities.	10
Section 5. THE ASSOCIATION	10
5.1 Establishment and Membership.	10
5.2 Voting Rights.	11
5.3 Quorum.	11
5.4 Board of Directors and Officers.	11
5.5 Authority.	11
5.6 Delegation of Authority; Professional Management; Service Contracts.	11
5.7 Service of Process.	11
5.8 Right of Action.	12
Section 6. MAINTENANCE	12
6.1 General.	12
6.2 Specific Association Duties.	12
6.3 Unit Owners' Duties.	12
6.4 No Personal Liability of Directors and Officers.	13
6.5 Construction Defects.	13
6.6 Effect of Insurance or Construction Guarantees.	13
Section 7. INSURANCE	14
7.1 Hazard Insurance Coverage.	14
7.2 Public Liability Insurance.	16
7.3 Exceptions from Insurance Coverage.	16
7.4 Fidelity Bonds.	17
7.5 Workers' Compensation.	17
7.6 Directors and Officers.	17
7.7 Insurance Proceeds.	17
7.8 Insurance Trustee.	17
7.9 Modifications.	18
Section 8. DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDING	18
8.1 Sufficient Insurance.	18
8.2 Insufficient Insurance.	18

8.3 Procedure for Reconstruction or Repair. 19
8.4 Non-Restoration of Damage or Destruction. 21
Section 9. EMINENT DOMAIN 22
Section 10. REHABILITATION AND SUBSEQUENT IMPROVEMENTS 22
Section 11. REMOVAL FROM CONDOMINIUM OWNERSHIP 22
Section 12. GRANTS AND RESERVATIONS OF EASEMENTS 23
12.1 Use of Common Areas. 23
12.2 Maintenance Easement. 23
12.3 Easements for Encroachments. 23
12.4 Easement for Support. 23
12.5 Easements for Utilities. 24
12.6 Easement for Services. 24
12.7 Easements Through Walls Within Units. 24
12.8 Easements Between Adjoining Units. 24
12.9 Easements Reserved by Declarant. 24
12.10 Humana Garage Easement. 25
12.11 Easements to Run With Land. 25
12.12 Reference to Easements in Deeds. 25
12.13 Other Easements. 25
12.14 Phase 2 Easements. 25
12.15 Swimming Pool and Deck. 26
12.16 Power of Attorney. 26
Section 13. COVENANTS AND RESTRICTIONS; RULES AND REGULATIONS 26
13.1 Use of Unit. 26
13.2 Use of Common Areas and Facilities. 26
13.3 Use of Commercial Units. 27
13.4 Parking. 27
13.5 Hazardous Uses and Waste. 27
13.6 Nuisances. 27
13.7 Impairment of Structural Integrity of Building. 28
13.8 Pass Key. 28
13.9 Animals and Pets. 28
13.18 Construction of Units. 30
13.19 Construction of Alterations 30
13.20 Security Procedures. 31
Section 14. ASSESSMENTS 31
14.1 General. 31
14.2 Division of Common Profits, Common Surplus, and Common Expenses. 31
14.3 Late Charges. 32
14.4 Nonuse of Facilities. 32
14.5 Lien of Association. 32
14.6 Priority of Association's Lien. 32
14.7 Dispute as to Common Expenses: K.R.S. 381.870 Adjustments. 32

14.8 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Association. 33
14.9 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. 33
14.10 Liability for Assessments Upon Voluntary Conveyance. 33
14.11 Working Capital Fund. 33
14.12 Reserve Fund. 34
14.13 Garage Assessment. 34
14.14 Commercial Unit Assessment. 34
Section 15. RIGHTS RESERVED TO THE DECLARANT 34
15.1 Reservation of Right to Make Minor Changes. 34
15.2 Sale of Units by the Declarant. 35
Section 16. AMENDMENT OF DECLARATION AND BYLAWS; DIVISION OF COMMERCIAL UNIT 35
16.1 Amendments. 35
16.2 Division of Commercial Units. 36
Section 17. REMEDIES FOR BREACH OF COVENANTS AND REGULATIONS 37
17.1 Remedies in General. 37
17.2 Involuntary Sale. 38
Section 18. MISCELLANEOUS PROVISIONS 39
18.1 Covenants Running with the Land. 39
18.2 No Waiver. 39
18.3 Partial Invalidity. 39
18.4 Law. 39
18.5 Limit on Liability. 40
18.6 Ownership by Corporation, Trust, Etc. 40
18.7 Rights of Mortgagees. 40
18.8 Headings. 41
18.9 Gender. 41
18.10 Liberal Construction. 41
Exhibits:
A. Legal Description
B. Bylaws
C. Percentage Ownership of Common Areas and Facilities
D. Parcel 2 Legal Description
E. Commercial Unit Assessment and Allocation of Costs

MASTER DEED OF HORIZONTAL PROPERTY REGIME AND DECLARATION OF CONDOMINIUM OWNERSHIP FOR WATERFRONT PARK PLACE CONDOMINIUM

THIS DECLARATION is made on September 20, 2004 by WATERFRONT PARK PLACE, LLC, a Kentucky limited liability company ("Declarant"), under the following circumstances:

A. Declarant is the owner of the "Condominium Property" described below.

B. Declarant desires to submit the Condominium Property to the horizontal property regime and condominium form of ownership under K.R.S. 381.805-381.910, and to establish covenants, restrictions, and easements governing the use and operation of the Condominium Property.

NOW, THEREFORE, Declarant declares as follows:

SECTION 1. DEFINITIONS

As used in this Declaration, the following terms shall have the meanings indicated below:

1.1 "Articles" mean the articles of incorporation filed with the Secretary of State of Kentucky, incorporating Waterfront Park Place Condominium Association, Inc. as a Kentucky corporation not-for-profit, and any lawful amendments to those articles.

1.2 "Association" means Waterfront Park Place Condominium Association, Inc., the Kentucky corporation not-for-profit created by the filing of the Articles. The Association is the council of co-owners created to administer the Condominium pursuant to the requirements of the Condominium Act.

1.3 "Board" and "Board of Directors" mean those persons who, as a group, serve as the board of directors of the Association pursuant to the provisions of this Declaration, the Bylaws, the Articles, and the Condominium Act.

1.4 "Bylaws" mean the bylaws of the Association, and any lawful amendments to those bylaws, created for the Condominium pursuant to the requirements of the Condominium Act. The Bylaws are attached to this Declaration as Exhibit B.

1.5 "Commercial Units" means the Units located on the first floor of the building located on the Condominium Property.

1.6 "Common Areas and Facilities" mean all of the general common elements of Condominium Property, including the Limited Common Areas and Facilities, except those portions described in this Declaration as constituting a Unit or Units.

1.7 "Common Expenses" mean those expenses designated as such in K.R.S. 381.870 of the Condominium Act, or in accordance with the provisions of the Condominium Documents, or both, including, without limitation, all charges, costs and expenses incurred by the Association for and in connection with the administration of the Condominium Property, including, without limitation thereof, operation of the Condominium Property, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Areas and Facilities; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefore; all liability for loss or damage arising out of or in connection with the Common Areas and Facilities and their use; all premiums for hazard, liability and other insurance with respect to the Condominium Property; all costs incurred in acquiring a Unit pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. "Common Expenses" shall also include the cost of operation, maintenance, improvement, and replacement of the recreational facilities and equipment. "Common Expenses" shall also include amounts incurred in replacing, or substantially repairing, capital improvements of the Condominium Property, including, but not limited to, roof replacement, garage maintenance and repair, and driveway and parking lot resurfacing. "Common Expenses" shall also include all reserve funds or other funds established by the Board. "Common Expenses" shall be construed liberally.

1.8 "Common Profits" mean the amount by which the total income received from assessments charged for special benefits to specific Units, rents received from rentals of equipment or space in Common Areas and Facilities, and any other fee, charge, or income other than common assessments exceeds expenses allocable to the income, fee, rental, or charge.

1.9 "Common Surplus" means the amount by which common assessments collected during any period exceed Common Expenses.

1.10 "Condominium" means the horizontal property regime and condominium form of ownership for the Condominium Property created under this Declaration, the Bylaws, the Articles, and the provisions of the Condominium Act.

1.11 "Condominium Act" means K.R.S. 381.805-381.910 and any amendments or supplements to that act.

1.12 "Condominium Documents" mean the Articles, the Bylaws, the Drawings, and this Declaration.

1.13 "Condominium Property" means the real property described in Exhibit A attached to this Declaration (subject to the Declarant's right to remove the real property described in Exhibit C attached hereto from the Condominium Property in accordance with Section 15.1 hereof); all present and future buildings, improvements and structures located on the real property; all easements, rights, privileges, and appurtenances belonging to the real property; and all present and future articles of personal property located on and used or intended to be used in

connection with the real property. The Condominium Property includes all of the Units and all of the Common Areas and Facilities, including the Limited Common Areas and Facilities.

1.14 "Declarant" means Waterfront Park Place, LLC, a Kentucky limited liability company, and its successors and assigns, provided that the rights specifically reserved to Declarant under the Condominium Documents shall accrue only to such successors and assigns as are designated in writing by Declarant as successors and assigns of such rights.

1.15 "Declaration" or "Master Deed" means this instrument by which the Condominium Property is submitted to the Condominium Act, and any lawful amendments to this instrument.

1.16 "Director" and "Directors" mean that person or those persons serving, at the time pertinent, as a director or directors of the Association elected or appointed pursuant to the provisions of the Condominium Documents.

1.17 "Drawings" mean the set of floor plans for the Condominium filed simultaneously with the submission of this Declaration for recording, showing the layout, location, Unit numbers, and dimensions of the Units; stating the name of the Condominium; and bearing the verified statement of a registered architect or professional engineer certifying that the Drawings fully and accurately depict the layout, location and dimensions of the Units as built, and any lawful amendments to those floor plans.

1.18 "Limited Common Areas and Facilities" mean those Common Areas and Facilities serving exclusively one Unit, or more than one but less than all Units, the enjoyment, benefit, or use of which is reserved to the lawful Occupants of that Unit or Units either in this Declaration or the Drawings, or by the Board pursuant to authority specifically given to the Board in this Declaration.

1.19 "Occupant" means any tenant, invitee, guest, family member, or other person lawfully in possession or control of any part of the Condominium Property, regardless of whether that person is a Unit owner.

1.20 "Person" means any natural individual, corporation, partnership, trustee, or other legal entity capable of holding title to real property.

1.21 "Rules and Regulations" mean any rules and regulations from time to time adopted by the Board pursuant to its authority under this Declaration.

1.22 "Unit" and "Units" mean that portion or those portions of the Condominium Property described as a unit or units in this Declaration and in the Drawings as more particularly described in Section 4.2 hereof.

1.23 "Unit owner" and "Unit owners" mean that person or those persons owning a fee simple interest in a Unit or Units.

1.24 "Utility Facilities" mean all electrical, gas, water, sewer, heating, cooling, ventilating, communications, cable television, and other utility systems, and the equipment, apparatus, service lines, pipes, conduits, circuits, wires, ducts, and other facilities associated with those systems, located on or serving the Condominium Property in whole or in part.

SECTION 2. SUBMISSION OF CONDOMINIUM PROPERTY; PURPOSE; NAME

2.1 Submission and Plan. Declarant hereby submits the Condominium Property to the condominium form of ownership under the Condominium Act In addition, Declarant declares that the covenants, restrictions, and easements contained in the Condominium Documents constitute and are in furtherance of a plan to protect and promote the cooperative aspect of ownership and to facilitate the proper administration of the Condominium Property.

2.2 Purpose. The purpose of the Condominium Documents is to establish separate parcels of the Condominium Property for which fee simple interests may be conveyed, to be used for residential purposes; to establish a Unit owner's association to govern the Condominium Property; to provide for the preservation of values of Units and Common Areas and Facilities; to protect and promote the benefit, enjoyment, and well-being of Unit owners and persons claiming under them; to administer and enforce the covenants, restrictions, and easements contained in the Condominium Documents; and to raise funds for these purposes.

2.3 Name. The name by which the Condominium shall be known is Waterfront Park Place Condominium.

SECTION 3. BUILDING DESCRIPTION

The Condominium Property includes a one twenty-two (22) story building, an adjacent parking garage with one hundred sixty-four (164) parking spaces, recreational facilities, and certain storage spaces. The Condominium Property contains seventy-nine (79) residential Units on the upper twenty-one (21) floors of the building and two (2) Commercial Units on the first floor of the building.

SECTION 4. DIVISION OF CONDOMINIUM PROPERTY

4.1 Reference to Drawings. The Drawings show graphically, so far as is possible, all of the particulars of the land, building and other improvements constituting the Condominium Property, including, but not limited to, the location, designation, and dimensions of each Unit; the location, designation, and dimensions of the Common Areas and Facilities and Limited Common Areas and Facilities (except that the assignments of parking spaces and storage spaces as Limited Common Areas and Facilities for particular Units are to be made by Declarant, on the basis of one parking space per Unit, in Declarant's deed of each such Unit); and the location and dimensions of all easements and encroachments affecting the Condominium Property. If a Unit owner has purchased a storage space or spaces and/or additional parking spaces then such parking spaces, and/or storage spaces shall also be referred to in the deed.

4.2 Composition of Units. Each Unit consists of the enclosed space in the building indicated by that Unit's designation on the Drawings, as measured from interior unfinished perimeter surfaces consisting of one or more rooms occupying all or part of a floor or floors in a building of one or more floors or stories, provided, the Unit has a direct exit to a thoroughfare or to a given Common Area and Facility space leading to a thoroughfare. Each Unit includes, but is not limited to:

(1) The finished interior surfaces, including paint, lacquer, varnish, wallpaper, carpet, tile, wood, stone, ceramic tile, and other finishing materials applied to floors, ceilings, and interior and perimeter walls.

(2) All interior partitions and doors, including the frames, sashes, sills, jambs, glass, molding, trim, and hardware, and the space occupied by all of those items. All interior surfaces of exterior walls and surfaces of exterior window glass, doors, frames, sashes, sills, and jambs.

(3) All fixtures, appliances, and Utility Facilities located in and installed for the exclusive use of that Unit, commencing at the point of disconnection from the structural body of the building and from Utility Facilities serving the entire building or more than one Unit, and including, but not limited to, built-in cabinets, smoke detectors, built-in appliances, and the space occupied by all of those items.

(4) All control knobs, switches, thermostats, and electrical outlets and connections affixed to or projecting into the Unit from the walls, floors, and ceilings which service either the Unit or the fixtures located in the Unit, and the space occupied by all of those items.

However, all of the following items located within the bounds of a Unit are excluded from the Unit:

(a) Any supporting wall, structural element or fixture of the building that is necessary for the existence, support, maintenance, safety, or comfort of any other part of the Condominium Property.

(b) All Utility Facilities which serve any other part of the Condominium Property.

In the event any part(s) of a Unit, including, without limitation, any roof terrace or balcony, as shown on the Drawings, is judicially or otherwise conclusively determined not to be a part of such Unit, then such part shall constitute Limited Common Area(s) and Facilities appurtenant to such Unit.

4.3 Common Areas and Facilities. The entire balance of the Condominium Property, other than the Units themselves, constitutes Common Areas and Facilities. The Common Areas and Facilities include, but are not limited to, the fee simple interest or easement rights, as the

case may be, in the land, building, foundations, roof, roofing materials, roof joist space, main and supporting walls, columns, girders, joists, and beams; lobbies and hallways in common areas; common area windows and doors; elevators and stairwells; balconies and terraces; sidewalks and yards; all Utility Facilities except those located in and serving particular Units as defined above; the parking garage area, (except parking spaces defined as Limited Common Areas in Section 4.4), the parking garage area, (except specific parking spaces defined as Limited Common Areas in Section 4.4); the Condominium Property; trees, lawns, fences, gardens, landscaping, and other natural features; driveways, pavement, and sidewalks, plus to the extent applicable, the premises for the lodging of janitors or persons in charge of the building, except as otherwise provided or stipulated; the compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, reservoirs, water tanks and pumps, and the like; the elevators, garbage incinerators and, in general all devices or installations existing for common use; recreational facilities, easements and other facilities outside the building, including facilities off-site, available for the common use, in part or in whole, of the regime; and all other elements of the property rationally of common use or necessary to its existence, upkeep and safety. The Common Areas and Facilities include all space between perimeter walls, interior demising walls between units, floors, and ceilings, including the space occupied by any supporting wall, structural element or fixture of the building that is necessary for the existence, support, maintenance, safety, or comfort of any part of the Condominium Property other than the Unit itself.

4.4 Limited Common Areas and Facilities. Limited Common Areas and Facilities include 164 parking spaces in the parking garage attached to the building. Upon the sale of a Unit, Declarant shall assign one or more of the parking garage spaces by deed to the Unit. Upon such assignment by deed, the one or more parking spaces assigned to any Unit shall be deemed to constitute Limited Common Areas and Facilities appurtenant to that Unit. The right to use such assigned parking spaces may only be transferred (a) in conjunction with the conveyance of the Unit benefitted by such space(s) or (b) to another Unit owner, provided that each Unit shall have at least one parking space assigned thereto at all times.

