

EXHIBIT H  
BYLAWS  
OF  
COBBLESTONE COUNCIL OF CO-OWNERS, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is Cobblestone Council of Co-Owners, Inc., hereinafter referred to as the Council. The principal office of the Council shall be located at 1436 Glasgow Boulevard, Louisville, Kentucky 40241, but meetings of Members of the Council and Board of Directors may be held at such places within the Commonwealth of Kentucky as may be designated by the Board of Directors.

ARTICLE 2

DEFINITIONS

Each of the terms used herein shall have the same meaning as set forth in the Declaration of Master Deed for Cobblestone Condominium ("Declaration") made by Hills Communities, Inc., an Ohio corporation ("Developer") dated January 23, 2001, and of record at the Jefferson County Clerk's office at Louisville, Kentucky. The Declaration may be, from time to time, amended or supplemented.

ARTICLE 3

MEETING OF MEMBERS

Section 3.1 Annual Meetings. The first Annual Meeting of the Members shall be held within one (1) year from the date of incorporation on such date as the initial Board shall determine. Each subsequent regular Annual Meeting of the Members shall be held in the Commonwealth of Kentucky, within the last quarter of each calendar year, upon proper notice, at a date, time and place as may be reasonably set by the Board of Directors (hereinafter referred to as "Board" or "Director"). If the day for the Annual Meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. Each Annual Meeting shall be open to all Members.

Section 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board. Special meetings shall be called by the President upon written request, delivered to the President in person or by certified mail, of Members having at least twenty-five percent (25%) of the voting power of all Members. Upon receipt of this request, the President shall immediately cause written notice to be given of the special meeting to be held on a date not less than seven (7) nor more than thirty (30) days after receipt of this request. If written notice is not given to the Members within ten (10) days after the delivery of the request, the Members making the request may call the special meeting and give written notice of it.

Section 3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least seven (7) days, but no more than thirty (30) days before such meeting to each Member entitled to vote thereat. The notice shall be addressed to the Member's address last appearing on the books of the Council, or supplied by such Member to the Council for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notice of the date, time and place, and purpose(s) of any meeting of Members may be waived by any Member, before or after the meeting, by a writing filed with the records of the Council. The attendance of any Member 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 Member of notice of the meeting.

Section 3.4 Quorum. Except as may be otherwise provided by law, the Articles of Incorporation, the Declaration, or these Bylaws, there shall be a quorum at any meeting of Members where Members who hold at least twenty percent (20%) of the total voting power of Members in good standing are present, in person or by proxy. For a vote on any matter to be valid, the quorum requirement must also be met at the time of completion of that vote. If such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 3.5 Adjourned Meetings. If at any regular or special meeting of the Members of the Council a quorum is present it shall be deemed present for quorum purposes for the remainder of the meeting, except as otherwise required by Kentucky law. Also if a quorum is not present, a majority of those Members present and entitled to vote may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. When the meeting reconvenes, the quorum requirement shall be two-fifths (2/5) of the votes of the membership of the corporation and any business which might lawfully have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.6 Proxies. At all meetings of Members, each Member may vote in person or by proxy. The person designated a proxy need not be a Unit Owner. All proxies shall be in writing and filed with the Secretary at least twenty-four (24) hours prior to the meeting, except that the Board may waive this time requirement for a particular meeting if the waiver would not delay the meeting

and would otherwise be fair and reasonable. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit, except as otherwise provided in the Declaration or the Articles of Incorporation, about the proxy given to the Developer. 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.

Section 3.7 Voting by Mail by Council Members. Any Council Member may cast his written vote by mail on any proposal voted upon at any meeting of the Members of the Council by sending such written vote to the Secretary of the Council within the period seven (7) days before the date of the meeting. Such written votes shall be filed with the records of the Council and, in no event, shall any action be taken or approved by the Council with the approval of less than the percentage of voting power required by the provisions of the Declaration or without the consent of any party that is required by any of said provisions. Members who have voted by mail shall not be counted in determining whether the quorum has been met at a meeting of the Members.

Section 3.8 Members. Every Unit Owner shall be a Member of the Council, and such membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 3.9 Voting. Each Member shall be entitled to one (1) vote for each Unit owned by such Member; provided that any Member (a) with respect to whom a notice of Default has been issued by the Board pursuant to the Declaration, or (b) who has had his right or privilege of use and enjoyment of the Common Areas suspended pursuant to the Declaration, shall not be entitled to vote during any period in which any such Default or suspension continues; and further provided that if a Unit shall be owned by more than one (1) Unit Owner, such Unit Owners shall be deemed to constitute a single Member as to such Unit for purposes of this Section.

Unless otherwise expressly set forth by law, the Declaration, the Articles of Incorporation or these Bylaws, the affirmative vote of fifty-one percent (51%) of the voting power of the Members voting on any matter at a meeting of Members shall be sufficient to determine that matter, provided that any quorum requirement is met at the time of completion of that vote.

Section 3.10 Order of Business. The order of business at all meetings of Members 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 meeting; (5) reports of officers; (6) report of committees; (7) election of the Board of Directors (when appropriate); (8) unfinished and/or old business; (9) new business; (10) adjournment.

Section 3.11 Action by Council Members Without a Meeting. Any action which may be authorized or taken at a meeting of the Members may be authorized or taken without a meeting in a writing or writings signed by Members having a simple majority of the total voting power of all Members in good standing, which writing(s) shall be filed with the records of the Council. Written notice of any action proposed to be taken by such written consent of Members shall be sent to all

parties who are entitled to notices under the Declaration not less than five (5) days prior to commencing the circulation of the action for written consent among the Members.

Section 3.12 Developer's Proxy. Notwithstanding the foregoing to the contrary, for a period of ten (10) consecutive years, beginning with the date of the recording of the Declaration, renewable for an additional ten (10) year period with the consent of a majority of Unit Owners other than the Developer, the Developer, or such person or entity as the Developer has designated in writing, shall have the irrevocable proxy, coupled with an interest, to vote the vote of every Member of the Council, unless sooner terminated by the Developer as provided in Article 4 of the Declaration. Each Unit Owner grants the Developer this irrevocable proxy by accepting a deed to a Unit. This proxy power may not be used by the Developer to amend the Declaration and/or Bylaws except (1) to make such amendments as are necessary or desirable to expand the Condominium Project within the limits specified in the Declaration, and (2) to make such changes to the Declaration and/or Bylaws as provided for in Section 16.2 of the Declaration.

#### ARTICLE 4

#### BOARD OF DIRECTORS-TERM OF OFFICE

Section 4.1 Number. The affairs of the Council shall be managed by a Board of not less than three (3), but no more than five (5) Directors during the Development Period (as defined below), and by a Board of five (5) Directors during the Post Development Period, which shall mean that period after the Development Period. During the Development Period, the Developer has the sole right to appoint all Directors. Directors appointed by the Developer need not be Members of the Council. A Director elected by Unit Owners must be a Unit Owner or a spouse of 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. Directors shall serve without compensation.

Not more than thirty (30) days after the earlier of the following events occurs, the President of the Council shall call a special membership meeting ("Development Period Special Meeting"):

- (a) the Developer no longer owns a Unit in the Condominium;
- (b) the Developer gives up, in writing, the right to appoint Directors; or
- (c) ten (10) years has passed since the date of recording of the Declaration, renewable for an additional ten (10) year period with the consent of a majority of Unit Owners other than the Developer.

At the Development Period Special Meeting, the Developer appointed Directors shall be deemed removed from office, and the Unit Owners, including the Developer if it is then an Owner,

shall elect a new Board consisting of five (5) Directors who all shall be Unit Owners or who shall otherwise be qualified pursuant to the first paragraph of this Section 4.1 above to be a Director. The persons so elected shall take office immediately upon election.

Notwithstanding anything above to the contrary, the Developer may, by written notice to the Board, at or before any Annual Meeting, relinquish to the Unit Owners, the Developer's right to elect one or more Directors at such Annual Meeting pursuant to this Section.

Section 4.2 Term of Office. The Board of Directors during the Development Period shall be elected at the Annual Meetings, by the Developer, or at any special meeting called for that purpose. During the Post Development Period, the Board of Directors shall be elected at the Annual Meetings, by the Unit Owners, or at any special meeting called for that purpose.

The terms of not less than one-third ( $\frac{1}{3}$ ) of the Directors shall expire annually. Accordingly, the Directors elected by the Unit Owners at the "Development Period Special Meeting" shall be elected to staggered terms of the following lengths: two (2) Directors shall be elected to serve until the next Annual Meeting following the Development Period Special Meeting, and three (3) Directors shall be elected to serve until the second Annual Meeting following the Development Period Special Meeting. The three (3) Directors with the most votes shall be the Directors who shall serve until the second Annual Meeting following the Development Period Special Meeting.

A Director appointed by the Developer during the Development Period shall serve until the Developer removes the Director, the Director dies or resigns, or a successor is elected by the Unit Owners at the Development Period Special Meeting. Each Director elected by the Unit Owners after the "Development Period Special Meeting" shall serve for a two-year term and shall remain a Director until the earlier of (a) the next Annual Meeting of Unit Owners and until a successor is elected, or (b) until the Director's earlier resignation, removal from office, or death.

Section 4.3 Resignation; Removal; Vacancies. A Director may resign at any time by giving written notice to the Board, the President or the Secretary. The resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

A Director appointed by the Developer may be removed by the Developer 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 the Members, after which that Director may be removed, with or without cause, by a majority vote of the Members voting at a meeting of the Members.

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 Developer shall appoint a successor for any appointed Director, and the Members shall elect a successor for any

elected Director using the procedure set forth in Section 4.2 above, at any Annual Meeting of the Members or at any special meeting of the Members called for the purpose of filling this vacancy.