Unit owners shall pay for garage maintenance, repair and replacement according to the number of parking spaces that have been assigned as appurtenances to their respective Units.

The Limited Common Areas and Facilities also include the balconies, terraces or roof gardens adjacent to each Unit as designated in the Drawings, and any Utility Facilities which are located in the Common Areas and Facilities but which are entirely for the benefit of and serve only that Unit. The Limited Common Areas and Facilities for each Unit may also include one or more of the storage spaces shown on the Drawings. Declarant's deed of a Unit shall include a designation of any storage space(s) assigned to that Unit. Unit owners whose Unit's Limited Common Areas and Facilities include roof terraces shall pay for roof terrace and roof terrace decking material maintenance, repair and replacement, and the other Unit Owners shall not be assessed for such roof terrace and decking expenses.

Prior to the time when the Declarant ceases to be a Unit owner, the Declarant shall convey any interest it then has in any unassigned storage spaces or parking spaces, to Unit owners or to the Association as trustee for all the Unit owners for consideration as determined by the Declarant.

4.5 Ownership of Common Areas and Facilities. Each Unit owner shall have an undivided interest in the Common Areas and Facilities as a tenant in common with all other Unit owners. The extent of such ownership shall be based upon the percentage that area of the Unit, as provided below, bears to the total area of all Units, with some rounding of decimals in order that the total will equal exactly 100%. These percentage interests also apply in determining each Unit owner's share of Common Expenses, Common Surplus, and Common Profits of the Condominium, as provided in Section 14.2 below. The percentage interests shall remain constant and shall not be changed except by an amendment pursuant to the terms of this Declaration or as otherwise permitted by law. Until so amended, the percentage of ownership of the Common Areas and Facilities attributable to each Unit shall be as described in Exhibit C: Percentage Ownership of Common Areas and Facilities, attached hereto and made a part hereof.

Ownership of the Common Areas and Facilities shall remain undivided. No Unit owner may waive or release any rights in the Common Areas and Facilities. Further, the undivided interest in the Common Areas and Facilities appertaining to a Unit shall not be separated from that Unit, and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the deed, mortgage, lease, or other instrument of conveyance or encumbrance. There shall be no partition of the Common Areas and Facilities through judicial proceedings or otherwise until this Declaration is terminated and the Condominium Property is withdrawn from the terms of the Condominium Act or from the terms of any statute applicable to condominium ownership. However, if any Unit shall be owned by two or more co-owners as tenants in common or as joint tenants, nothing contained in this Declaration shall be deemed to prohibit a voluntary or judicial partition sale of such Unit ownership as between the co-owners; provided that the parties obtain the prior written consent for the partition from the first mortgagee of the Unit.

Except as otherwise stated in this Declaration and except as otherwise provided by Kentucky law, the percentage of common interest is permanent and shall not be altered without the acquiescence of the Unit owners representing all of the Units.

SECTION 5. THE ASSOCIATION

5.1 Establishment and Membership. Declarant has caused the Association to be formed to constitute the council of co-owners required under the Condominium Act. Each Unit owner, upon acquisition of title to a Unit, shall automatically become a member of the Association, and no person other than a Unit owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit, and transfer of a Unit shall automatically transfer membership to the new Unit owner.

5.2 Voting Rights. Each Unit owner shall have one vote for each Unit he owns in the Condominium. If a Unit has more than one owner, the one vote for that Unit shall not be affected, and the owners shall each have a share of the vote based upon his percentage of ownership of that Unit. The voting rights of Unit owners are set forth in more detail in the Bylaws.

5.3 Quorum. Except as otherwise provided by law or by the Condominium Documents, there shall be a quorum at any meeting of the Unit owners at which Unit owners holding one-third or more of the total voting power of all Unit owners are present, in person or by proxy.

5.4 Board of Directors and Officers. The Board of Directors and the officers of the Association shall be appointed and elected as provided in the Bylaws.

5.5 Authority. Except as otherwise specifically provided, the Board and the officers of the Association shall exercise the powers, discharge the duties and be vested with the rights provided by the Condominium Documents and by law.

5.6 Delegation of Authority; Professional Management; Service Contracts. The Association may delegate all or any portion of its authority to discharge its responsibilities to a competent professional management company (the "Manager"). Such delegation may be evidenced by one or more management contracts providing for the payment of reasonable compensation to the Manager, which payment shall be a Common Expense.

The term of any management contract shall not exceed three years unless the management contract is renewed or extended by the Association. The Manager, or Association if there is no Manager, shall have the authority to enter into service contracts with Declarant, or other persons, including persons affiliated with Declarant, for the purpose of providing management, maintenance and repair service. All of such contracts, including any management contract, shall be terminable without cause and without penalty by the Association at any time upon not more than 90 days prior written notice by the Association.

If professional management has been required by any "Eligible Mortgagee" (as that term is defined in the Bylaws) or by an insurer or guarantor of an Eligible Mortgagee's mortgage ("Eligible Mortgage"), the Association may not assume self-management without the prior consent of Unit owners holding not less than 67% of the total voting power in the Association and of Eligible Mortgagees holding first mortgages on Units having not less than 51% of the total voting power of all Units on which an Eligible Mortgage exists ("Required Eligible Mortgagee Vote").

5.7 Service of Process. The person to receive service of process for the Association until control of the Association is turned over to the Unit owners pursuant to the provisions of the Bylaws shall be James Walters, whose address is 111 West Washington Street, Louisville, Kentucky 40202. After the turnover of control, the name and address of the President of the Association (and that of each successor President) shall be filed with the Secretary of the State of

Kentucky on such forms as are prescribed for the subsequent appointment of a statutory agent for a Kentucky not-for-profit corporation.

5.8 Right of Action. The Association and any Unit owner shall have the right of action against any other Unit owner, and any Unit owner shall have a right of action against the Association, for any failure to comply with the provisions of the Condominium Documents and/or the Rules and Regulations, and for any failure to comply with Association decisions made pursuant thereto.

SECTION 6. MAINTENANCE

6.1 General. Except as otherwise provided in the Condominium Documents, the Association shall be responsible for the management, maintenance, repair, alteration, and improvement of the Common Areas and Facilities and those portions of the Limited Common Areas and Facilities which either contribute to the support of the building or constitute the parking garage.

6.2 Specific Association Duties. The Association's maintenance obligations shall include, but are not necessarily limited to, responsibility for maintaining, repairing, and replacing the following:

6.2.1 Supporting walls, fixtures, and other parts of the building that are within the boundaries of a Unit but which are necessary for the existence, support, maintenance, safety, or comfort of any other part of the Condominium Property, excluding, however, the surfaces of interior walls and the interior surfaces of ceilings and floors of Units, and excluding glass which is part of a Unit;

6.2.2 All fire walls;

6.2.3 All parking spaces, pavement, and sidewalks; the parking garage; all recreational facilities; the exterior of the building; doors, windows, and door trim located in the Common Areas and Facilities; those portions of the Limited Common Areas and Facilities which contribute to the support of other parts of the building; and other areas and improvements which are a part of the Common Areas and Facilities;

6.2.4 All Utility Facilities on the Condominium Property other than those exclusively serving a single Unit; and

6.2.5 Any damage or destruction to the Condominium Property caused by a casualty covered by insurance maintained by the Association pursuant to Section 7.1.

6.3 Unit Owners' Duties. Unless otherwise provided in this Declaration to be performed by the Association, the responsibility of each Unit owner shall be to keep his Unit in good condition and repair, in compliance with all of the provisions of the Declaration, the Bylaws, and the Rules and Regulations adopted by the Board. Such Rules and Regulations may

include, without limitation, specific requirements relating to maintenance of any exterior surfaces for which the Unit owner is responsible.

Such responsibilities include the obligation to maintain, repair, and replace all portions of the owner's Unit or Units, including glass and all internal installations of such Unit such as appliances, smoke detectors, windows, doors (including exterior surfaces and hardware), and Utility Facilities serving only the owner's Unit, whether located within the Unit itself or designated as Limited Common Areas and Facilities. In addition, each Unit owner is responsible for maintaining, repairing and replacing the Limited Common Areas and Facilities (other than parking spaces) appurtenant to that Unit, except for those portions which contribute to the support of other parts of the building.

In the event that a Unit owner shall fail to make any necessary repairs, maintenance, or replacements, or in the event that the need for maintenance, repair, or replacement of any part of the Common Areas and Facilities is caused by the negligent or intentional act of any Unit owner or Occupant, and the cost of repair is not covered by insurance, the cost of such maintenance and repair shall constitute an individual Unit assessment, as defined in the Bylaws, on the Unit owned by such Unit owner. The determination that such maintenance, repair, or replacement is necessary, or has been so caused, shall be made by the Board.

6.4 No Personal Liability of Directors and Officers. Nothing contained in this Declaration, the Bylaws or the Rules and Regulations shall be construed so as to impose a personal liability upon any member of the Board of Directors, or any officer of the Association, in their capacities as such Board member or officer, for the maintenance, repair, and/or replacement of any Unit or of any part of the Common Areas and Facilities, or give rise to a cause of action against any of them. None of the Board members or officers shall be liable in their capacities as such Board members or officers for damages of any kind other than damages from their own willful misconduct or bad faith.

6.5 Construction Defects. The obligation of the Association and of each Unit owner to repair, maintain, and replace the portions of the Condominium Property for which they are respectively responsible shall not be limited, discharged, or postponed by reason of the fact that any maintenance, repair, or replacement may be necessary to cure any latent or patent defects in material or workmanship in the construction of the Condominium Property.

6.6 Effect of Insurance or Construction Guarantees. Notwithstanding the fact that the Association and/or any Unit owner may be entitled to the benefit of any guarantee of material and workmanship furnished by any construction trade responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of any construction guarantee or insurance coverage shall not excuse any delay by the Association or by any Unit owner in performing its or his obligations under this Declaration.

SECTION 7. INSURANCE

7.1 Hazard Insurance Coverage. The Association shall obtain for the use and benefit of all Unit owners and their mortgagees insurance on all buildings, structures, and other improvements now or at any time constituting a part of the Condominium Property exclusive of Unit interiors, which shall be insured by the individual Unit owners. The policy of such insurance (the "Hazard Insurance Policy") shall provide coverage against loss or damage by vandalism, malicious mischief, sprinkler leakage, fire, lightning, extended coverage perils, and such perils as are at this time customarily covered with respect to condominium projects similar to the condominium Property in construction, location, and use, including all perils normally covered by a standard "all-risk" endorsement. The amount of such insurance shall be not less than 100% of the current replacement value of the Condominium Property, exclusive of the cost of land, foundations, footings, excavation, and other elements which are not ordinarily insured against loss, without deduction for depreciation. The Hazard Insurance Policy:

(a) shall have, if available and commonly required by prudent institutional mortgage investors in the area in which the Condominium Property is located, an "Agreed Amount Endorsement," "Inflation Guard Endorsement" and so-called "construction code endorsements";

(b) shall have a nominal deductible on any single loss or group of losses within one year in such amount as shall be found reasonable by the Board of Directors after carefully considering and comparing the increased premium costs resulting from a low deductible with the lower premium costs but higher per loss risk resulting from a high deductible, together with all pertinent factors;

(c) shall provide that no mortgagee shall have any right to apply the proceeds to the reduction of any mortgage debt except as otherwise provided in this Declaration;

(d) shall provide that despite any clause that gives the insurer the right to restore damage in lieu of a cash settlement, such right shall not exist in case the Condominium Property is removed from the provisions of the Condominium Act;

(e) shall provide coverage for built-in fixtures and equipment in an amount not less than 100% of the replacement value (subject to the deductible provisions described above);

(f) shall provide that the insurer shall have no right to contribution from any insurance which may be purchased by any Unit owner as permitted below;

(g) shall contain either a waiver by the insurer of any increased hazard clause or a provision stating that the coverage will not be affected by the act, omission or neglect of any person, unless such act, omission or neglect is within the knowledge or control of the Association prior to the occurrence of the loss;

(h) shall contain the standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage lenders in the area in which the Condominium Property is located and which appropriately names FNMA and FHLMC if such corporations are holders of first mortgages on Units;

(i) shall contain provisions requiring the issuance of certificates of coverage to each Unit owner and to any mortgagee or mortgagees of a Unit upon request, and further requiring the issuance of written notice not less than 30 days prior to any expiration, substantial modification, or cancellation of such coverage to the Association and to each holder of a first mortgage who has requested to be listed as a scheduled holder of a first mortgage in the Hazard Insurance Policy; and

(j) shall provide for the release by the insurer of any and all rights of subrogation or assignment, and all causes and rights of recovery, against any Unit owner or other Occupant of the Condominium Property, for any loss occurring to the insured property resulting from any of the perils insured against under the Hazard Insurance Policy.

The Hazard Insurance Policy shall be without prejudice to the right of the owner of a Unit to obtain individual contents or chattel property insurance or insurance upon such Unit owner's interior, but no Unit owner may at any time purchase individual policies of insurance covering any item which the Association is required to insure. If any Unit owner does purchase such a policy, he shall be liable to the Association for any damages, expenses, or losses which it suffers or incurs as a result, and the Association shall have the same lien rights for Common Expense payments with respect to any such damages, expenses, or losses not paid to it by such owner.

The insurance coverage required under this Section 7.1 shall be reviewed at least annually by the Board of Directors, and is subject to modification as determined by the Association from time to time. If any of the insurance coverage required under this Section 7.1 becomes impractical to obtain, the Association shall obtain coverage which most closely approximates the required coverage with the deductible provisions described above.

The cost of the Hazard Insurance Policy, as well as any other insurance obtained by the Association pursuant to this Section 7, shall be a Common Expense, provided that if the amount of any insurance premium is affected by a particular use of a Unit or Units, the Unit owners of any such Units shall be assessed any increase in premiums resulting from such use.

If the Hazard Insurance Policy lapses for any reason whatsoever, any mortgagee of any portion of the Condominium Property may remedy that lack of insurance by purchasing policies to supply that insurance coverage. The funds so advanced shall be deemed to have been loaned to the Association; shall bear interest at a per annum rate of two percent (2%) higher than the basic interest rate in any note secured by the mortgagee's mortgage against a portion of the Condominium Property; and shall be immediately due and payable to the mortgagee by the

Association. The repayment of such obligation shall be secured by a special assessment against all Unit owners and shall not require a vote of the members of the Association, anything to the contrary in this Declaration notwithstanding.

The name of the insured under the Hazard Insurance Policy shall be set forth therein substantially as follows: "Waterfront Park Place Condominium Association, Inc. for use and benefit of the individual Unit Owners (designated by name if required by law). " Loss payable shall be in favor of the Association as trustee for each Unit owner and each Unit owner's first mortgagee, if any.

7.2 Public Liability Insurance. The Association shall insure itself, the Board of Directors, all Unit owners, and all occupants, against liability for bodily injury or death and for injury to or destruction of property occurring upon, in, about, or arising from the Common Areas and Facilities. Such insurance shall afford protection to limits of not less than $300,000 for bodily injury, illness, disease or death suffered by one person, $1,000,000 for bodily injury, illness, disease or death suffered by a group of persons as a result of one cause, accident or occurrence and $100,000 property damage per accident or occurrence. The policy of such insurance (the "Liability Insurance Policy") shall include, but shall not be limited to, coverage for legal liability of the insureds for property damage, bodily injuries, and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities; legal liability arising out of lawsuits related to employment contracts of the Association; and such other risks as are customarily covered with respect to developments similar to the Condominium Property in construction, location, and use, as determined by the Board.

The Liability Insurance Policy shall include a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit owner or Occupant because of the negligent acts of the Association, the Board, or other Unit owners or Occupants.

The Liability Insurance Policy shall require written notice to the Association, and to each holder of a first mortgage on any Unit which has requested to be listed as a scheduled holder of a first mortgage in the Liability Insurance Policy, not less than 30 days before any expiration, substantial modification, or cancellation of such coverage. The Liability Insurance Policy shall not insure against liability for personal injury or property damage arising out of or relating to the individual Units. Each Unit owner shall, at his own expense, obtain public liability insurance for personal injuries or damage arising out of the use and occupancy of or within his Unit.

7.3 Exceptions from Insurance Coverage. The Hazard Insurance Policy shall not provide coverage for items of personal property installed by any Unit owner or Occupant, including, without limitation, all appliances and any improvements and betterments not installed by the Declarant, nor shall the Liability Insurance Policy insure against liability for losses normally covered by casualty insurance to protect individual Units and the Unit owners' furniture and other personal property, or for personal injury or property damage arising out of or relating to the individual Units. The Association may also require that any liability for personal injury or property damage arising out of or related to Limited Common Areas and Facilities be

excluded from coverage. Each Unit owner shall, at that Unit owner's own expense, obtain casualty insurance to protect the Unit, and public liability insurance for personal injuries or damage arising out of the use and occupancy of or within that owner's Unit, and (if the Association has elected to exclude coverage for the Limited Common Areas and Facilities as provided above) the Limited Common Areas and Facilities serving that Unit.

7.4 Fidelity Bonds. The Association shall maintain blanket fidelity bonds for all officers, directors, and employees of the Association or any other person (including volunteers) handling or responsible for funds of or administered by the Association. If the Association delegates some or all of the responsibility for the handling of funds to a professional management company, the professional management shall obtain fidelity bond coverage for those of its officers, employees, and agents who handle or are responsible for funds administered on behalf of the Association. The total amount of fidelity bond coverage shall be based upon the Board's best business judgment and (i) shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the professional management company at any given time during the term of the bond, (ii) shall not be less than a sum equal to three months' aggregate assessments on all Units plus reserve funds, and (iii) shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the Association's estimated operating expenses and reserves. All such fidelity bonds shall name the Association as an obligee and as the named insured; shall contain an appropriate endorsement to cover persons who serve without compensation if the policy would not otherwise cover volunteers or would exclude volunteers from the definition of "employees or similar expression; and shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association and to any financial institution which is servicing any mortgage on behalf of any quasi-governmental institution, including, without limitation, FNMA and FHLMC.

The premiums on such bonds shall be paid by the Association and shall be a Common Expense unless the Board requires in any management contract that the premiums on fidelity bonds be maintained by the management company.

7.5 Workers' Compensation. The Association shall obtain workers' compensation insurance to the extent necessary to comply with all applicable laws or the regulations of any applicable governmental agency or authority.

7.6 Directors and Officers. The Association may obtain errors and omissions insurance, if reasonably available in such amounts as the Board deems appropriate.

7.7 Insurance Proceeds. The Association shall receive, hold, and properly dispose of the proceeds of all insurance acquired by it in trust for the Unit owners and their respective mortgagees, as their interests may appear.

7.8 Insurance Trustee. Notwithstanding any of the provisions and requirements of this Declaration relating to the hazard or liability insurance, there may be named as an insured,

on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (jointly, the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. Each Unit owner shall be deemed to have appointed the Association and/or any Insurance Trustee as his attorney in fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose.

7.9 Modifications. The insurance coverages required hereunder shall be subject to such modifications as the Board may determine to be necessary from time to time in accordance with sound management practice.

SECTION 8. DAMAGE OR DESTRUCTION AND RESTORATION OF BUILDING

8.1 Sufficient Insurance. If any improvements forming a part of the Condominium Property shall suffer damage or destruction from any cause or peril insured against by the Association and the proceeds payable under the policy or policies insuring against such loss are sufficient to pay the cost of repair, restoration, or reconstruction, then such repair, restoration, or reconstruction shall be undertaken by the Association substantially in accordance with this Declaration and with the original plans and specifications unless other plans and specifications are approved by Unit owners holding not less than 75% of the total voting power in the Association and by the Required Eligible Mortgagee Vote. Any such repair, restoration or reconstruction shall be performed in a good and workmanlike manner and shall comply with all applicable building and fire codes and all other federal, state and local laws, rules and regulations. The insurance proceeds shall be applied by the Association in payment of such repair, restoration, or reconstruction. However, if the Unit owners are entitled under Section 8.4 to elect to sell the Condominium Property or to withdraw the same from the provisions of this Declaration, and the Unit owners do so elect within 30 days after such damage or destruction, then the repair, restoration, or reconstruction shall not be undertaken, and the insurance proceeds shall instead be applied in accordance with Section 8.4.

8.2 Insufficient Insurance. If any improvements forming a part of the Condominium Property shall suffer damage or destruction from any cause or peril which is not insured against by the Association, or, if insured against, the insurance proceeds from which will not be sufficient to pay the cost of repair, restoration, or reconstruction, then, unless the Unit owners shall within 90 days after such damage or destruction, if they are entitled to do so pursuant to Section 8.4, elect to withdraw the Condominium Property from the provisions of this Declaration, or unless the repair is the obligation of a particular Unit owner under Section 2.2, such repair, restoration, or reconstruction of the Condominium Property so damaged or destroyed shall be undertaken by the Association at the expense of all of the Unit owners in the same proportions in which they own the Common Areas and Facilities, all in accordance with the provisions of Section 8.3. Should any Unit owner refuse or fail after reasonable notice to pay his

share of such cost in excess of available insurance proceeds, such owner's share may be advanced by the Association and the amount so advanced shall be assessed to such Unit owner. Such assessment shall have the same force and effect and, if not paid, may be enforced in the same manner as provided below for the nonpayment of assessments. In lieu of assessing the Unit owners for any shortfall of insurance proceeds, the Board, with the consent of a majority of the Unit owners may borrow funds to pay for the repairs, restoration or reconstruction and to amortize the repayment of such borrowed funds over a period of time, not to exceed the reasonable life of such repair, restoration or reconstruction.

8.3 Procedure for Reconstruction or Repair. Immediately after a casualty causing damage to any portion of the Condominium Property, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that immediately before the casualty. Such costs may include professional fees and premiums for such bonds as the Board deems necessary.

The insurance proceeds and the sums deposited with the Association from collections of special assessments against Unit owners on account of such casualty shall constitute a construction fund which shall be applied by the Association to the payment of the cost of reconstruction and repair of the Condominium Property as the work progresses. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in any construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be disbursed to the Association.

Each Unit owner shall be deemed to have delegated to the Board and/or to any Insurance Trustee his right to adjust with insurance companies all losses under the insurance policies referred to in Sections 7.1 through 7.3 of this Declaration, other than those purchased by such Unit owner.

Reconstruction shall be compulsory if not more than 33 1/3% of the building containing the Units is destroyed ("Minor Casualty"). Reconstruction shall be optional if more than 66 2/3% of the building containing the Units is destroyed ("Major Casualty"). If the Unit owners elect to repair the Major Casualty, the Condominium Property shall be repaired as set forth above, provided that if all of the destroyed Units cannot be practicably reconstructed or if such reconstruction results in larger or smaller Units, then this Declaration shall be amended to remove any unreconstructed Units and otherwise recalculate and redistribute the percentage of common interest based on the respective areas of the reconstructed Units, such amendment to be executed by the President of the Association on behalf of all the Unit owners.

(a) The market value of any such destroyed, unreconstructed Unit (excluding, to the extent not insured by the Association, contents, additions, improvements, decorations and personal property therein) immediately prior to the destruction shall be paid jointly to the Unit owner and to each mortgagee of the Unit, the remittance being payable jointly to the Unit owner and mortgagee, provided that such owner

simultaneously convey by general warranty deed in recordable form, free and clear of all liens and encumbrances except current ad valorem real estate taxes to be prorated as of the date of closing, all of such owner's right, title and interest in and to the Unit, including the Unit's percentage of common interest, to the Association for the use and benefit of the remaining Unit owners. The Board may then decide upon the ultimate fate of the Unit, including its extinguishment, and shall have full power and authority to make any such disposition, including by deed, by amendment to this Declaration or otherwise. There is to be deducted from any amount due to the Unit owner and/or mortgagee, the amount of any insurance proceeds which the Unit owner and/or mortgagee has or will receive or is entitled to by reason of the destruction of the Unit. The market value shall be the fair market value determined by agreement between the Unit owner and the Association. If the Unit owner and the Association cannot agree upon the market value within 120 days after the destruction of the Unit, the market value shall be determined by arbitration in accordance with procedure set forth in Section 8.4. The expense of the arbitration shall be split between the Unit owner and the Association.

(b) The purchase price shall be paid in cash or upon terms approved by the Unit owner and the Association.

(c) The sale shall be closed within thirty (30) days following the determination of the sale price (the market value). Good and marketable title to the Unit must be conveyed by the Unit owner to the Association by a general warranty deed, free and clear of all liens and encumbrances except this Declaration and easements, conditions and restrictions of record.

(d) The percentage of common interest appurtenant to each Unit shall be redetermined to reflect the reduction in floor area in the Condominium Property, except that if any such destroyed Unit be rebuilt in whole or in part and again made a part of the Condominium Property by the Association, then the common interest appurtenant to each Unit shall again be redetermined to reflect the addition in floor area to the Condominium Property. Any such amending or supplementary documents to this Declaration reflecting changes in the percentage of common interest occurring by reason of destruction or by reason of eminent domain or by reason of reconstruction need only be executed by the President of the Association.

(e) The funds for the payment of the cost of purchase after casualty of any Unit shall come first from the insurance proceeds. If the insurance proceeds are insufficient, then the Association shall make a special assessment sufficient to pay the excess of the cost over the amount of the insurance proceeds. The special assessment shall be against all Unit owners, including the destroyed Units, payable by each Unit owner according to that Unit owner's percentage of common interest before the destruction. The special assessment may include all transaction costs of the Association, including attorneys' fees, court costs, appraisal fees and arbitration costs.

8.4 Non-Restoration of Damage or Destruction. In the event of substantial damage to or destruction of 66 2/3% or more of the building containing the Units, the Unit owners may, by affirmative vote of not less than 75% of the voting power, elect not to repair or restore such damage or destruction, provided that the Required Eligible Mortgagee Vote also voted not to repair or restore such damage or destruction. Immediately after such election, all of the Condominium Property shall be offered for sale to the Declarant by written notice to the Declarant if the Declarant then owns at least one Unit in the Condominium Property. Declarant shall have 30 days after its receipt of such notice to make an offer to the Unit owners for the purchase of the Condominium Property by sending such offer in writing to the President of the Association. If the Unit owners and the Declarant cannot agree on the purchase price for the Condominium Property, the Association (acting on behalf of the Unit owners) and the Declarant shall each appoint a qualified real estate appraiser to act as arbitrators not more than 10 days after the Declarant's offer is received by the President of the Association. The two arbitrators shall select a third arbitrator not more than 5 days after their appointment, and the three arbitrators shall notify the Association and the Declarant in writing not more than 30 days after the selection of the third arbitrator of their determination of the fair market value of the Condominium Property. Declarant shall notify the President of the Association in writing not more than 10 days after its receipt of the arbitrators' determination whether it elects to buy the Condominium Property at the fair market value determined by the arbitrators. If the Declarant does not elect to buy the Condominium Property, the Condominium Property shall be subject to an action for sale as upon partition at the suit of any Unit owner. If the Declarant elects to buy the Condominium Property, all of the Unit owners shall convey the Condominium Property by general warranty deed or deeds, subject only to (i) easements and restrictions of record; (ii) real estate taxes and assessments not yet due and payable; and (iii) the provisions of this Declaration, the By-Laws and the Condominium Act. Such conveyance shall be made upon Declarant's payment, by certified check payable to the President of the Association, as trustee for all of the Unit owners, of the fair market value so determined, less (a) the applicable transfer fee and (b) the owners' pro rata share of real estate taxes and assessments on the Condominium Property. The closing of such conveyance shall take place not more than 60 days after the Declarant gives the President of the Association its written election to buy, at a date, time, and place designated by the Declarant.

In the event of any such sale to the Declarant or partition sale of the Condominium Property, the net proceeds of the sale together with the net proceeds of insurance, if any, and any other indemnity arising because of such damage or destruction, shall be considered as one fund and shall be distributed to all unit owners in proportion to their respective percentages of interest in the Common Areas and Facilities. However, no Unit owner shall receive any portion of his share of such proceeds until all liens and encumbrances on his Unit have been paid, released, or discharged.

In the event of any such sale to the Declarant, and notwithstanding provisions above to the effect that the conveyance shall be subject only to certain easements and restrictions and certain taxes and assessments, to the extent, if any, that the first mortgage on any Unit is not paid from such proceeds, such first mortgage will remain in effect against such Unit.

SECTION 9. EMINENT DOMAIN

If all or any part of the Condominium Property shall be taken, injured, or destroyed by the exercise of the power of eminent domain, each affected Unit owner and mortgagee shall be entitled to notice of such taking and to participate in the proceedings. However, to the extent such taking affects the Common Areas and Facilities, the Association shall represent the Unit owners in the condemnation proceedings or in negotiations, settlements, and agreements with the condemning authority for any acquisition of any part or all of the Common Areas and Facilities, and each Unit owner shall be deemed to have appointed the Association as his attorney-in-fact for that purpose. Any damages for the taking, injury, or destruction of Common Areas and Facilities shall be considered as a whole and shall be collected by the Association and distributed by it among the Unit owners and among any mortgagees as their interests may appear pursuant to the terms of their mortgages, in proportion to each Unit owner's interest in the Common Areas and Facilities. Any reallocation of percentages of interest in the Common Areas and Facilities after a partial taking shall be effected by an amendment to this Declaration which shall require the approval of all Unit owners affected by the reallocation and of such owners' Eligible Mortgagees (if any) holding not less than 51% of the total voting power of all such affected Units having an Eligible Mortgage before it can be certified by the President of the Association, as described in Section 16, and recorded. Any restoration or repair of the Condominium Property after a partial taking shall be substantially in accordance with this Declaration and with the original plans and specifications unless other plans and specifications are approved by owners holding 75% of the total voting power of the Association and by the Required Eligible Mortgagee Vote.

SECTION 10. REHABILITATION AND SUBSEQUENT IMPROVEMENTS

The Association may, by the affirmative vote of Unit owners entitled to exercise not less than 75% of the voting power, determine that the Condominium Property is obsolete in whole or in part, and elect to have the same renewed and rehabilitated. The Board of Directors of the Association shall thereupon proceed with such renewal and rehabilitation, the cost of which shall be a Common Expense.

SECTION 11. REMOVAL FROM CONDOMINIUM OWNERSHIP

With the written, approval of (1) the Required Eligible Mortgagee Vote in the event of any election to terminate the Condominium after substantial destruction or a substantial taking by eminent domain, or (ii) Eligible Mortgagees, holding first mortgages on Units, having not less than 67% of the total voting power of all Units and which an Eligible Mortgage exists in the event of any other election to terminate the Condominium, the Unit owners, by unanimous affirmative vote, may elect to remove the Condominium Property from the provisions of the Condominium Act. In the event of such election, all liens and encumbrances, except taxes and assessments not then due and payable, upon all or any part of the Condominium Property, shall be paid, released, or discharged, unless the creditors in whose behalf the encumbrances are recorded have agreed to accept as security the undivided portion of the reconstituted

Condominium Property owned by the respective Unit owners, and a certificate setting forth that such election was made shall be recorded with the Clerk of Jefferson County, Kentucky. Such certificate shall be signed by the President of the Board of Directors of the Association, who shall certify under oath that all liens and encumbrances, except taxes and assessments not then due and payable, upon all or any part of the Common Areas and Facilities, have been paid, released, or discharged, and shall also be signed by all of the Unit owners, each of whom shall certify therein under oath that all such liens and encumbrances on his Unit or Units have been paid, released, or discharged or that the creditors in whose behalf the encumbrances are recorded have agreed to accept as security the undivided portion of the reconstituted Condominium Property owned by the respective Unit owners.

SECTION 12. GRANTS AND RESERVATIONS OF EASEMENTS

Declarant hereby declares that the Condominium Property shall be subject to the following easements:

12.1 Use of Common Areas. Each Unit owner and any Occupant claiming under him shall have a nonexclusive easement to use and enjoy the Common Areas and Facilities in accordance with the purposes for which they are intended, subject, however, to the Rules and Regulations (provided that no Rule or Regulation shall prohibit or unreasonably limit the right of ingress and egress to a Unit or to that Unit's Limited Common Areas and Facilities) and to the lawful rights of the other Unit owners. This easement includes, but is not limited to, an easement for each Unit to use the Utility Facilities that are part of the Common Areas and Facilities and serve that Unit in whole or in part.

12.2 Maintenance Easement. Each Unit shall be subject to the right of access for the purpose of maintenance, repair, or service of any Common Areas and Facilities located within its boundaries or of any portion of the Unit itself by persons authorized by the Board. However, no maintenance, repair, or service of any portion of a Unit shall be authorized unless it is necessary in the opinion of the Board for public safety or in order to prevent damage to or destruction of any other part of the Condominium Property.

12.3 Easements for Encroachments. Each Unit and the Common Areas and Facilities shall be subject to easements for encroachments on any other Unit and upon the Common Areas and Facilities created or arising by reason of overhangs; deviations in construction, reconstruction, or repair; shifting, settlement, or movement of the structures; or errors in the Drawings. Easements for these encroachments and for the maintenance of same shall exist for as long as the encroaching structures remain.

12.4 Easement for Support. Every portion of the building, Utility Facilities, and improvements on the Condominium Property contributing to the support of other portions of the building or to the Utility Facilities or improvements located in other portions of the Condominium Property, shall be burdened with an easement of lateral and subjacent support for

the benefit of such other portions of the building and the Utility Facilities and improvements located in the other portions of the Condominium Property.

12.5 Easements for Utilities. There is hereby created upon, over, and under all of the Condominium Property easements to the Association for ingress and egress to, and the installation, replacing, repairing, and maintaining of, all Utility Facilities that are part of the Common Areas and Facilities. By this easement it shall be permissible for the providing utility company to construct and maintain the necessary Utility Facilities on, above, across, and under the Condominium Property, as long as those Utility Facilities do not unreasonably interfere with the use and enjoyment of the Condominium Property. Should any utility company furnishing a service request a specific easement by separate recordable document, the Board shall have the right to grant such an easement on behalf of the Unit owners without conflicting with the terms of this Section.