Section 4.4 Compensation. No Director shall receive compensation for any service he or she may render to the Council, however, any Director shall be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 4.5 Number of Initial Board. Notwithstanding any other provision of these Bylaws to the contrary, the initial Board shall consist of three (3) persons appointed by the Developer and shall serve at the pleasure of the Developer.

## ARTICLE 5

### NOMINATION AND ELECTION OF DIRECTORS

Section 5.1 Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Council. The Nominating Committee shall be appointed by the Board prior to each Annual Meeting of the Members, to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among Members or non-members. Notwithstanding the foregoing, as long as the Developer has the right to appoint all Directors, the Developer also has the right to nominate all Directors.

Section 5.2 Election. Elections to the Board shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE 6

### MEETINGS OF DIRECTORS

Section 6.1 Regular Meeting. Unless waived by the Board, regular meetings of the Board shall be held no less than quarterly, on the date and at the time and place fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2 Special Meetings. Special meetings of the Board shall be held when called by the President of the Council, or by a majority of Directors.

Section 6.3 Notice of Meetings; Attendance by Members. 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, facsimile, telegram or telephone at least seven (7) days before the meeting. The notice need not specify the purposes(s) of the 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 Members of organizational, regular, or special meetings of the Board, however, a non-Director Member 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 Council who is presiding at the meeting. A non-Director Member may not vote at a meeting of the Board.

Section 6.4 Waiver of Notice. Any requirement of notice to a Director provided under this Article 6 may be waived by the Director entitled thereto by written waiver of such notice signed by the Director and filed with the Secretary of the Council. Attendance at a meeting is considered waiver of notice.

Section 6.5 Quorum; Adjournment. A simple 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.

Section 6.6 Voting Power. At any meeting of the Directors 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 and these Bylaws. The President may cast an additional vote to break a tie vote on any matter.

Section 6.7 Action Taken 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 the records of the Board. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 7POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. The Board shall exercise all powers and authority, under law, and under the provisions of the Declaration, that are not specifically and exclusively reserved to the Members by law or by other provisions thereof, and without limiting the generality of the foregoing, the Board shall have the right, power and authority to:

- (a) Adopt and publish rules and regulations governing the use of the Common Areas and Limited Common Areas and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors or five (5) regular meetings of the Board of Directors within the fiscal year;
- (c) Obtain insurance coverage not less than that required pursuant to the Declaration;
- (d) Enforce the covenants, conditions and restrictions set forth in the Declaration;
- (e) Repair, maintain, and improve the Common Areas and Limited Common Areas, if required under the Declaration;
- (f) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Council, as more fully provided in the Declaration;
- (g) Employ a manager, an independent contractor and/or such other employees as it deems necessary, and to prescribe their duties; and
- (h) Exercise for the Council all powers, duties and authority vested in or delegated to the Council by provisions of these Bylaws, the Articles of Incorporation, or the Declaration not specifically reserved thereby to others, including any powers necessary or convenient to carry out its duties and authority. The powers of the Board shall be construed to be as broad as possible.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or at any special



meeting when such statement is requested in writing by Members who together can cast one-fourth (1/4th) of the votes of the Council;

(b) Supervise all Officers, agents and employees of the Council, and to see that their duties are properly performed, with the Board having full power to hire and fire;

(c) As more fully provided in the Declaration, to:

(1) Establish, enforce, levy and collect assessments as provided in the Declaration;

(2) Give written notice of each assessment to every Member subject thereto within the time limits set forth therein;

(3) Foreclose the lien against any property for which assessments are not paid within a reasonable time after they are authorized by the Declaration to do so, or bring an action at law against the Member(s) personally obligated to pay the same, or both;

(d) Issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain insurance as provided in the Declaration, and as the Board deems advisable;

(f) Cause the property subject to the Council's jurisdiction to be maintained within the scope of authority provided in the Declaration;

(g) Cause the restrictions created by the Declaration to be enforced; and

(h) Take all actions deemed necessary or desirable to comply with all requirements of law and the Declaration.

Section 7.3 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 Members and their families, tenants, and invitees. The Board, or any committee created by the Board, may impose fines on a Member who violates, or whose family members, tenants or invitees violate the Rules and Regulations. The Board may establish a schedule of fines for particular violations of the Rules and Regulations to be paid by any Member who violates such Rules and Regulations. Any fines assessed by the Board shall be due and payable on the date the next installment of the regular assessment is due. In the event that a Member shall fail to pay when due any fines assessed by the Board under this Section, then the

amount of the assessed fines, in addition to any and all expenses incurred by the Board in enforcing this Section, including reasonable attorneys' fees to the extent permitted by Kentucky law, may be levied as a special assessment against the Unit Owner in question and his or her Unit. The levying of a fine against a defaulting or delinquent Member shall not operate as a waiver of any other rights that the Board may have against such Member pursuant to the Declaration or these Bylaws. In the event such Rules and Regulations shall conflict with any provisions of the Declaration or these Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 7.4 Annual Review. The Board may arrange annually for a certified public accountant to review the Council's books. The review shall be completed prior to each Annual Meeting of the Members. Upon written request, the Board shall provide a first mortgagee with a copy of any annual review report.