12.6 Easement for Services. A non-exclusive easement is hereby granted to all police, fire fighters, ambulance operators, mail carriers, delivery persons, garbage and trash removal personnel, and all persons performing similar functions, and to the local governmental authorities and the Association, but not to the public in general, to enter upon the Common Areas and Facilities in the performance of their duties.

12.7 Easements Through Walls Within Units. Easements are hereby reserved, declared and granted to the Association to install, lay, maintain, repair and replace any pipes, wires, ducts, conduits, public utility lines or structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the Unit boundaries.

12.8 Easements Between Adjoining Units. An easement is hereby reserved, declared and granted in favor of and for the benefit of any Unit owner who owns adjacent Units to open a doorway or other opening in any wall separating said Units notwithstanding the fact that such wall may be a part of the Common Areas and Facilities. Construction plans for any such opening shall be submitted to and approved by the Board, which approval shall not be unreasonably withheld. In creating any such doorway or opening, the Common Areas and Facilities including any conduits, pipes, wires and other equipment located within any such common walls shall not be damaged or materially adversely affected. Unit owners shall be strictly liable for any damages to the support of the building and any of the conduits, pipes, wires and other common equipment located within any such walls, which strict liability shall include the obligation to repair and replace, if necessary.

12.9 Easements Reserved by Declarant. Declarant hereby reserves the right and easement for itself, its successors and assigns, to enter upon the Condominium Property in order to install, maintain, repair, replace and use pipes, wires, antennas, cables, towers, conduits and other lines and facilities for the purpose of providing water, sanitary sewer, storm sewer, electrical, telephone, television and other utility or quasi-utility services to part or all of the Condominium Property or to part or all of Phase 2. However, any utilization of the foregoing rights and easements reserved shall not unreasonably interfere with the use and enjoyment of the

Condominium Property; and, if any damage, destruction or disturbance occurs to the Condominium Property as a result of such utilization, the Condominium Property shall be restored promptly to the condition which existed immediately prior to such utilization at the sole expense of the person or persons making such utilization.

12.10 Humana Garage Easement. The Easement and Agreement made by and between Humana Inc. ("Humana") and Declarant, of record in Deed Book 7842, Page 83, in the office of the County Clerk of Jefferson County, Kentucky (the "Humana Agreement"), grants to Declarant, its successors and assigns (including but not limited to Unit owners and Occupants) a vehicular and pedestrian easement on, through and across the Humana structure located adjacent to the Condominium Property as more particularly described in Exhibit A. The easement and other benefits provided for in the Humana Agreement shall be appurtenant to the Condominium Property and shall run with the land, perpetually in full force and effect in accordance with its terms.

12.11 Easements to Run With Land. All easements and rights described herein are easement appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the Declarant, its successors and assigns, and any Owner, purchaser, mortgagee and other person now or hereafter having an interest in the Condominium Property, or any part or portion thereof.

12.12 Reference to Easements in Deeds. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees in said instruments as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such instruments.

12.13 Other Easements. The easements created under this Section 12 are in addition to any other easements which affect the Condominium Property or are established pursuant to this Declaration.

12.14 Phase 2 Easements. In conjunction with any future development of Phase 2, the Declarant reserves such easements for utilities, lateral and subjacent support, encroachments, and access (and the right to create such easements) as are reasonably necessary for the development of Phase 2.

12.14.1 Ped-way Easement. Declarant intends to construct a pedestrian access way within the Condominium Property, connecting the Humana parking structure and the parking structure area on the Condominium Property to the Witherspoon Street sidewalk as shown on the Drawings referred to in Section 4.1 hereof (the "Ped-way"). This Ped-way shall be for the benefit of both the Condominium Property and the occupants of Phase 2. Declarant reserves easements for ingress and egress for the occupants of Phase 2 to use this Ped-way located on the Condominium Property.

12.14.2 Delivery and Maintenance Easement. Declarant intends to construct a roadway as a part of Phase 2 to provide access from Brook Street for deliveries and trash removal to benefit both the Condominium Property and Phase 2 , and easements are hereby reserved for such purposes.

12.15 Swimming Pool and Deck. Declarant intends, at its sole expense, to construct a swimming pool and appurtenant deck for the exclusive use and benefit of the Condominium Property and the Unit owners. The Unit owners and the Association shall be solely responsible for the maintenance and operation of the swimming pool and associated facilities and shall indemnify, hold harmless and defend the owner of Phase 2 from and against any loss, liability, or damage, including attorney's fees, arising from the use, operation, maintenance or repair of the swimming pool and associated facilities.

12.16 Power of Attorney. Each Unit owner, by acceptance of a deed to a Unit, for himself and all mortgagees, Occupants and other persons claiming under him, irrevocably appoints the Association as his attorney-in-fact to execute, deliver, acknowledge, and record, for and in the name of such Unit owner, mortgagees, Occupants and other persons, such deeds of easement and other instruments as may be necessary or desirable, in the sole discretion of the Board's authorized representative, to further establish or effectuate the foregoing easements. This power is for the benefit of each and every Unit owner, the Association, and the real estate to which it is applicable, runs with the land, and is coupled with an interest.

SECTION 13. COVENANTS AND RESTRICTIONS; RULES AND REGULATIONS

Declarant hereby declares that the Condominium Property shall be subject to the following covenants and restrictions:

13.1 Use of Unit. Except as otherwise provided in this Declaration and except for the Commercial Units, the Condominium Property shall be used only for residential purposes and (to the extent applicable) the common recreational purposes for which the Condominium was designed. Except for the construction, sales and management activities of the Declarant and except for the Commercial Unit, no business, trade, industry, occupation or profession of any kind may be conducted, maintained or permitted on any part of the Condominium Property unless permitted by the Board. To the extent permitted by law, a Unit owner may use a portion of his Unit for an office or studio (other than a music studio) provided that the activities conducted therein shall not interfere with the quiet enjoyment or comfort of any other Unit owner or Occupant; and provided further that such activities do not increase the normal flow of traffic or individuals in and out of the Condominium Property or in and out of the Unit.

13.2 Use of Common Areas and Facilities. The Common Areas and Facilities shall be used only in accordance with the purposes for which they are intended and no Unit owner or Occupant shall hinder or encroach upon the lawful rights of other Unit owners or Occupants. This restriction includes, but is not limited to, the following:

13.2.1 Except as provided in this Declaration, there shall be no obstruction of the Common Areas and Facilities, nor shall anything be stored in the Common Areas and Facilities (other than in storage spaces which are Limited Common Areas and Facilities), without the prior consent of the Association.

13.2.2 In using the Common Areas and Facilities, no Unit owner or Occupant shall violate any provisions of this Declaration, the Bylaws, or the Rules and Regulations.

13.2.3 Nothing shall be altered or constructed in or removed from the Common Areas and Facilities except as otherwise provided in this Declaration or except with the prior consent of the Association.

13.2.4 The Common Areas and Facilities shall be kept free of rubbish, debris, and other unsightly materials. All trash or other rubbish shall be deposited only in covered, sanitary containers placed by the Association on the Common Areas and Facilities.

13.3 Use of Commercial Units. The Commercial Units shall be used for retail, office and other commercial uses permitted under the City of Louisville zoning ordinances.

13.4 Parking. Except for vehicles being used by persons providing services to the Declarant, the Association, or the Unit owners or otherwise used or authorized to be used on the Condominium Property by Declarant, no part of the Condominium Property shall be used for parking of any trailer coaches, house trailers, mobile homes, automobile trailers, recreational vehicles, campers, boats, boat trailers, over-the-road tractors, trucks of any description, or any other similar vehicles. Pickup trucks, vans and other vehicles used as an individual's primary source of transportation shall, however, be permitted. No inoperative vehicle or vehicle without a valid license may be parked anywhere on the Condominium Property for more than 48 hours. No covering or walling in of uncovered parking spaces by anyone other than the Association shall be permitted.

13.5 Hazardous Uses and Waste. Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the building or its contents, applicable for residential use, without the prior written consent of the Association. No Unit owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which will result in the cancellation of insurance on the building or its contents, or which would be in violation of any law. No waste shall be committed in the Common Areas and Facilities.

13.6 Nuisances. No noxious or offensive activity shall be carried on in any Unit or in the Common Areas and Facilities, nor shall anything be done in such areas, either willfully or negligently, which may be or become an annoyance or nuisance to the Unit owners or Occupants. Each Unit owner shall perform his obligations under this Declaration and otherwise conduct his business in such a manner as will not unreasonably disturb other Unit owners.

13.7 Impairment of Structural Integrity of Building. Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities which will impair the structural integrity of the building, or structurally change the building, or jeopardize or impair the safety or soundness of the building.

13.8 Pass Key. The Association reserves the right to retain a pass key to any Unit, and no lock or other device may be placed on the door of any Unit that would prevent entry by the use of such a key, except as approved by the Association.

13.9 Animals and Pets. No animals, other than household pets, may be kept in any Unit or in the Common Areas and Facilities. No more than two (2) household pets, per Unit, may be kept, provided such pets are not kept for breeding or commercial purposes. Each pet shall be subject to the Rules and Regulations of the Association, including, without limitation, rules regarding weight limitations for certain types of pets. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Condominium Property upon seven (7) days written notice from the Board. No dog house or other structure used or intended for the housing of keeping of pets may be constructed, placed or maintained on any part of the Common Areas and Facilities.

13.10 Exterior Surfaces of Building.Unit owners shall not cause or permit anything to be hung or displayed on the exterior of windows or walls of the building, and no sign (other than those described in Section 13.11 and directional signs or signs concerning the use of the Common Areas and Facilities), awning, canopy, shutter, radio or television antenna (or tower or other structure for sending or receiving radio or television signals) shall be affixed to or placed upon the exterior walls, roof or anywhere else on the Condominium Property, without the prior written consent of the Board. The exterior surface of any curtains, shades or other window coverings hung inside any windows visible from outside the building shall be white or beige tones unless otherwise permitted by the prior written consent of the Board. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Areas and Facilities.

13.11 Signs.No "For Sale" or "For Rent" sign or other signs, window displays or advertising visible from the outside of Units may be placed on any part of the Condominium Property other than such signs (i) placed by the Declarant on any unsold or unoccupied Units, (ii) placed by the Association or a mortgagee who has acquired title to a Unit either by a deed in lieu of foreclosure or at a foreclosure sale, for the purpose of facilitating the disposal of a Unit, or (iii) as expressly permitted by the Association.

13.12 Open Fires.No open fire shall be permitted on any part of the Condominium Property except in accordance with the Rules and Regulations.

13.13 Use of Limited Common Areas and Facilities.The Limited Common Areas and Facilities shall be used and possessed exclusively by the Unit owners and Occupants of the Unit or Units served by the same, as specified in this Declaration, subject to the restrictions on use of

Common Areas and Facilities and Limited Common Areas and Facilities set forth in this Declaration and such Rules and Regulations as may from time to time be promulgated by the Board.

13.14 Rental of Units.The Unit owners and any first mortgagees in possession shall have the right to lease the Unit subject to the covenants and restrictions in this Declaration and to the Bylaws and Rules and Regulations. However, neither a Unit owner nor any first mortgagee in possession shall lease (a) less than an entire Unit, or (b) for transient or hotel purposes, which shall be defined as (i) rental for any period less than six (6) months, or (ii) any rental if the occupants of the Units are provided customary hotel service such as room service for food and beverage, maid service and furnishing of laundry and linen. All leases of any Unit shall be in writing and shall state they are subject to all of the provisions of the Declaration, the Bylaws and Rules and Regulations. A copy of each lease except for leases of all or any portion of the Commercial Units must be given to the President of the Association immediately after execution.

If any Unit owner (landlord) or tenant is in violation of any of the provisions of the Condominium Documents, the Association may bring an action in its own name and/or in the name of the Unit owner to have the tenant evicted and/or to recover damages. If the court finds that the tenant is or has violated any of the provisions of the Declaration, the Bylaws of the Association or the Rules and Regulations, the court may find the tenant guilty of forcible detainer notwithstanding the facts that the Unit owner is not a party to the action and/or that the tenant is not otherwise in violation of tenant's lease or other rental agreements with the Unit owner. For purposes of granting the forcible detainer against the tenant, the court may consider the Unit owner a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (the Association). The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies which the Association has. If permitted by present or future law, the Association may recover all of its costs, including court costs and reasonable attorney's fees, and such costs shall be a continuing lien upon the Unit which shall bind the Unit and the then Unit owner and the Unit owner's successors and assigns. The Association will give the tenant and the Unit owner notice in writing of the nature of the violation, and thirty (30) days from the mailing of the notice in which to cure the violation before the Association may file for eviction. By becoming a tenant, each tenant agrees to be bound by the Condominium Documents, and recognizes and accepts the right and the power of the Association to evict the tenant for any violation by the tenant of the Condominium Documents.

13.15 Nondiscrimination.No Unit owner (including the Declarant), or his agent or representative, shall discriminate upon the basis of sex, race, age, color, creed or national origin in the sale, lease or rental of any Unit nor in the use of the Common Areas and Facilities.

13.16 Restrictions While Declarant Owns a Unit.So long as the Declarant owns a Unit, no action may be taken nor may any Rule or Regulation be adopted or amended that would: (a) directly or indirectly alter the exterior appearance of any part of the Condominium Property; (b) reduce or discontinue any maintenance standard or practice in effect as of the date when the Declarant no longer controls the Board; (c) adversely affect the Declarant's sale or leasing of any

Units, including the Limited Common Areas and Facilities; or (d) otherwise adversely affect the Declarant, any of its rights, or any Unit owned by it, without, in each case, first obtaining the Declarant's written consent.

13.17 Rules and Regulations.The Association shall have the right to adopt reasonable Rules and Regulations governing the use and occupancy of the Condominium Property consistent with the provisions of this Declaration and the Bylaws. The Rules and Regulations shall have the same force and effect and be enforceable in the same manner and to the same extent as the covenants and restrictions contained in this Declaration.

13.18 Construction of Units. The construction of initial improvements to unfinished Units shall be completed only by the Declarant, its contractors, vendors and suppliers, on behalf of Unit owners or prospective Unit owners.

13.19 Construction of Alterations

13.19.1 So long as construction work shall be continuing by or on behalf of Declarant on or about the Condominium Property, including, without limitation, within other Units, Declarant shall have the right to approve the scope of the work and the identity of any and all contractors, subcontractors, mechanics or laborers (collectively, "Contractors" or, as to any one of them, "Contractor") proposing to perform construction work including, without limitation, alterations, improvements, installations, decoration or additions to any Unit, and the time when such construction work may be performed. To secure approval of any proposed Contractor, the Unit owner or such owner's Agent shall submit to Declarant, at least thirty (30) days prior to the proposed start of construction work, written notice setting forth the name, address and telephone number of the proposed Contractor. No construction work shall be undertaken by the proposed Contractor unless and until written approval by Declarant of such Contractor shall have been given to the Unit owner.

13.19.2 At such time as the Declarant no longer is performing construction work on or about the Condominium Property or on or about any other property of Declarant, then the foregoing approval rights shall be deemed to be transferred to the Association, and any Unit owner proposing any alterations to such owners' Unit shall provide the information set forth above to the Association for its approval. Any Contractor approved by the Declarant or Association, as the case may be, shall be responsible for employing skilled and competent personnel and suppliers and shall abide by the rules and regulations set forth from time to time by the Declarant or Association, as the case may be. The Declarant or the Association, as the case may be, may require evidence of any Contractor's insurance or a reasonable bond prior to approving such Contractor. No such Contractor shall have the right to damage or alter the Common Areas and Facilities in the course of performing any approved construction work.

13.19.3 All work performed by any approved Contractors shall be performed in a good and workmanlike manner in accordance with all applicable codes and regulations, and the Unit owner shall be responsible for obtaining all permits required for any work approved pursuant hereto. Should the Declarant or the Association determine that a Contractor has violated any applicable rules or regulations or has otherwise violated the terms hereof, then upon twenty-four (24) hours written notice to the Unit owner (or immediately in the case of an emergency), the Declarant or the Association, as the case may be, may require any such Contractor to vacate the Condominium Property and cease all further construction work therein without incurring any liability to the Unit owner or to such Contractor. Nothing herein shall be construed to authorize construction work by any Unit owner or Occupant without first obtaining the approvals required hereunder.

13.20 Security Procedures. The Association may adopt such security procedures as the Association deems necessary or desirable or to comply with contemporary standards of residential building security, applicable insurance regulations or applicable governmental regulations or directives.

13.20.1 Such procedures may include, without limitation, requiring Unit owners, Occupants, their guests, agents, employees invitees and licensees to identify themselves to security personnel upon entering the Condominium Property or to sign a register maintained for security purposes.

13.20.2 The Association reserves the right to restrict access to the Condominium Property to any person or persons that the Association, or its security personnel deem to be a threat to the security or quiet enjoyment of the premises.

13.20.3 The Association may also install security devices in the Common Areas and Facilities, including cameras, in furtherance of maintaining the safety and security of the Condominium Property.

SECTION 14. ASSESSMENTS

14.1 General. Assessments for the maintenance and repair of the Common Areas and Facilities, the insurance of the Condominium Property, the payment of the Common Expenses, and for the other matters described in this Declaration or the Bylaws, shall be made in the manner provided in this Declaration and the Bylaws.

14.2 Division of Common Profits, Common Surplus, and Common Expenses. The proportionate share of the separate Unit owners in the Common Profits, Common Surplus, and the actual Common Expenses of the operation of the Condominium Property is based upon the proportion that the square footage of each Unit bears to the total square footage of all of the Units. Such proportionate share of each Unit owner shall be in accordance with the percentages set forth in Section 4.5, as amended from time to time in accordance with this Declaration.

14.3 Late Charges. The Association may impose a late charge against any Unit owner who fails to pay any amount assessed by the Association against such owner or his Unit within 10 days after the date such assessment is due and payable, and who fails to exercise his rights under this Declaration or under the laws of the Commonwealth of Kentucky to contest such assessment. The late charge and any interest to be assessed thereon shall be in an amount determined by the Board from time to time, but in no event shall the late charge be greater than 20% of the amount in default. This late charge is required to help defray the Association's expenses in carrying the unpaid assessments and in enforcing the Association's rights under the Declaration.

Additionally, if a Unit owner shall be in default in payment of an installment upon an assessment, the Board may, by giving notice to the Unit owner, accelerate the remaining installments of the assessment for the year during which the default occurs. In such case, the unpaid balance of the assessment shall become due upon the date designated in the notice, but not less than 10 days after delivery of the notice to the Unit owner, or not less than 20 days after the mailing of the notice to the Unit owner by certified mail, whichever shall occur first.

14.4 Nonuse of Facilities. No Unit owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas and Facilities or by the abandonment of his Unit.

14.5 Lien of Association. The Association shall have a lien upon the estate or interest in any Unit of the Unit owner and upon his percentage of interest in the Common Areas and Facilities for the payment of the portion of the Common Expenses and any other assessments charged against such Unit in accordance with the provisions of the Declaration or the Bylaws, and late charges as provided above, which remain unpaid for 10 days after the same have become due and payable.

14.6 Priority of Association's Lien. The lien provided for in Section 14.5 shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages that have been filed for record. The lien provided for in Section 14.5 may be foreclosed in the same manner as a mortgage on real property in an action brought by the President of the Association pursuant to authorization by the Board. In any such foreclosure action, the owner or owners of the Unit affected shall be required to pay a reasonable rental for such Unit while such action is pending, and the plaintiff in such action shall be entitled to the appointment of a receiver to collect the same. In the foreclosure action, the Association, if authorized by action of the Board, shall be entitled to become a purchaser at the foreclosure sale.

14.7 Dispute as to Common Expenses: K.R.S. 381.870 Adjustments. Any Unit owner who believes that the portion of Common Expenses chargeable to his Unit has been improperly charged against his Unit may bring an action in an appropriate court of law. The Association in its reasonable discretion, may in an appropriate case, adjust (increase or decrease) the assessment for any Unit based upon a consideration of the following factors: the floor area of the Unit; the

number of occupants in the Unit; the demand on public utilities by the occupants of the Unit; and accessibility of the Unit to Limited Common Areas and Facilities. Units which are substantially the same size may be charged the same amount. Numbers may be reasonably rounded. The Association in its reasonable discretion may abate or reduce a Unit's assessment for a reasonable period of time, during which a Unit is uninhabitable, through no fault of the owner or owners of such Unit, as a result of damage or destruction.

14.8 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Association. Any purchaser of a Unit at a foreclosure sale shall automatically become a member of the Association and shall be subject to all of the provisions of the Condominium Documents and the Rules and Regulations.

14.9 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. When the mortgagee of a first mortgage of record or other purchaser of a Unit acquires title to the Unit as a result of foreclosure of the first mortgage or deed in lieu of foreclosure, such acquirer of title shall not be solely liable for the share of the Common Expenses or other assessments by the Association chargeable to such Unit which became due before his acquisition of such Unit. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Units, including that of such acquirer.

14.10 Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Unit, other than by deed in lieu of foreclosure, the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the grantor and his Unit up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee. However, any such grantee or his first mortgagee shall be entitled to a statement from the Board setting forth the amount of all unpaid assessments (including current assessments) against the grantor due the Association. Neither such grantee nor such first mortgagee shall be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in such statement for the period reflected in such statement.

14.11 Working Capital Fund. A working capital fund shall be established by the Association to insure that the Board will have the cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board. This initial working capital fund shall consist of a contribution collected by the Declarant and transferred to the Association at the time of closing of the sale of each Unit to a Unit owner other than Declarant. The amount of this contribution shall be equal to two months of the initial assessment for the Unit being sold as determined pursuant to this Declaration and the Bylaws. The Association shall maintain this working capital fund, together with sums allocated, pursuant to the budget for the annual Assessment, to the working capital fund, in a segregated account for the Association's benefit and use. Contributions to the working capital fund shall not be deemed an advance payment of any assessment and will not be held in a trust, reserve or similar account.

14.12 Reserve Fund. The Association shall establish and maintain a reserve fund (the "Reserve Fund") for contingencies and replacements. Money from the Reserve Fund may be used to finance the cost of repair or replacement of improvements included within the Common Areas and Facilities and any other necessary extraordinary expenditures to the extent that such costs and expenditures are not covered by the annual budget of the Association.

14.13 Garage Assessment. Expenses relating to the parking garage shall be assessed based on a Unit owner's number of parking spaces in accordance with Section 4.4. hereof.

14.14 Commercial Unit Assessment. The assessment for the Commercial Units shall be adjusted to eliminate any charges for expenses associated with elevators, recreational facilities, lobby and common area maintenance, doormen, valets, concierges, management staff, and similar expenses that solely benefit the owners of residential Units. The Commercial Unit Assessment and related reimbursement of certain utility expenses are more specifically set forth in Exhibit E: Allocation of Costs, attached hereto and made a part hereof.

SECTION 15. RIGHTS RESERVED TO THE DECLARANT

15.1 Reservation of Right to Make Minor Changes. Declarant reserves the right without the consent of the Board or the Unit owners until (1) the expiration of a three (3) year period from the date of this Declaration or (2) the date upon which the Declarant no longer owns any Units, whichever shall occur first, to amend this Declaration in any way necessary to correct clerical or typographical errors; to make nominal changes; to clarify Declarant's original intent; to make any changes necessary or desirable to meet the requirements of any institutional lender, the Federal Housing Administration ("FHA'), the Veterans Administration ("VA"), the Federal National Mortgage Association ('FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), or any agency which insures loans on condominium units; to add fences, landscaping, recreational facilities or paved areas to the Condominium Property; or to make changes in any previously declared but unsold Unit to assist Declarant in its marketing of such Unit, provided that no such change will materially decrease the value of that Unit.

15.1.1 To the extent that certain Units are under construction as of the date this Declaration is filed for record, the Declarant, by amendment hereto in accordance with Section 381.830 of the Condominium Act, may redistribute the percentages of interest in the Common Areas and Facilities on an as-built basis.

15.1.2 Declarant further reserves the right to remove the real property described in Exhibit C attached hereto and made a part hereof ("Phase 2") from the Condominium Property. Phase 2 has been included in the initial submission of the Declaration to facilitate the timely recording hereof and the conveyance of certain Units sooner than otherwise would have been the case if Declarant were required to subdivide the Condominium Property to exclude Phase 2. Each owner and mortgagee of a unit hereby acknowledges that Phase 2 is not intended to be part of the Condominium Property and

that Declarant may separately develop Phase 2 in a manner to be determined by Declarant in the exercise of Declarant's sole and absolute discretion.

15.1.3 The matters described in the foregoing sentences are referred to in this Declaration as "Minor Changes. "No amendments for Minor Changes shall change the method of determining any owner's percentage of interest in the Common Areas and Facilities as provided in Section 4.5 or adversely affect any Unit owner's rights unless such owner(s) and the first mortgagee(s) of such owner(s) have consented in writing. Each Unit owner and that owner's mortgagee(s), by acceptance of a deed to a Unit or a mortgage encumbering such Unit, shall be deemed (a) to have consented to and approved all amendments of this Declaration for Minor Changes; and (b) to have irrevocably appointed Declarant as such owner's or mortgagee's proxy and Attorney-in-Fact to vote for, execute, acknowledge, and record for and in the name of such Unit owner and mortgagee any amendment or amendments to this Declaration for Minor Changes, any plats or other instruments relating to Phase 2, and to execute, acknowledge, and record a consent to such amendment or amendments, other than amendments adversely affecting such Unit owners' or mortgagees' rights. This power of attorney runs with the land and is coupled with an interest.

15.1.4 Any instrument including any amendments for Minor Changes must be executed and recorded with the same formalities as this instrument and must refer to the volume and page number under which the initial page of this Declaration is recorded. Except as otherwise required by the above or other provisions of this Declaration or by the Condominium Act, no further consent of any Unit owner or mortgagee shall be required for an amendment for Minor Changes to be effective.

15.2 Sale of Units by the Declarant. Until Declarant has sold and closed the sale of all Declarant-owned Units, neither the Unit owners nor the Association nor their use of the Condominium Property shall interfere with Declarant's sale of its Units. Declarant may make such use of the unsold Units and the Common Areas and Facilities as may facilitate such sale, including, but not limited to, maintenance of sales offices and models, showing of the Condominium Property, display of signs, and other promotional devices. Declarant may use and occupy any management office on the Condominium Property for a sales office and may conduct promotional activities, including the use of any amenities for such purpose.

SECTION 16. AMENDMENT OF DECLARATION AND BYLAWS; DIVISION OF COMMERCIAL UNIT

16.1 Amendments. Except as otherwise provided in this Declaration and/or in the Bylaws, and subject to the terms and conditions hereinafter described, this Declaration and the Bylaws may be amended for purposes other than those described in Section 15 upon the filing for record with the Clerk of Jefferson County, Kentucky, of an instrument in writing setting forth specifically the item(s) to be amended and any new matter to be added. This amendment must be executed by the Association's President with the same formalities as this instrument and must

refer to the recording reference of the first page of this instrument and its attached exhibits. It must contain an affidavit by the Association's President stating that Unit owners entitled to exercise at least 75% of the total voting power of the Association has approved any amendment to the Declaration and/or that 51% of the total voting power of the Association has approved the amendment to the Bylaws, as the case may be. In addition, the Required Eligible Mortgagee Vote must approve such amendment, and the affidavit must state that this approval has been obtained, if such amendment materially amends the Declaration, Bylaws, and/or Articles of Incorporation or adds any material provisions thereto which establish, provide for, govern, or regulate any of the following: voting; assessments, assessment liens, or subordination of such liens; the Reserve Fund; insurance or fidelity bonds; rights to use the Common Areas and Facilities; responsibility for maintenance and repair of the Condominium Property; boundaries of any Unit; interests in Common Areas and Facilities or in Limited Common Areas and Facilities; leasing of Units; imposition of any right of first refusal or other restriction on the right of a Unit owner to sell, transfer, or otherwise convey his Unit; any provisions which are for the express benefit of first mortgage holders, Eligible Mortgagees, Eligible Insurers, or Eligible Guarantors; or establishment of self-management by the Association where professional management has been required by any Eligible Mortgagee, Eligible Insurer, or Eligible Guarantor.

An amendment shall have no effect upon the rights of Declarant, so long as it owns at least one Unit, if Declarant's rights under this Declaration would be adversely affected by such amendment. Also, an amendment shall not be binding upon a first mortgagee if the vote of the first mortgagees is required under Section 18.7 and the requisite vote is not obtained, or if the consent of the mortgagee is required under any other provision of this Declaration and such consent is not obtained. No such mortgagee's consent shall be required for any amendment made pursuant to Section 15. Such consents shall be retained by the Association's Secretary. Certification by the President or Secretary of the Association in the instrument of amendment as to the consent or non-consent of Declarant and as to the names of the consenting and non-consenting mortgagees of the various Units shall be sufficient for reliance by the general public. If Declarant refuses to consent to an amendment to the Declaration and/or the Bylaws, or if less than the requisite number of mortgagees consent to such amendment, such amendment shall nevertheless be valid as among the Unit owners, provided that the rights of the Declarant or of a non-consenting mortgagee shall not be derogated. Notwithstanding the foregoing, no amendment relating to Commercial Units shall be effective as to the use and enjoyment of any Commercial Unit unless the Unit owners of all affected Commercial Units have consented thereto. No provision in this Declaration or in the Bylaws may be changed, modified, or rescinded, if the change, modification, or rescission would conflict with the provisions of the Condominium Act.

As long as there is any Unit owner other than Declarant, this Declaration shall not be amended to increase the scope or period of control by Declarant.

16.2 Division of Commercial Units. The Unit owner of any Commercial Unit may make alterations reasonably necessary to divide the Commercial Unit (the "**Source Unit**") into

one or more separate additional Commercial Units. The Unit owner shall not separate any Source Unit unless the following conditions are satisfied:

(a) The Unit owner submits plans and specifications showing the proposed modifications in reasonable detail and certifies to the Board that the modifications will not impair the structural integrity of the building or compromise the operation of any of the Utility Facilities serving the building;

(b) The Unit owner submits permits and other approvals necessary to demonstrate that the proposed modifications comply with the building code and all other applicable laws, regulations and insurance requirements;

(c) The Unit owner covenants to pay all costs and expenses of constructing and installing the modifications, including but not limited to the costs of modifying any Utility Facilities or other building systems to accommodate the separation of the Source Unit into one or more additional Units; and

(d) The Unit owner submits the necessary modifications to the Drawings, at the Unit owner's expense, showing the configuration of the new Commercial Unit or Units and demonstrating that the new Units occupy all of the same space previously occupied by the Source Unit and do not occupy any additional space. The modified Drawings shall also indicate the proper designation of the new Units, which shall clearly show the derivation of the new Units. For example, if the application is for a division of Unit 102, the new Units shall be identified as Units 102-A and 102-B, etc., or identified in accordance with any other similar labeling convention that clearly indicates the Source Unit; and

(f) The Unit owner submits the necessary Amendment to **Exhibit C**, at the Unit owner's expense, showing the changes in the Percentage of Common Interest, and the total of all percentages assigned to the new Units does not exceed the Percentage of Common Interest assigned to the Source Unit.

SECTION 17. REMEDIES FOR BREACH OF COVENANTS AND REGULATIONS

17.1 Remedies in General. The violation of any covenant, restriction, or provision contained in this Declaration or in the Bylaws, or of any Rule or Regulation issued by the Board, or of any management contract or other document establishing ownership or control over any part of the Condominium Property, shall give the Board the right, in addition to any other rights stated in this Declaration or provided by law, (i) to enter upon the land or Unit, or the portion upon which such violation or breach exists, and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing, or condition that exists contrary to the intent and meaning of the provisions of this Declaration, the Bylaws, the Rules and Regulations, or such documents, and the Board of Managers, or its agents, shall not be deemed guilty in any manner of trespass by such action; provided, however, that judicial proceedings shall be instituted before any items of construction are altered or demolished; (ii) to enjoin, abate, or remedy by

appropriate legal proceedings, either at law or in equity, the continuance of any breach; (iii) to withdraw privileges with respect to the use of any recreational and community Common Areas and Facilities by any defaulting Unit owner and his Occupants; (iv) to recover sums due or for damages; (v) to levy fines; (vi) to prohibit the execution of a lease by a Unit owner during the period which that Unit owner is in default; or (vii) in case of flagrant or repeated violation by a Unit owner or his Occupant, to require the Unit owner to give sufficient surety or sureties for his or his Occupant's future compliance.

Any violation of any of the provisions of any of these Condominium Documents committed by any Occupant or other person residing in, occupying or visiting a Unit at the request or with the implied or expressed permission of the Unit owner or any other Occupant of the Unit, or committed by any agent, employee, business invitee, or contractor of the Unit owner or of any Occupant, shall be attributed to that Unit and the Unit owner thereof.

No Unit owner who is in default of any of his obligations three (3) days prior to the date of a special or annual meeting, or written consent in lieu of a meeting, shall have the right to vote at that meeting, by mail, written consent or otherwise.

All fines described above and any and all expenses incurred by the Association in enforcing any of the terms and provisions of the condominium instruments described above, including reasonable attorney's fees to the extent permitted by Kentucky law, may be levied as an individual Unit assessment against the owner in question and his Unit.

Any action brought by the Association under this Section may be brought in its own name, in the name of its Board, or in the name of its managing agent.

Nothing contained above shall be deemed to limit the rights (whether at common law, under the Condominium Act, or otherwise) of a Unit owner, or other interested party, to seek damages, injunctive relief, or other redress against another Unit owner or Occupant who fails or refuses to comply, or threatens to refuse to comply, with any of the foregoing provisions.