## ARTICLE 8

### OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Officers. The Council 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 shall be Members or representatives of the Developer.

Section 8.2 Election of Officers. Prior to the Development Period Special Meeting, the Officers of the Council will be elected by the Board of Directors at the Annual Organizational Board Meetings. Thereafter, the Officers of the Council will be elected by the Board of Directors promptly after the Development Period Special Meeting and at each Annual Organizational Board Meeting and the persons so elected shall take office immediately upon election.

Section 8.3 Term. The Officers of this Council shall be elected annually by the Board and each shall hold office for one (1) year and until a successor is elected, unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 8.4 Special Appointments. The Board may elect such other Officers as the affairs of the Council may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.5 Resignation and Removal. The Board may remove any Officer at any time, with or without cause, by a majority vote of the Directors. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6 Vacancies. A vacancy in any office may be filled by appointment of the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Section 8.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall hold more than two (2) offices simultaneously. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article, or except by resolution of seventy-five (75%) percent of the Board of Directors. No Officer shall execute an instrument in more than one capacity if the signatures of two or more Officers are required by law, the Articles of Incorporation, the Declaration or these Bylaws.

Section 8.8. Duties. The duties of the Officers are as follows:

(a) President. The President shall be the chief executive officer of the Council and shall preside at all meetings of the Members and all meetings of the Board and shall see that orders and resolutions of the Board are carried out. The President may sign all legal instruments authorized by and on behalf of the Council.

(b) Vice-President. The Vice-President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the names and addresses of Members; give each Member a copy of any Rules and Regulations or amendments thereto; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Council and shall disburse such funds as directed by resolution of the Board; keep proper books of accounts, specifying the receipts and expenses, together with records showing the allocation, distribution, and collection of the common profits, losses, and expenses among and from the Members; and shall prepare an annual budget and annual statement of income and expenditures to be presented to the Members at the Annual Meeting, with a copy to be mailed or delivered to each Member.

Section 8.9 Reliance on Professional Advice. As long as the Directors and the Officers are acting in good faith, the Directors and Officers may rely upon the advice of professionals hired or retained to advise the Council. It is understood that the Directors and Officers will, likely as not, be unpaid volunteers and will have full-time employment elsewhere.

ARTICLE 9COMMITTEES

The Board may appoint and disband such committees as it chooses.

ARTICLE 10INDEMNIFICATION PROVISIONS

In addition to any other right or remedy to which the persons hereinafter described may be entitled, under the Articles of Incorporation, Bylaws, Declaration, any other agreement, or by vote of the Members or otherwise, the Council shall indemnify any Director or Officer of the Council or former Director or Officer of the Council, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a Director or Officer of the Council, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Council, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, 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 termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Council, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. 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 Council 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 Council by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Council as Common Expenses. Nothing in this Section shall be deemed to obligate the Council to indemnify any Member, who is or who has been a Director or Officer, with respect to any duties or obligations assumed or liabilities incurred by the Member as a Member rather than as a Director or Officer.

## ARTICLE 11

### MISCELLANEOUS

Section 11.1 Service of Notices on the Board of Directors. Notice required to be given to the Board of Directors or to the Council may be delivered to any Directors or Officer of the Council either personally or by certified mail addressed to such Director or Officer at his residence address.

Section 11.2 Service of Notices on Devisees and Personal Representatives. Notice required to be given to any devisee or personal representative of a deceased Owner may be delivered either personally or by certified mail to such party at his, her or its address appearing on the records of the Court within the state of such deceased Owner is being administered.

Section 11.3 Nondiscrimination. No Member (including the Developer) and no employee, agent, or representative of a Member shall discriminate on the basis of sex, race, color, creed, or national origin in sale or lease of any Unit, or in the use of the Common Areas.

Section 11.4 Nonwaiver 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 a 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 deemed to be a waiver of any subsequent exercise of such a right, power, or privilege, or be or privilege, nor shall any single or partial exercise of any right, power, or privilege preclude any other or future 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, owners, and privileges may be exercised simultaneously or consecutively.

Section 11.5 Board's Power to Bind. A lawful agreement or determination made by the Board or an Officer, in accordance with procedures established in the Declaration and Bylaws, shall bind all Members, their successors and their assigns.

Section 11.6 No Act of Business for Profit. These Bylaws shall not be construed to give the Council authority to conduct any act of business for profit on behalf of one or more Members.

Section 11.7 Books and Records. The books, records and papers of the Council shall at all time, during reasonable business hours, be subject to inspection by any Member. The Declaration, Articles of Incorporation, Bylaws and Rules and Regulations shall be available for inspection by any Member at the principal office of the Council or at such other reasonable place as the Board might direct, where copies may be purchased at reasonable cost.

Section 11.8 Fiscal Year. The fiscal year shall begin on the first day of January of every year, except that the first fiscal year of the Council shall begin at the date of incorporation. The commencement date of the fiscal year herein established may be changed by the Board of Directors.