17.2 Involuntary Sale. If any Unit owner (either by his own conduct or by the conduct of any other Occupant of his Unit) shall violate any of the covenants, restrictions, or provisions of this Declaration, the Bylaws, or the Rules and Regulations, and such violation shall continue for 30 days after notice in writing from the Board, or shall occur repeatedly during any 30 day period after written notice or request from the Board to cure such violation, then the Board shall have the additional power to issue to the defaulting owner a 10-day notice in writing terminating the rights of the defaulting owner to continue as an owner and to continue to occupy, use, or control his Unit. An action in equity may then be filed by the Board against the defaulting Unit owner for a decree of mandatory injunction against the Unit owner or Occupant or, in the alternative, subject to the prior consent in writing of any mortgagee having a security interest in the Unit ownership of the defaulting Unit owner, which consent shall not be unreasonably withheld, a decree declaring the termination of the defaulting Unit owner's right to occupy, use, or control his Unit on account of the breach of covenant, and ordering that all the right, title, and

interest of the Unit 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 Unit owner and/or his Occupants from acquiring his interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, master's or commissioner's fees, court reporter charges, reasonable attorneys' fees, and all other expenses of the proceeding, and all such items shall be taxed against the defaulting Unit owner. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments or any liens, may be paid to the owner. Upon the confirmation of such sale, the purchaser at such sale shall be entitled to a deed to the Unit ownership and to immediate possession of the Unit sold. Such purchaser may apply to the court for a writ of assistance for the purpose of acquiring such possession. It shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the property sold subject to the Condominium Documents and the Rules and Regulations.

SECTION 18. MISCELLANEOUS PROVISIONS

18.1 Covenants Running with the Land. Each grantee of Declarant, by the acceptance of a deed or other instrument of conveyance, accepts the same subject to all easements, agreements, obligations, restrictions; conditions, covenants, reservations, liens, and charges, and the jurisdiction, rights, and powers created or reserved by this Declaration, and by all Exhibits to this Declaration. All rights, benefits, and privileges of every character granted, created, reserved, or declared by this Declaration and its Exhibits, and all impositions and obligations imposed by such instruments shall be covenants running with the land, and shall bind any person having at any time any interest or estate in any portion of the Condominium Property, and shall inure to the benefit of such owner in like manner as though the provisions of the Declaration and of all Exhibits were recited and stipulated at length in each and every deed of conveyance or other instrument creating such interest or estate.

18.2 No Waiver. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration and/or in any Exhibits shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

18.3 Partial Invalidity. The invalidity of any covenant, restriction, condition, limitation, or other provision of this Declaration and/or of any portion of any Exhibit, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration and/or of such Exhibits.

18.4 Law. To the extent practicable, the Condominium Documents shall be construed to be consistent with the laws of Kentucky and other applicable laws and with the requirements of primary or secondary lenders on the Units. The Condominium Documents are intended to supplement, not restrict, any powers which the Association otherwise may have under law.

18.5 Limit on Liability. Except as otherwise provided in this Declaration or under the provisions of the Condominium Act, neither Declarant nor its representatives, successors, or assigns shall be liable for any claim whatsoever arising out of or by reason of any actions performed pursuant to any authorities granted or delegated to it or to them by or pursuant to this Declaration or the Bylaws in its (or its representative's) capacity as owner, developer, manager, or seller of the Condominium Property whether or not such claim (i) shall be asserted by a Unit owner, Occupant, the Association, or by any person or entity claiming through any of them; or (ii) shall be on account of injury to person or damage to or loss of property wherever located and however caused; or (iii) shall arise contractually or (except in the case of gross negligence) from negligence or other wrongful actions. Without limiting the generality of the foregoing, the foregoing limit on liability includes all claims for, or arising by reason of, the Condominium Property being or becoming out of repair or containing any patent or latent defects; any act or neglect of a Unit owner, Occupant, the Association, or their respective agents, employees, guests, and invitees; any occurrence on neighboring property or any deficiency in or failure of any personal property located on or about the Condominium Property; or the failure to function or disrepair of any services (electricity, gas, water, sewage, etc.).

18.6 Ownership by Corporation, Trust, Etc. Whenever any Unit is owned by a corporation, partnership, trust, or other entity (other than the Declarant, to whom this provision shall not apply), the respective agent of the aforementioned entity (i.e., president or chief executive officer or other authorized agent, partner, or trustee) shall designate the Occupant or Occupants or other authorized agent(s) who shall be entitled to use and occupy the Unit and to vote and otherwise participate in the affairs of the Association. Only the designated Occupants, their invitees, employees, customers, clients, patrons and guests may use the Unit.

18.7 Rights of Mortgagees. Notwithstanding any provision to the contrary contained in this Declaration, unless specifically controlled by a more restrictive provision, the Association shall not without the prior written consent of at least two-thirds of the first mortgagees (based upon one vote for each first mortgage owned) of the Units, be entitled to:

(a) by act or omission, seek to abandon or terminate the Condominium Property;

(b) change the pro rata interest or obligations of any individual Unit for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the Common Areas and Facilities;

(c) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas and Facilities (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas and Facilities shall not be deemed a transfer within the meaning of this clause);

(d) use hazard insurance proceeds for losses to any part of the Condominium Property (whether to Units or to Common Areas and Facilities) for other than the repair, replacement, or reconstruction of such Condominium Property, except as provided in this Declaration in case of substantial damage to the Units and/or Common Areas and Facilities of the Condominium Property.

(e) the approval of first mortgagees shall be implied when such a mortgagee fails to submit a response to any written proposal for an amendment or other matter requiring mortgagee consent within 30 days after it receives proper notice of the proposal, delivered by certified or registered mail, with a "return receipt" requested. Any amendment, change or modification shall conform to the provisions of the Condominium Act and any amendment shall be effective upon the recordation thereof.

18.8 Headings. The headings to each Article and to each Section hereof are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Declaration nor in any way affect this Declaration.

18.9 Gender. Where the context of this Declaration requires, masculine, feminine, and/or neuter terminology shall include the neuter, feminine, and/or masculine.

18.10 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the establishment and operation of a first class condominium development.

IN WITNESS WHEREOF, the Declarant has caused the execution of this instrument this 20th day of September, 2004.

Waterfront Park Place, LLC

By: Jim Walters

Its: Project Manager and Member

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 20th day of September, 2004, by Jim Walters, Proj Mgr./Member of Waterfront Park Place, LLC., a Kentucky limited liability company, on behalf of the limited liability company.

Diana Ray

Notary Public

EXHIBIT A
Legal Description

Parcel ID #04-018K-0011-0000

Being Tracts 1and 4 as shown on the Minor Subdivision Plat approved by the Louisville and Jefferson County Planning Commission on October 14, 1994, as Docket No. 300-94, as Exhibit A, to the deed of record in Deed Book 6519, Page 491 in the office of the Jefferson County Clerk.

Easement Parcel:

Easement for ingress, egress, parking and construction as set forth and described in that certain Easement and Agreement by and between Humana, Inc., and Waterfront Park Place, LLC, dated February 27, 2001, and recorded in Deed Book 7842, Page 83, in the Office of the Clerk of Jefferson County, Kentucky, on, over and across a portion of the following described property:

Tract 1: Being Lot 6, Witherspoon Subdivision, as shown on plat of same recorded in Plat and Subdivision Book 36, Page 67, in the office of the Clerk of the County of Jefferson County, Kentucky.

Tract 2: Being Lot 8, Witherspoon Subdivision, as shown on plat of the same recorded in Plat and Subdivision Book 36, Page 67, in the office of the Clerk of the County of Jefferson County, Kentucky.

Tract 3: Beginning at the point of intersection of the East right-of-way line of First Street (a 60 foot right-of-way) and the Southern right-of-way line of Main Street (a 90 foot right-of-way); running thence along the South right of way line of Main Street, South 82° 03' 54" East, 170.24 feet to a point; thence South 08° 00' 00" West 204.91 feet to an iron pin set on the North right-of-way line of a 12 foot alley; thence along the North line of said 12 foot alley, North 82° 06' 30" West, 87.91 feet; thence North 08° 00' 00" East 54.00 feet to a point; thence North 82° 03' 54" West, 32.33 feet to a point; thence North 08° 00' 00" East 27 feet to an iron pin; thence North 82° 03' 54" West, 50 feet to an iron pin set on the East right-of-way line of First Street; thence along the East right-of-way line of First Street, North 08° 00' 00" East, 124 feet to the point of beginning.

Tract 4: To find the point of beginning: begin at the point of intersection of the South right-of-way line of Main Street (a 90 foot right-of-way) and the West right-of-way line of First Street (a 60 foot right-of-way); run thence along the South right-of-way line of Main Street, North 82° 57' 00" West, 120 feet to a point on the South right-of-way line of Main Street, being the True Point of Beginning: running thence along the South right-of-way line of Main Street, North 81° 57' 00" West, 58 feet to a point; thence South 08° 00' 00" East 211 feet to an iron pin set; thence South 81° 57' 00" East, 58 feet to a point; thence North 08° 00' 00" East 211 feet to a point on the South right-of-way line of Main Street the beginning.

EXHIBIT B

BYLAWS OF

WATERFRONT PARK PLACE CONDOMINIUM ASSOCIATION, INC.

INTRODUCTION

Waterfront Park Place Condominium Association, Inc. (the "Association") is to govern and manage the Condominium Property of Waterfront Park Place Condominium, 222 Witherspoon Street, Louisville, Kentucky 40202. These Bylaws of the Association ("Bylaws") supplement the Master Deed of Horizontal Property Regime and Declaration of Condominium Ownership for Waterfront Park Place ("Declaration") by providing the Association with procedures to use in governing and managing the Condominium Property. Anyone who owns, rents, occupies, or uses any Unit or the Common Areas and Facilities is subject to the Declaration, the Bylaws, and any rules and regulations ("Rules and Regulations") which may be adopted by the Association's Board of Directors. Terms used in these Bylaws which begin with capital letters and are not otherwise defined shall have the meanings set forth in the Declaration.

SECTION 1

ASSOCIATION NAME AND NATURE

The name of the Association shall be Waterfront Park Place Condominium Association, Inc. The Association shall be a Kentucky corporation, not-for-profit.

SECTION 2

UNIT OWNERS (MEMBERS)

2.1 Acquisition. Each person owning a fee-simple interest in a Unit ("Unit owner") is a member of the Association.

2.2 Voting.

2.2.1 Voting Rights. The Unit owner(s) of each Unit shall have one vote per Unit, except that the Association shall not be entitled to a vote for any Unit to which it or its agent, designee, or nominee holds title.

The "voting power of all Unit owners" at any given time shall be the total number of votes for all Units other than Units to which the Association or the Association's agent, designee, or nominee then holds title.

Only Unit owners in good standing shall be entitled to vote, whether personally, by proxy, or by mail, at an annual or special meeting of Unit owners or through an action by Unit owners without a meeting under Section 2.8. A Unit owner shall be in good standing if, three days before the meeting or action-circulation date, the Unit owner (i) has paid all assessments and any interest, costs, attorney fees, penalties, and other expenses chargeable to the Unit owner and/or against his Unit(s), and (ii) is not in default in the performance of any other obligation as a Unit owner.

Unless otherwise expressly set forth by law, the Declaration, or the Bylaws, the affirmative vote of 51% of the voting power of the Unit owners voting on any matter at a meeting of Unit owners shall be sufficient to determine that matter, provided that the quorum requirement is met at the time of completion of that vote.

2.2.2 Proxies. Unit owners may vote or act in person or by proxy. The person designated a proxy need not be a Unit owner. A Unit owner shall designate a proxy by written notice to the Board of Directors and, except as otherwise provided in the Declaration or the Bylaws, may revoke the designation at any time by written notice to the Board of Directors. If a first mortgagee has been designated a proxy under the terms of a first mortgage covering a Unit, the presentation to the Board of Directors of a copy of the mortgage containing the proxy designation shall be notice of that designation, and, if the mortgage so states, of the irrevocability of that designation. Written notice to the Board of Directors or in a meeting of the revocation of a proxy designation shall not affect any vote or act previously taken.

2.2.3 Voting by Mail. A Unit owner may vote by mail on any matter voted on at any meeting of Unit owners, by written vote mailed or personally delivered to the Secretary of the Association within the period seven days before the date of the meeting. A written vote shall be filed with records of the Association.

2.3 Annual Meeting. Each year, the Board of Directors specify the date, time, and place for the annual meeting of Unit owners. The purpose of the annual meeting shall be to elect the Board of Directors after the Declarant no longer has (or has relinquished) the right to appoint Directors, to consider reports to be presented before the meeting, and to transact any other business which may properly be brought before the meeting.

2.4 Special Meetings. Special meetings of Unit owners may be called at any time by the President or by the Board of Directors. Special meetings shall be called by the President upon written request, delivered to the President in person or by certified mail, of Unit owners having at least 33% of the voting power of all Unit owners. Upon receipt of this request, the President shall immediately cause written notice to be given of a meeting to be held on a date not less than seven nor more than thirty days after receipt of this request. If written notice is not given within ten days after the delivery of the request, the Unit owners making the request may call the meeting and give written notice of it.

2.5 Notice of Meetings. Written notice shall be given not less than seven nor more than thirty days before a meeting. The Secretary or other person(s) required or permitted by these Bylaws to give notice shall give written notice to each Unit owner of record as of the day on which notice is given.

Notice of a meeting of Unit owners shall specify the date, time, and place of the meeting, and shall specify the purpose(s) of a special meeting. Notice of the date, time, place, and purpose(s) of any meeting of Unit owners may be waived by any Unit owner, before or after the meeting, by a writing filed with the records of the Association. The attendance of any Unit owner at any meeting without protesting, before or at the beginning of the meeting, the lack of proper notice shall be deemed a waiver by the Unit owner of notice of the meeting.

2.6 Quorum; Adjournment. A vote submitted by mail under Section 2.2.3 shall not be counted in establishing a quorum for any meeting or for any vote. Except as may be otherwise provided by law or by the Declaration, there shall be a quorum at any meeting of Unit owners where Unit owners who hold 33% of the total voting power of all Unit owners in good standing are present, in person or by proxy. For a vote on any matter to be valid, the quorum requirement must be met at the time of completion of that vote. Whether or not a quorum is present, the Unit owners entitled to exercise a majority of the voting power represented at a meeting of Unit owners may adjourn that meeting. Notice of the adjournment need not be given if the time and place to which the meeting is adjourned are fixed and announced at the meeting.

2.7 Order of Business. The order of business at all meetings of Unit owners shall be as follows:

(1) Calling of meeting to order

(2) Roll call; determination of whether there is a quorum

(3) Proof of notice of meeting or waiver of notice

(4) Reading of minutes of preceding meeting

(5) Reports of officers

(6) Reports of Committees

(7) Election of Directors (when appropriate)

(8) Unfinished and/or old business

(9) New business

(10) Adjournment

2.8 Action Without a Meeting. Any action which may be taken at a meeting of Unit owners may be taken without a meeting in a writing or writings signed by Unit owners having 51% of the total voting power of all Unit owners in good standing, which writing(s) shall be filed with the records of the Association. The date on which a writing begins circulation among Unit owners shall be the "action-circulation date."

SECTION 3

BOARD OF DIRECTORS

3.1 Number of Initial Board. Notwithstanding any other provision of these Bylaws, the initial Board of Directors ("Board"), shall consist of three (3) persons ("Directors"). The initial Board shall be appointed by the Declarant, and shall serve at the pleasure of the Declarant. The Declarant has the sole right, coupled with an interest, to appoint all Directors until the happening of the earlier of the following events:

(a) The Declarant no longer owns a Unit in the Condominium;

(b) The Declarant relinquishes, in writing, the right to appoint Directors; or

(c) Seven (7) years have passed since the date of recording of the Declaration.

3.2 Qualifications of Directors. A Director appointed by the Declarant need not be a Unit owner. A Director elected by Unit owners shall be a Unit owner, except that if a Unit owner is a corporation, partnership, joint venturer, or other entity, the Unit owners may elect as a Director an officer, partner, joint venturer, or like individual affiliated with this Unit owner.

3.3 Term of Office. Each Director shall serve for a term of one (1) year or until that Director's successor has been elected or appointed and qualified. However in order to provide continuity by staggering terms of office, the Board may designate in its minutes before the election and mark on the ballot for the election, that a particular term or terms shall be for two (2) years, to the extent permitted by Kentucky law. Notwithstanding the foregoing, a Director appointed by the Declarant shall serve until the Declarant removes the Director or until such Director dies or resigns or until the Declarant no longer has the right to appoint Directors under Section 3.1 hereof. A Director may be re-elected or reappointed for additional terms.

3.4 Compensation. No Director shall receive compensation for serving as Director of the Association.

3.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

3.6 Nominations; Election Procedure. Upon the expiration or relinquishment of the Declarant's right to appoint all Directors, nominations shall be made from the floor at any Special Meeting of Unit owners under Section 2.4 herein, at an annual meeting of Unit owners under Section 2.3 herein, or the Board may appoint a nominating committee to nominate candidates to become Directors.

Election shall be by written ballot. The Unit owner(s) of each Unit may cast, in respect to each vacancy, the vote to which that Unit is entitled under the Declaration and the Bylaws. The person receiving the largest number of votes for each vacancy shall be elected to fill that vacancy. Cumulative voting shall not be permitted.

3.7 Resignation; Removal; Vacancies. A Director may resign at any time by oral statement made at a meeting of the Board or by written notice to the Secretary. The resignation shall take effect immediately or at the time specified by the resigning Director.

A Director appointed by the Declarant may be removed by the Declarant at any time, with or without cause. An elected Director whose removal has been proposed by a Unit owner shall be given an opportunity to speak at an annual or special meeting of Unit owners, after which that Director may be removed, with or without cause, by the vote of Unit owners entitled to exercise at least 51% of the voting power of all Unit owners in good standing.

If a vacancy is created because of resignation, removal, or death, a successor shall be appointed or elected to serve for the unexpired term of the departed Director. The Declarant shall appoint a successor for any appointed Director, and the Unit owners shall elect a successor for any elected Director using the procedure set forth in Section 3.6, at an annual meeting of Unit owners or at any special meeting of Unit owners called for the purpose of filling this vacancy.

3.8 Organizational Meeting. Promptly after each annual meeting of Unit owners, the Board shall hold a meeting to elect officers and transact any other business which may properly be brought before the meeting.

3.9 Regular Meetings. Regular meetings of the Board shall be held no less often than quarterly, on the date and at the time and place fixed from time to time by the Board.

3.10 Special Meetings. Special meetings of the Board may be held at any time when called by the President or any two Directors.

3.11 Notice of Meetings; Attendance by Unit Owners. Notice of the date, time, and place of organizational, regular, and special meetings of the Board shall be given to each Director by personal delivery, mail, telegram, or telephone at least two days before the meeting. The notice need not specify the purpose(s) of any meeting. Notice of the date, time, and place of any meeting may be waived by a Director, before or after the meeting, by a writing filed with or entered upon the records of the meeting. Attendance of a Director at any meeting without protesting, before or at the beginning of the meeting, the lack of proper notice shall be deemed a waiver by the Director of notice of the meeting.

No notice need be given to non-Director Unit owners of organizational, regular, or special meetings of the Board. However, a non-Director Unit owner may attend any organizational, regular, or special meeting of the Board, but may not participate in any such meeting unless given permission to do so by the President or other officer of the Association who is presiding at the meeting. A non-Director Unit owner may not vote at a meeting of the Board.

3.12 Quorum; Adjournment. A majority of the Directors then in office shall constitute a quorum for any meeting, provided that the quorum requirement must be met at the time of completion of a vote on any matter for that vote to be valid. Whether or not a quorum is present, a majority of the Directors present at a meeting may adjourn that meeting. Notice of the adjournment need not be given if the time and place to which the meeting is adjourned are fixed and announced at the meeting.

3.13 Voting Power. At any meeting of the Board at which a quorum is present, all matters shall be determined by a majority vote of those voting on the matter, except as may be otherwise expressly provided in the Declaration or these Bylaws. The President may cast an additional vote to break a tie vote on any matter.

3.14 Action by Board Without A Meeting. Any action which may be taken at a meeting of the Board may be taken without a meeting in a writing or writings signed by all the Directors, which writing(s) shall be filed with Board records.

SECTION 4

OFFICERS

4.1 Offices; Qualification. The Association shall have a President, Vice President, Secretary, and Treasurer. The Board may create other offices from time to time. The President, Vice President, Secretary, and Treasurer may or may not be Directors; any other officer need not be a Director but shall be a Unit owner. The same person may hold two or more offices, but no officer shall execute an instrument in more than one capacity if the signatures of two or more officers are required by law, the Association's Articles of Incorporation, the Declaration, or the Bylaws.

4.2 Election. The Board shall elect the officers at the organizational meeting and the persons so elected shall take office upon election.

4.3 Term. An officer shall serve for a one-year term and until a successor is elected, or until the officer's earlier resignation, removal from office, or death. An officer may be reelected for additional terms.

4.4 Removal; Resignation; Vacancies. The Board may remove any officer at any time, with or without cause. Any officer may resign at any time by oral statement made at a meeting of the Board or by written notice delivered to the Secretary. The resignation shall take

effect immediately or at the time specified by the resigning officer. Any vacancy in any office may be filled by the Board.

4.5 Powers and Duties. The powers and duties of officers shall be as the Board may determine from time to time. Unless the Board determines otherwise, the following officers shall have the powers and duties set forth below.

4.5.1 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of Unit owners and at all meetings of the Board. The President may sign all legal instruments authorized by and on behalf of the Association.

4.5.2 Vice President. The Vice President shall perform the duties of the President whenever the President is unable or unwilling to act, as determined by the Board.

4.5.3 Secretary. The Secretary shall record the votes and keep the minutes of meetings of Unit owners and of the Board, shall give notice of meetings of Unit owners and of the Board, shall keep current records showing the names and addresses of Unit owners and their respective percentages of interest in the Common Areas and Facilities, and shall give each Unit owner a copy of any Rules and Regulations or amendments thereto.

4.5.4 Treasurer. The Treasurer shall receive and be responsible for all money, bills, notes, and similar property of the Association; shall keep correct and complete books and records of account, specifying the receipts and expenditures relating to the Common Areas and Facilities and other common receipts and expenses, together with records showing the allocation, distribution, and collection of the common profits, losses, and expenses among and from the Unit owners; and shall prepare an annual budget and annual statement of income and expenditures to be presented to the Unit owners at the annual meeting, with a copy to be mailed or delivered in person to each Unit owner.

SECTION 5

ASSESSMENTS

5.1 Types; Duty to Pay. "Common assessments" shall be assessments charged proportionately against all Units for common purposes, and shall include annual common assessments and common assessments for capital improvements. A Unit's "proportionate share" of a common assessment shall be that Unit's percentage of interest in the Common Areas and Facilities as set forth in the Declaration. "Individual Unit assessments" which are not for common purposes, shall be assessments which are properly chargeable to less than all of the Units.

The Unit owner(s) of a Unit shall timely pay any assessment chargeable to that Unit.

5.2 Common Assessments.

5.2.1 Annual Common Assessments.

5.2.1.1 Development Period. At a Closing where the Unit is purchased from the Declarant, the Unit owner(s) shall pay to the Association the sum required by the Declarant, if any, as the Unit's initial contribution to operating capital.

5.2.1.2 Annual Estimated Budget. No later than fifteen (15) days prior to the date of the Association's annual meeting, the Board shall estimate the cost for the next year of the following Common Expenses, to arrive at an estimated budget:

Utility and other services for the Common Areas and Facilities, including, but not limited to, sewer assessments, waste removal, electricity, telephone, heat, power, water, landscaping and plantings;

That portion of the expenses of operating, maintaining, and repairing all portions of the Condominium Property which are the Association's responsibility;

Casualty insurance, as provided in the Declaration;

Liability insurance, as provided in the Declaration;

Bond premiums, if any, to be paid by the Association;

Wages and/or fees of anyone employed by the Board, including, but not limited to, a Director for the Condominium Property, maintenance and operations personnel, lawyers, accountants, and other professionals;

Postage, materials, supplies, and other expenses of administering the Association;

Any other Common Expenses designated as such in KRS 381.805 et seq. of the Kentucky Revised Statutes, or in accordance with the Declaration or the Bylaws, or which the Board may determine are necessary and/or desirable to maintain the Condominium Property in first-class condition;

An amount, to be determined by the Board, to be deposited in a reserve for contingencies and replacements, deferred maintenance, and unexpected and extraordinary expenses ("Reserve Fund").

5.2.1.3 Proportionate Share; Notice. The Board shall calculate each Unit's proportionate share of the estimated annual budget, thereby establishing the annual common assessment for each Unit.

No later than ten (10) days prior to the annual meeting for each year, the Board shall give the Unit owner(s) for each Unit notice of the annual estimated budget and of

that Unit's annual common assessment, which is to be itemized to show the amount allocated to the Reserve Fund and the amount allocated for all other purposes.

5.2.1.4 Monthly Payments. A Unit's annual common assessment shall be payable in equal monthly installments due in advance on the first day of each month.

5.2.2 Common Assessments for Capital Improvements. In addition to levying annual common assessments, and to the extent that the Reserve Fund is insufficient, the Board may levy common assessments to construct, structurally alter, or replace capital improvements which are a part of the Common Areas and Facilities, provided that funds shall not be assessed for any capital expenditure in excess of $10,000 without the prior written consent of Unit owners having a majority of the voting power of all Unit owners and the consent of a majority of all first mortgagees. Until the date on which Declarant no longer controls the Board, Declarant shall be one of the consenting Unit owners, or the capital expenditure shall not be made.

The Board shall calculate each Unit's proportionate share of a common assessment for capital improvements, and shall give the Unit owner(s) for each Unit written notice of the proportionate share and of the date(s) on which the assessment is due and payable.

5.2.3 Status of Amounts Collected. The amounts collected through common assessments shall be held and expended for the purposes designated in the Declaration and the Bylaws. Except for adjustments reflecting prepaid or delinquent assessments, the amounts collected shall be deemed held for the Unit owners in the proportion of their share of Common Areas and Facilities.

Any amount assessed against a Unit which is allocated to the Reserve Fund shall be a contribution to capital, and shall be designated for that purpose on the Association's books and on any assessment notice. The Board may collect, hold, disburse, or categorize the amounts allocated to the Reserve Fund in any manner necessary to ensure their non-inclusion in the Association's taxable income under the Internal Revenue Code, Treasury Regulations and/or rulings of the Internal Revenue Service.

5.3 Individual Unit Assessments. If the Board satisfies an obligation set forth in Sections 6.2 or 6.7 which is properly chargeable to a particular Unit, or otherwise incurs an expense for which an individual Unit assessment may be charged under any other provisions of the Declaration or these Bylaws, the Board shall assess the Unit owner(s) of the particular Unit(s) for the Association's costs. An individual Unit assessment shall be due and payable on the date determined by the Board, following written notice to the Unit owner(s) subject to the assessment.

5.4 Garage Maintenance and Repair. The budgeted annual expense for garage maintenance and repair shall be charged to the Unit owners according to the number of

parking spaces appurtenant to each Unit owner's Unit.

5.5 Common Profits. If there are Common Profits in any given year, the Board may either distribute each Unit's proportionate share of the Common Profits or may credit it as an advance payment of each Unit's monthly payment(s) for the annual common assessment for the following year.

5.6 Common Losses. If, at any time, each Unit is current in its monthly payments but the Common Expenses at that time exceed the common assessments and the Common Profits, so that the Association has insufficient funds to meet its obligations, the Board may (1) charge unexpected or extraordinary expenses in a given year against the Reserve Fund, and/or (2) give the Unit owners written notice of the reasons for the deficiency and of each Unit's proportionate share, and assess the deficiency as a common assessment among the Units, with this assessment to be due and payable on designated monthly payment dates with the first payment due more than ten days after the date notice is given.

5.7 Effective Date of Assessment. If notice of an assessment is sent ten days before the assessment's due date, the assessment shall be effective on its due date or on the due date of the first installment if the assessment is payable in installments.

5.8 Default; Remedies; Association's Lien. If a Unit owner is in default for ten days in the payment of any assessment or charge, the Association shall have a lien on his or her interest in a Unit for the amount of the overdue assessment (including accelerated assessments), any late charges provided for by the Declaration and attorney's fees. The Association may bring suit to enforce collection and/or to foreclose the lien. The costs of suit, legal interest, and reasonable attorney's fees fixed by the court shall be added to the amount due and, to the extent permitted by the Declaration, any court decision, or any statute now or hereafter effective, shall become, when payable, a lien against the Unit owner's interest in the Unit. As provided in the Declaration, the Association may bid on behalf of the other Unit owners on the interest so foreclosed at foreclosure sale, and may acquire, hold, lease, mortgage, and convey that interest. Nothing contained in these Bylaws shall be deemed to limit the rights and remedies reserved to the Association and the Board pursuant to the Declaration.

5.9 Statement of Assessments. Any holder of a mortgage or other lien on a Unit may request in writing a written statement from the Board setting forth the unpaid Common Expenses with respect to the encumbered Unit and, unless the request is complied with within twenty days, the lien for unpaid Common Expenses which becomes due prior to the date of the request shall be subordinate to the lien of the encumbrance. Any holder of a lien may pay any unpaid Common Expense payable with respect to an encumbered Unit and upon that payment the lienholder shall have a lien on the encumbered Unit for the amount paid at the priority of the lien of the encumbrance.

5.10 Board Inaction. The Board's failure to prepare an annual estimated budget or to give timely notice of any assessment shall not release the Unit owner(s) from the obligation to pay the assessment whenever the amount of the assessment has been determined and written notice has been given.

If the Board's inaction relates to the annual common assessment, the Unit owners shall make monthly payments of the amount previously due until ten days after receipt of written notice of the actual assessment.

SECTION 6

BOARD POWERS, DUTIES, AND RESTRICTIONS

6.1 Payment of Common Expenses. The Board shall pay the Association's common expenses; provided, however, that the Board shall not (1) pay out of maintenance funds or authorize any structural alterations, capital additions, or capital improvements of the Common Areas and Facilities costing more than $10,000 unless expressly stated in the annual budget; (b) borrow funds in excess of such amounts; or (c) commence any litigation (except filing actions to foreclose a lien in the case of a Unit owner who is delinquent in his assessments or has otherwise defaulted in his obligations to the Association), the cost of which is reasonably estimated to exceed $5,000, including attorney's fees and court costs, without the prior approval of 51% of the total voting power of the Association, provided that if the Declarant owns one or more Units as of the date such vote is taken, the Declarant must consent to such litigation. This restriction does not limit the Board in replacing or storing damaged or obsolete portions of the Common Areas and Facilities or defending any lawsuit filed against the Association.

6.2 Payment of Obligations of Unit Owners.

6.2.1 Taxes. During the first years of the Condominium's existence and until the Units are separately listed for real estate taxes and assessments, the Board may pay real estate taxes and assessments for the Condominium Property when due, calculate each Unit's prorated share thereof based upon percentage of interest, assess the prorated share against each Unit, and bill the Unit owner(s) and require payment at any time prior to the last day for payment of real estate tax bills as designated by the taxing authority.

6.2.2 Discharge of Mechanic's Liens. If the Board determines that a mechanic's lien or other encumbrance levied or filed against all or part of the Condominium Property may be or become a lien against the Condominium Property or against the Common Areas and Facilities, rather than a lien solely against the interests therein of particular Unit owner(s), the Board may pay any amount necessary to discharge this mechanic's lien or other encumbrance. This authority shall not limit any statutory provisions relating to the same subject matter.

6.2.3 Maintenance or Repair of Units. If the Board determines that maintenance or repair of any part of the Condominium Property which is the responsibility of any individual Unit owner(s) is necessary to protect or maintain the structural integrity or aesthetic and/or market value of the Common Areas and Facilities or any other portion of a building on the Condominium Property, or to maintain an aesthetically pleasing uniformity in the exterior of any buildings or other structures on the Condominium Property, then the Board shall give the responsible Unit owner(s) written notice of the Board's determination that this maintenance or repair is necessary, and is to be commenced within ten days of the giving of this notice. If the

responsible Unit owner(s) have not begun this maintenance or repair within ten days, the Board shall procure and pay for the necessary maintenance or repair.

6.2.4 Default Under Mortgage or Trust Deed. If a Unit owner defaults in the payment of any moneys required to be paid under any mortgage or trust deed against his or her Unit, the Board may cure this default by paying the amount owed to the party entitled to payment.

6.2.5 Discharge of Miscellaneous Obligations. The Board may pay for other obligations properly chargeable against a particular Unit(s), including, but not limited to, payment for special services under Section 6.7.

6.2.6 Individual Unit Assessments. The Board shall assess the responsible Unit owner(s) of any Unit for any costs expended by the Board under Section 6.2, which assessments shall be deemed individual Unit assessments. The responsible Unit owner(s) shall be jointly and severally liable to the Association for any such assessments.

6.3 Right to Enter Units. The Board or its agents may enter a Unit, whether or not a Unit owner is present, (i) after giving notice as required by Section 6.2.3 in connection with maintenance or repair which is the responsibility of the Unit owner(s), or (ii) without notice, in the event of an emergency or nuisance. The Board may retain a pass key to each Unit to facilitate entry, and Unit owners shall not in any manner obstruct entry.

6.4 Rules and Regulations. The Board may adopt and amend Rules and Regulations for the maintenance, use, conservation, and beautification of the Condominium Property and for the health, comfort, safety, and general welfare of Unit owners and their Occupants.

6.5 Books and Records. The Board shall keep complete and accurate books of account for the Association. The Board shall make the Association's books available for inspection at any reasonable time requested by a Unit owner, a Unit owner's representative with written authorization, or a first mortgagee of a Unit.