Section 11.9 Execution of Corporation Documents. With the prior authorization of the Board of Directors, all notes, contracts and other documents shall be executed on behalf of the Council by either the President or the Vice-President, and all checks and other drafts shall be executed on behalf of the Council by such Officers, agents or other persons as are, from time to time, by the Board, authorized so to do.

Section 11.10 Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 11.11 Amendments. These Bylaws may be amended from time to time, at any Annual Meeting or special meeting of the Members in accordance with the provisions set forth in the Declaration for Amendment thereto. Notwithstanding the foregoing, the Developer, or any person or entity whom the Developer has designated, must consent in writing to the amendment before the amendment is effective if the amendment is passed during the Development Period.

Section 11.12 Governing Law. The Bylaws shall be interpreted and enforced under the laws of the Commonwealth of Kentucky.

Section 11.13 Perpetuities; Restraints on Alienation. If an option, privilege, covenant, or right created by the Bylaws shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) rule restriction restraints on alienation, or (c) any other statutory or common law rule imposing time limits, then that provision shall continue only until twenty-one years after the death of the last survivor of the now living decedents of William Jefferson Clinton.

Section 11.14 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, the Articles of Incorporation or the rest of the Bylaws.

Section 11.15 Heirs, Successors and Assigns. These Bylaws shall be binding upon and shall inure to the benefit of the Council, the Developer, Members and the Developer's and Members' heirs, successors, and assigns.

Section 11.16 Transition. The Developer and the Directors may take such acts as are reasonably necessary or desirable, as long as not forbidden by Kentucky law, to effectuate the transition of the Condominium from control by the Developer to control by the Unit Owners.

Section 11.17 Interpretation. These Bylaws shall be interpreted reasonably and in good faith. They should not be applied so strictly so as to thwart justice or common sense. Kentucky law shall control. If the Bylaws or the Articles of Incorporation are silent on a subject, the Directors may follow the applicable corporation law of Kentucky and shall have all powers given to a board of directors under the applicable corporation laws of Kentucky. This Section headings are for convenience only and shall not affect the meaning or construction of the Bylaws. A reference to a specific Section without a 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.

ADOPTED this 23 day of January, 2001.

COBBLESTONE COUNCIL OF CO-OWNERS, INC.,  
a Kentucky non-profit corporation

By: \_\_\_\_\_

Named: Valerie G. Foe

Title: President

CONSENT OF MORTGAGEE

The Fifth Third Bank, an Ohio banking corporation and the holder of a mortgage deed to the premises recorded in the Official Records of Jefferson County, Kentucky at Mortgage Book 5206, Page 483 hereby consents to the execution and delivery of the foregoing Declaration of Master Deed, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects and subordinates the above-described mortgage to the provisions of the foregoing Declaration with attached exhibits.

IN WITNESS WHEREOF, The Fifth Third Bank, by its authorized officer, has caused the execution of this Consent this 24 day of JANUARY, 2001.

Signed and acknowledged  
in the presence of:

Donna M Betsch  
Printed: DONNA M BETSCH  
Dawn Popp  
Print: Dawn Popp

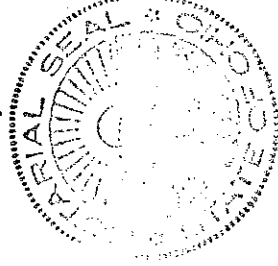
THE FIFTH THIRD BANK, an Ohio  
banking corporation

By: [Signature]  
Name: MARK A. CAESAR  
Title: VICE PRESIDENT

STATE OF OHIO )  
                          : ss:  
COUNTY OF HAMILTON )

The foregoing instrument was acknowledged before me this 24 day of JANUARY, 2001, by MARK A CAESAR, as VICE PRESIDENT of The Fifth Third Bank, an Ohio banking corporation, on behalf of the corporation.

Donna M Betsch  
Notary Public



This instrument prepared by:

[Signature]  
Susan J. Moeller, Esq./ Jody T. Klekamp, Esq.  
KEATING, MUETHING & KLEKAMP, P.L.L.  
1400 Provident Tower  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-6954

DONNA M. BETSCH  
Notary Public, State of Ohio  
My Commission Expires Dec. 19, 2004



CONSENT OF MORTGAGEE

Hills Financial Group, A Limited Partnership, an Ohio limited partnership and the holder of a mortgage deed to the premises recorded in the Official Records of Jefferson County, Kentucky at Mortgage Book 5206, Page 483 hereby consents to the execution and delivery of the foregoing Declaration of Master Deed, with exhibits thereto (the "Declaration"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects the above-described mortgage to the provisions of the foregoing Declaration with attached exhibits.

IN WITNESS WHEREOF, Hills Financial Group, A Limited Partnership, by its authorized partner, has caused the execution of this Consent this 23 day of JANUARY, 2001.

Signed and acknowledged  
in the presence of:

HILLS FINANCIAL GROUP, A  
LIMITED PARTNERSHIP, an Ohio  
limited partnership

By: Hills Developers, Inc., an Ohio  
corporation, General Partner

Wendy A Bassman  
Printed: WENDY S. BASSMAN

By: Stephen Guttman, Pres.  
Name: Stephen Guttman  
Title: President

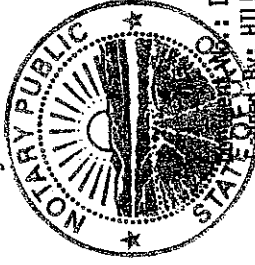
Wendy A Bassman  
Print: Wendy A. Bassman

STATE OF OHIO )  
                          ) SS:  
COUNTY OF HAMILTON )

The foregoing instrument was acknowledged before me this 23 day of JAN, 2001, by Stephen Guttman, President of Hills Developers, Inc., an Ohio corporation, as General Partner of Hills Financial Group, A Limited Partnership, an Ohio limited partnership, on behalf of the corporation and partnership.

This instrument prepared by:  
Wendy A. Moeller  
Susan J. Moeller, Esq. / Jody T. Klekamp, Esq.  
KEATING, MUETHING & KLEKAMP, P.L.L.  
1400 Provident Tower  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-6954

Wendy A Bassman  
Notary Public



WENDY S. BASSMAN  
Notary Public - State of Ohio  
My Commission Expires  
June 19, 2005

BOOK 07590 PAGE 0631

Recorded On: 02/12/2001 03:19:32  
Total Fees: 270.00  
Transfer Tax: .00  
County Clerk: Bobbie Holtsclaw-JEFF CO KY  
Deputy Clerk: KELMEL

CONFIDENTIAL

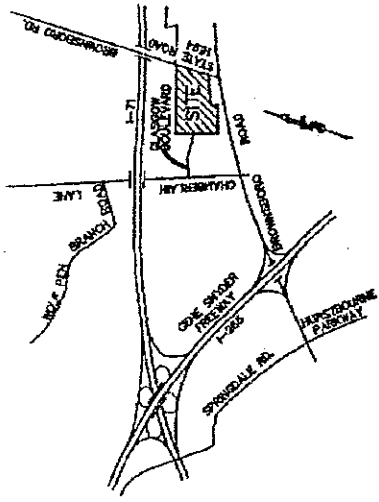
END OF DOCUMENT  
BOOK 80 PAGE 39-41  
FILE NO. 1314

BEARINGS & DISTANCES

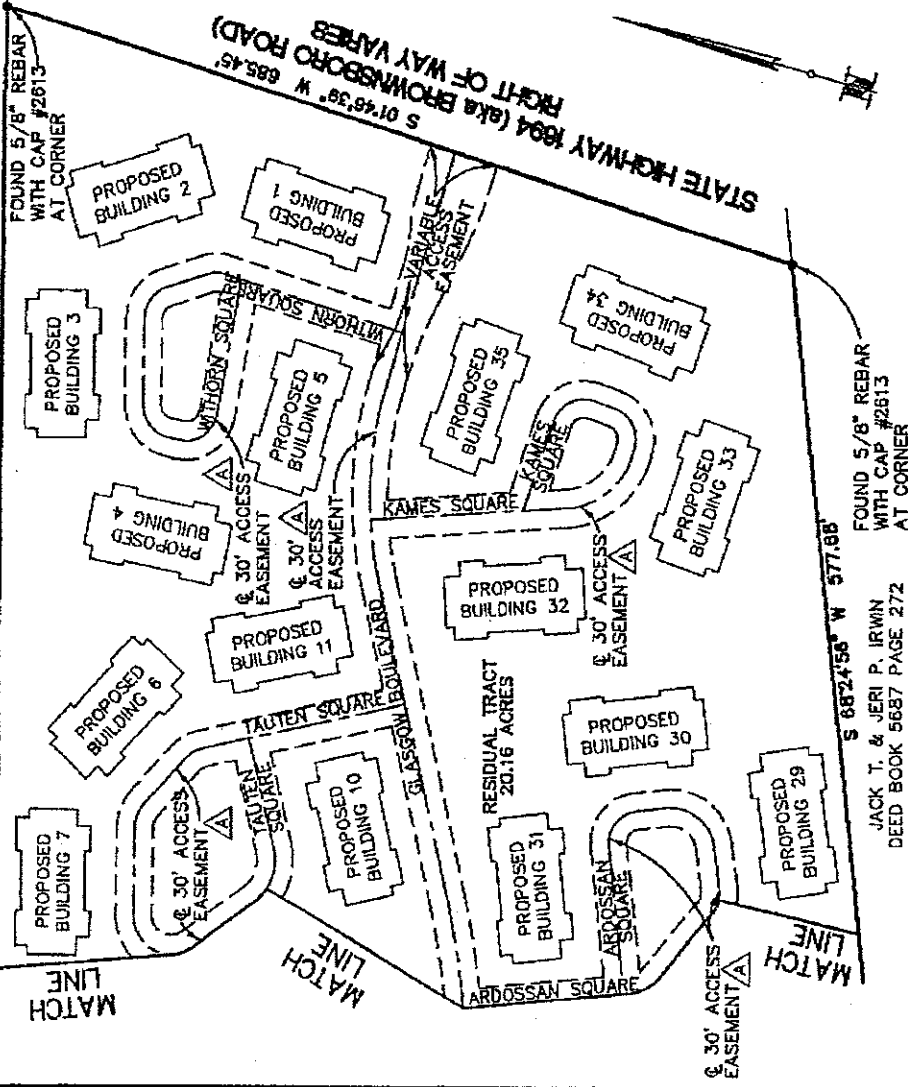
- ① S 77°51'51" E 22.18' R=333.00'
- ② S 75°56'18" E 38.53' R=500.00'
- ③ S 80°28'19" E 79.04' R=500.00'