The Board shall mail a statement of the amount of any delinquent assessment or other outstanding charge to a Unit owner within ten days of receipt by the Board of a written request from the Unit owner for such a statement.

6.6 Annual Audit. The Board shall arrange annually for an accountant to audit or review the Association's books. Any annual audit or review shall, if reasonably possible, be completed prior to each annual meeting of Unit owners. Upon written request, the Board shall provide a first mortgagee with a copy of any annual audit or review.

At any other time, Unit owners of Units having at least 25% of the voting power of all Unit owners may request that the Board cause an audit or additional audit or review to be made of the Association's books by a Certified Public Accountant. The Board shall arrange for the additional audit or review provided it is paid for by the Unit owners making the request.

6.7 Special Services. The Board may arrange for special services or facilities for Unit owners and their Occupants including, but not limited to, cleaning, maintenance, and repair of Units. The Board shall determine the fees for these special services and facilities and may either have the affected Unit owners billed directly or may pay for the services and facilities from the Reserve Fund and bill the affected Unit owner(s) with an individual Unit assessment.

6.8 Delegation. The Board may delegate duties and powers to persons or firms of its choice, including a Director or managing agent. The Board shall supervise any such person or firm in the performance of delegated duties and powers.

6.9 Changes in Exterior Appearance and Maintenance Standards. Before the date when Declarant's control of the Board ends, the Board shall not take any action which would directly or indirectly alter the exterior appearance of any part of the Condominium Property or reduce or discontinue any maintenance standard or practice without Declarant's prior written consent.

SECTION 7

INDEMNIFICATION OF DIRECTORS AND OFFICERS

A Director or an officer shall not be liable to the Unit owners for any mistake of judgment or negligent act, except there shall be liability for a Director's or officer's individual willful misconduct or bad faith. The Association shall indemnify Directors and officers, their heirs, executors and administrators, against all loss, costs and expenses, including attorney fees, reasonably incurred by any such person in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been or being a representative of a Director or officer, except as to matters as to which the Director or officer shall be finally adjudged in this action, suit or proceeding to be liable for willful misconduct or bad faith. The Board may purchase insurance in the amount it deems appropriate to provide this indemnification, and the cost of this insurance shall be a common expense. In the event of a settlement, indemnification shall be provided only in connection with those matters covered by the settlement as to which the Association is advised by counsel that the Director or officer has not been guilty of willful misconduct or bad faith as a Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which a Director or officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses. Nothing in this Section shall be deemed to obligate the Association to indemnify any Unit owner, who is or has been a Director or officer, with respect to any duties or obligations assumed or liabilities incurred by the Unit owner as a Unit owner rather than as a Director or officer.

SECTION 8

GENERAL PROVISIONS

8.1 Notice.

8.1.1 Written Notice; Written Request. Unless otherwise expressly provided in these Bylaws, a written notice or written request shall be given when delivered in person or mailed by regular mail, postage prepaid, addressed as follows:

To the Board or to the Association: addressed to each Director at the Director's office address;

To a Director or officer: addressed to the Director or officer at this person's office address;

To a Unit owner: addressed to the Unit owner at his or her address as it last appears on the Association's records;

To a devisee or personal representative of a deceased Unit owner; to this person at the address appearing on the records of the court administering the deceased Unit owner's estate.

8.1.2 Copies of Notices to Mortgagees. The holder of a duly recorded mortgage or trust deed for a Unit may submit a written request to the Board for a copy of each notice permitted or required by the Declaration or these Bylaws to be given to the Unit owner(s) whose Unit is subject to this mortgage or trust deed, and the Board shall thereafter provide the mortgagee with copies, even if the Unit owner(s) has waived notice.

8.2 Non-Waiver of Covenants. No delay or failure on the part of the Board and/or on the part of any officer in exercising any right, power, or privilege or in failing to enforce a covenant, condition, obligation, or provision contained in the Declaration, Articles of Incorporation, Bylaws, or Rules and Regulations shall be or be deemed to be a waiver thereof, or be or be deemed to be a waiver of any subsequent exercise of such a right, power, or privilege, or be or be deemed to be a waiver of any subsequent violation or breach of such a covenant, condition, obligation, or provision, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof or preclude the exercise of any other right, power, or privilege. All rights, powers, and privileges given hereunder or at law or in equity are cumulative, and any one or more or all of such rights, powers, and privileges may be exercised simultaneously or consecutively.

8.3 Heirs, Successors and Assigns. These Bylaws shall be binding upon and shall inure to the benefit of the Association, the Declarant, the Unit owners, and the Declarant's and Unit owners' heirs, successors, and assigns.

8.4 Board's Power to Bind. A lawful agreement or determination made by the Board or an officer, in accordance with the procedures established in the Declaration and the Bylaws, shall bind all Unit owners, their successors, and their assigns.

8.5 Interpretation of Bylaws. The Section headings are for convenience only and shall not affect the meaning or construction of the Bylaws. A reference to a specific Section without further identification of the document containing that Section is a reference to a Section in the Bylaws. Where the context requires, masculine, feminine, and/or neuter terminology shall include the neuter, feminine, and/or masculine.

8.6 Severability. The invalidity of part or all of any provision of the Bylaws shall neither impair the validity of nor affect in any manner the Declaration or the rest of the Bylaws.

8.7 No Active Business for Profit. These Bylaws shall not be construed to give the Association authority to conduct an active business for profit on behalf of one or more Unit Owners.

8.8 Governing Law. The Bylaws shall be interpreted and enforced under the laws of the Commonwealth of Kentucky, including, without limitation, KRS 381.305 et seq.

EXHIBIT C

PERCENTAGE OWNERSHIP OF COMMON AREAS AND FACILITIES

UNIT NUMBER	SQUARE FOOTAGE AREA	PERCENTAGE OF COMMON INTEREST	UNIT NUMBER	SQUARE FOOTAGE AREA	PERCENTAGE OF COMMON INTEREST
UNIT 101C	3,293 Sq. Ft.	1.6232%	UNIT 901	2,673 Sq. Ft.	1.2879%
UNIT 102C	9,180 Sq. Ft.	4.5251%	UNIT 902	1,931 Sq. Ft.	0.9304%
			UNIT 903	2,357 Sq. Ft.	1.1356%
UNIT 201	3,005 Sq. Ft.	1.4812%	UNIT 904	2,743 Sq. Ft.	1.3216%
UNIT 301	1,648 Sq. Ft.	0.8123%	UNIT 905	1,526 Sq. Ft.	0.7353%
UNIT 302	1,539 Sq. Ft.	0.7586%	UNIT 906	2,989 Sq. Ft.	1.4401%
UNIT 303	1,645 Sq. Ft.	0.8109%	UNIT 1001	2,668 Sq. Ft.	1.2855%
UNIT 304	3,005 Sq. Ft.	1.4812%	UNIT 1002	1,931 Sq. Ft.	0.9304%
UNIT 401	2,173 Sq. Ft.	1.0711%	UNIT 1003	2,355 Sq. Ft.	1.1347%
UNIT 402	1,631 Sq. Ft.	0.8040%	UNIT 1004	1,518 Sq. Ft.	0.7314%
UNIT 403	1,539 Sq. Ft.	0.7586%	UNIT 1005	3,003 Sq. Ft.	1.4469%
UNIT 404	1,635 Sq. Ft.	0.8059%	UNIT 1101	2,650 Sq. Ft.	1.2768%
UNIT 405	3,005 Sq. Ft.	1.4812%	UNIT 1102	1,927 Sq. Ft.	0.9285%
UNIT 501	2,050 Sq. Ft.	1.0105%	UNIT 1103	2,184 Sq. Ft.	1.0523%
UNIT 502	1,338 Sq. Ft.	0.6595%	UNIT 1104	2,668 Sq. Ft.	1.2855%
UNIT 503	1,352 Sq. Ft.	0.6514%	UNIT 1105	1,497 Sq. Ft.	0.7213%
UNIT 504	2,079 Sq. Ft.	1.0017%	UNIT 1106	1,592 Sq. Ft.	0.7671%
UNIT 508	3,006 Sq. Ft.	1.4483%	UNIT 1201	2,673 Sq. Ft.	1.2879%
UNIT 601	2,662 Sq. Ft.	1.2826%	UNIT 1202	3,809 Sq. Ft.	1.8352%
UNIT 602	1,933 Sq. Ft.	0.9314%	UNIT 1203	1,369 Sq. Ft.	0.6596%
UNIT 603	2,355 Sq. Ft.	1.1347%	UNIT 1204	3,299 Sq. Ft.	1.5895%
UNIT 604	1,327 Sq. Ft.	0.6394%	UNIT 1401	5,047 Sq. Ft.	2.4317%
UNIT 605	1,276 Sq. Ft.	0.6148%	UNIT 1402	3,137 Sq. Ft.	1.5115%
UNIT 606	1,531 Sq. Ft.	0.7377%	UNIT 1403	2,750 Sq. Ft.	1.3250%
UNIT 607	1,312 Sq. Ft.	0.6321%	UNIT 1501	3,073 Sq. Ft.	1.4806%
UNIT 701	2,147 Sq. Ft.	1.0345%	UNIT 1502	3,110 Sq. Ft.	1.4984%
UNIT 702	1,393 Sq. Ft.	0.6712%	UNIT 1503	1,751 Sq. Ft.	0.8437%
UNIT 703	1,349 Sq. Ft.	0.6500%	UNIT 1601	4,876 Sq. Ft.	2.3493%
UNIT 704	2,077 Sq. Ft.	1.0007%	UNIT 1602	3,184 Sq. Ft.	1.5341%
UNIT 705	1,333 Sq. Ft.	0.6423%	UNIT 1701	2,279 Sq. Ft.	1.0981%
UNIT 706	1,281 Sq. Ft.	0.6172%	UNIT 1702	2,761 Sq. Ft.	1.3303%
UNIT 707	1,526 Sq. Ft.	0.7353%	UNIT 1703	2,540 Sq. Ft.	1.2238%
UNIT 708	1,688 Sq. Ft.	0.8133%	UNIT 1704	1,691 Sq. Ft.	0.8148%
UNIT 801	2,047 Sq. Ft.	0.9863%	UNIT 1801	4,955 Sq. Ft.	2.3874%
UNIT 802	1,381 Sq. Ft.	0.6654%	UNIT 1802	1,770 Sq. Ft.	0.8528%
UNIT 803	1,343 Sq. Ft.	0.6471%	UNIT 1901	3,433 Sq. Ft.	1.6541%
UNIT 804	2,052 Sq. Ft.	0.9887%	UNIT 1902	4,920 Sq. Ft.	2.3705%
UNIT 805	1,325 Sq. Ft.	0.6384%	UNIT 2001	3,620 Sq. Ft.	1.7442%
UNIT 806	1,273 Sq. Ft.	0.6134%	UNIT 2002	4,077 Sq. Ft.	1.9644%
UNIT 807	1,498 Sq. Ft.	0.7218%	UNIT 2101	6,373 Sq. Ft.	3.0706%
UNIT 808	1,681 Sq. Ft.	0.8099%	UNIT 2201	7,248 Sq. Ft.	3.4922%
		TOTAL: ALL UNITS		**202,870 Sq. Ft.**	**100.0000%**

EXHIBIT D

LEGAL DESCRIPTION OF PARCEL 2

Begin a tract of land lying on the south side of Witherspoon Street and on the east side of Brook Street in the City of Louisville, County of Jefferson, State of Kentucky, and being more particularly described as follows:

Beginning at an iron pin at the intersection of the south line of Witherspoon Street with the east line of Brook Street; thence with said south line North 86 degrees 57 minutes 45 seconds East 277.40 feet to an iron pin with identifier #2747 at its intersection with the west face of a wall and same, if extended; thence with said face of wall and its extension, South 03 degrees 04 minutes 14 seconds East 62.25 feet to a point in same; thence leaving said face of wall South 86 degrees 59 minutes 24 seconds West 39.33 feet, North 03 degrees 04 minutes 39 seconds West 7.92 feet to an iron pin with identifier #2747, South 86 degrees 55 minutes 21 seconds West 20.67 feet to an iron pin with identifier #2747, and South 03 degrees 04 minutes 39 seconds East 38.45 feet to an iron pin with identifier #2747 at its intersection with the north line of the tract conveyed to Humana Inc., by deed of record in Deed Book 6006, Page 429 in the office of the Clerk of Jefferson County, Kentucky; thence with said north line North 81 degrees 14 minutes 08 seconds West 280.69 feet to its intersection with the east line of Brook Street aforesaid; thence with said east line North 08 degrees 48 minutes 44 seconds East 37.03 feet to the point of beginning, containing 21,063.2 square feet.

This page intentionally left blank.

Recorded In Condo Book
No. 104 **Page** 22-30
Part No. 1867

Document No.: DN2004163468
Lodged By: dinsmore & shohl
Recorded On: 03/21/2004 03:21:16
Total Fees: 134.00
Transfer Tax: .00
County Clerk: BOBBIE HOLSCLAW-JEFF CO KY
Deputy Clerk: YOLLOGZ

EXHIBIT E
COMMERCIAL UNIT ASSESSMENT
AND
ALLOCATION OF COSTS

1. The assessment for the Commercial Units shall be adjusted to eliminate any charges for expenses that solely benefit the owners of the residential Units. Services for which the Commercial Units will not benefit and will not participate in the assessment of costs include such expenses as:

A. Staffing or contract expenses relating to building management, janitorial, personal services, recreation, valet, maintenance, mechanical plant operations except as noted in Section 3 below), pool operations, and security.

B. Maintenance and operational expenses for Common Areas and Facilities and Limited Common Areas and Facilities, utility and central mechanical plant services (except as noted in Section 3 below), equipment leases, vehicle operations, exterminating expenses, elevator operations, telephone service, cable television, data access and information system, satellite system, and trash removal.

C. Repair, redecoration or replacement of interior Common Areas and Facilities or Limited Common Areas and Facilities components.

2. The assessment for the Commercial Units shall include charges for expenses that benefit the Commercial Units, including such expenses as:

A. The repair or replacement of the building structural components, the exterior masonry and glass system, the roofing, the roof drainage system, garage and sitework improvements.

B. Maintenance and operational expenses relating to the exterior grounds, window washing, snow removal, property insurance and liability insurance.

3. Utility services benefiting the Commercial Units will require payment of certain expenses to the Association, as follows:

A. Heating and Cooling. The Association will supply hot water and chilled water to the Commercial Units from the central mechanical plant. The HVAC system within each Commercial Unit, which utilizes the hot and chilled water, will be installed, maintained and operated by the Commercial Unit owner at no expense to the Association.

The hot and chilled water will be provided through a flow meter indicating the amount used by each Commercial Unit. The reimbursement for the central plant hot and chilled water shall be based on the metered consumption multiplied by a unit cost, which shall be mutually agreed upon annually between the parties. The unit cost shall be the

anticipated actual total cost of heating, cooling and circulating the water, divided by the anticipated actual units of water provided for the entire Condominium Property by the central mechanical plant. The actual total cost computation shall include all expenses related to the operation of the central mechanical plant and control system, including gas and electric energy, documented repair and maintenance expense, engineer staffing expense, service contracts, supplies and chemicals.

B. Domestic Water Service. The Association will supply domestic water to the Commercial Units. Domestic water will be provided through a flow meter indicating the amount used by each Commercial Unit. The reimbursement for the domestic water shall be based on the metered consumption multiplied by a unit cost. The unit cost shall be the actual unit cost billed to the Association by the Louisville Water Company for the same billing period.

C. Sanitary Sewer Service. The Association will supply sanitary sewer service to the Commercial Units. The reimbursement for the sanitary sewer service shall be a pro-rata share of the amount billed to the Association by the Metropolitan Sewer District. The pro-rata share shall be computed by dividing the actual metered amount of domestic water provided to the Commercial Units by the actual metered amount of domestic water billed to the Condominium Property by the Louisville Water Company for the same billing period.

D. Storm Sewer Service. The Commercial Units shall participate in the annual cost of storm sewer service on a percentage ownership allocation basis.

E. Electric Service. Power for the Commercial Units is provided through the transformer and switchgear serving the entire Condominium Property. Separate meters will be installed and separate accounts established for the Commercial Units, and payment for electricity used will be made directly to the Louisville Gas & Electric Company by the Commercial Unit owners at no cost to the Association.

F. Emergency Generator and Transfer Switch. The Commercial Units will utilize the building emergency power system as required for building code compliance. The reimbursement for the emergency generator service shall be based on the actual total cost of the operation of this system and allocated on a percentage ownership basis. The computation of total cost shall include all expenses related to the operation and testing of this central system, including documented repair and maintenance expense, engineer staffing expense, service contracts, inspection services and fuel.

G. Gas Service. The Commercial Units will be supplied by a service entrance and meter which is separate from the gas service supplying the remainder of the Condominium Property. Separate accounts will be established, and payment for gas consumption will be made directly to the Louisville Gas & Electric Company by the Commercial Unit owners at no cost to the Association.

END OF DOCUMENT