ROBERT W. STADER  
DEED BOOK 6899 PAGE 604

LOCATION MAP  
NO SCALE



N 75°12'33" E 1238.74'



STATE OF KENTUCKY  
JOHN M. THOMAS  
3259  
LICENSED PROFESSIONAL LAND SURVEYOR

Land Surveyor's Certificate

I hereby certify that the survey depicted by this plat was performed by persons under my direct supervision by the method of random traverse with sideshots and the unadjusted precision ratio of traverse exceeds 1:12,982. The bearings, distances and traverse shown herein were adjusted for closure. This survey meets or exceeds the minimum standards for a class "A" survey as established by the state of Kentucky, per 201 KAR 18:150 and in effect on the date of this survey.

- DENOTES SET 1/2" REBAR W/ CAP #3259, UNLESS NOTED.
- FOUND MONUMENT AS NOTED
- △ COMPUTED UNMARKED POINT



PHASE 1 EXHIBIT

OWNER: HILLS COMMUNITIES, INC.  
D.B. PG.

7420 MONTGOMERY ROAD  
CINCINNATI, OHIO 45236  
TAX BLOCK 39 LOT 24

LOCATION: BROWNSBORO ROAD, ±  
SOUTH OF INTERSTATE 265

DATE: 1-10-2000 SCALE: 1"=120'

JOHN M. THOMAS PLS# 3259

DATE:

MINDEL • SCOTT & ASSOCIATES INC.  
PLANNING • ENGINEERING • SURVEYING  
LANDSCAPE ARCHITECTURE

P.O. BOX 7246 Louisville, Kentucky 40257-0246  
(502) 485-1508

EXHIBIT GRECREATIONAL FACILITIES EASEMENT AGREEMENT

THIS RECREATIONAL FACILITIES EASEMENT AGREEMENT (the "Agreement") is made as of the 23rd day of January, 2001 by and between **HILLS COMMUNITIES, INC., an Ohio corporation** ("Hills"), **COBBLESTONE HOMEOWNERS' ASSOCIATION, INC., a Kentucky non-profit corporation** (the "Cobblestone Estates Association") and **COBBLESTONE COUNCIL OF CO-OWNERS, INC., a Kentucky non-profit corporation** ("Cobblestone Condominium Council"), under the following circumstances:

A. Hills, as Declarant desires to create and develop certain real estate in Jefferson County, Kentucky, and commonly known as "Cobblestone Estates". Cobblestone Estates is more particularly described on Exhibit A attached hereto and made a part hereof (hereinafter the "Cobblestone Estates Property"). The Cobblestone Estates Property will be or already has been subdivided into "Lots". Hills intends to construct on each Lot (except the common area real estate) a single-family residence to be conveyed and owned by one or more persons or entities and used for residential purposes ("Cobblestone Estates Dwelling Unit Owners"). The common area real estate ("Cobblestone Estates Common Areas") is to be owned by the Cobblestone Estates Association to which the Cobblestone Estates Dwelling Unit Owners will be Members and will pay lien-supported maintenance assessments, pursuant to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions for Cobblestone Estates to be filed with the Jefferson County, Kentucky Clerk's Office, as amended (the "Declaration of Cobblestone Estates").

B. Hills, as Developer desires to create and develop certain real estate known as the "Cobblestone Condominium" in accordance with the provisions of KRS 381.805 to 381.910, which is adjacent to the Cobblestone Estates Property and is an expandable condominium project located in the City of Louisville, Jefferson County, Kentucky. The Cobblestone Condominium will consist of units to be owned by one or more persons or entities and used for residential purposes ("Cobblestone Condominium Unit Owners") and as common area real estate ("Cobblestone Condominium Common Areas") which each Cobblestone Condominium Unit Owner shall own an undivided interest in according to their percentage interest in the Cobblestone Condominium Common Areas. The Cobblestone Condominium Common Areas are to be maintained by the Cobblestone Condominium Council, to which the Cobblestone Condominium Unit Owners must pay their proportionate share of the maintenance assessments, pursuant to the terms and conditions of the Declaration of Master Deed for Cobblestone Condominium to be filed with the Jefferson County, Kentucky Clerk's Office, as amended (the "Declaration of Cobblestone Condominium"). The Cobblestone Condominium shall initially consist of a 0.91 acre tract, as depicted on the Site Plan attached hereto as Exhibit B and made a part hereof (hereinafter the "Cobblestone Condominium Property").

C. Hills has reserved in the Declaration of Cobblestone Condominium the right to submit all or any of the expansion property which is depicted on the Site Plan as the "Residual Tract"

attached hereto as Exhibit B, to the provisions of Section 381.805 and 381.910 of the Kentucky Revised Statute by amending the Declaration of Cobblestone Condominium and adding all or any part of said property to Cobblestone Condominium (hereinafter the "Cobblestone Condominium Expansion Property"). (The Cobblestone Estate Property, the Cobblestone Condominium Property and the Cobblestone Condominium Expansion Property shall be collectively referred to herein as the "Property").

D. Hills has constructed or intends on constructing certain recreational facilities, which include a swimming pool, tennis court and other amenities, to be located on a portion of the land which is a part of the Cobblestone Estates Common Areas, which land is more particularly described in Exhibit C, attached hereto and made a part hereof (the "Recreational Facilities").

E. Hills desires to have the Recreational Facilities serve and benefit Hills, the Cobblestone Estates Dwelling Unit Owners, the Cobblestone Condominium Unit Owners, the owners of any other lots subject to a homeowners association which may be constructed on the Property (the "Other Homeowner Lot Owners"), the owners of any other condominium units which may be constructed on the Property (the "Other Condominium Unit Owners"), the owners of any single family residence which may be constructed on the Property (the "Residences Owners") and the owners of any apartment buildings which may be constructed on the Property ("Apartment Building Owners"). As used herein, "Residence" shall mean any structure occupied and used or designed to be occupied and used by one (1) family as a permanent place of abode. As used herein, "Apartment Building" shall mean any structure, other than property subject to Section 381.805 to 381.910 of the Kentucky Revised Statute, which consists of two or more separate dwelling units, any one of which is the subject of or designed to be the subject of a rental agreement, as defined by Section 383.545 of the Kentucky Revised Code or any similar statute hereinafter enacted.

NOW, THEREFORE, in consideration of the premises and for the purpose of providing that the Recreational Facilities shall be available to the Cobblestone Estates Dwelling Unit Owners, Cobblestone Condominium Unit Owners, Other Homeowner Lot Owners, Other Condominium Unit Owners, Residences Owners and Apartment Building Owners (collectively, the "Owners"), Hills, the Cobblestone Estates Association and the Cobblestone Condominium Council agree as follows:

1. RECREATIONAL FACILITIES EASEMENT. Hills hereby grants to the Cobblestone Estates Association, the Cobblestone Condominium Council, and each of the Owners a perpetual, non-exclusive easement, appurtenant to the part of the Property owned by such Owners, to be used in common with Hills, its successors, assigns and agents, on over and across the Recreational Facilities; any part of the Property on which the Recreational Facilities may be located; and any part of the Property on which any pathway or walkway to the Recreational Facilities may be constructed or installed for the purpose of connecting and providing ingress and egress to any part of the Property with the Recreational Facilities ("Recreational Facilities Easement"), which Recreational Facilities shall be used and enjoyed by such Owners, and such Owners' tenants,

invitees and licensees. Such rights and privileges to use and enjoy the Recreational Facilities shall be subject to the right of the Cobblestone Estates Association, to adopt and enforce, and from time to time amend reasonable rules and regulations pertaining to the use of the Recreational Facilities, including regulations limiting the number of guests of Owner and residents who may use the Recreational Facilities at any one time. Such right of use is subject to the right of Cobblestone Estates Association to suspend the right of any Owners or the privilege of any resident of a unit or lot to use the Recreational Facilities for any infraction of the rules and regulations relating to the Recreational Facilities for a period of not to exceed sixty (60) days for each infraction thereof. In addition, the Cobblestone Estates Association shall, pursuant to its authority and through its Board of Directors (the "Board"), have the right to suspend the right of any Owner and the privilege of any resident of a unit or lot claiming through any Owners to use the Recreational Facilities for the non-payment or delinquency of the General Assessment (as hereinafter defined) for a period not to exceed the period of such delinquency. The rights of the Owners, the Cobblestone Estates Association, the Cobblestone Condominium Council and Hills to use and enjoy the Recreational Facilities shall also be subject to easements, restrictions and rights to which the Recreational Facilities are subject now or in the future.

2. NEED FOR REPAIR AND MAINTENANCE. The Recreational Facilities shall be maintained in good condition and repair, to a standard which is consistent with other first-class recreational facilities in the Louisville, Jefferson County, Kentucky area. The decision to perform maintenance or make repairs or improvements to the Recreational Facilities shall be made by the Cobblestone Estates Association, which shall include, but not be limited to, snow and ice removal, debris removal, sweeping, paving and striping of the driveways, parking areas and tennis courts, insect infestation, chemical treatment of the swimming pool, resurfacing the tennis court and parking areas, cutting of the grass and shrubs and planting of flowers. If Cobblestone Condominium Unit Owners, the Other Homeowner Lot Owners, the Other Condominium Unit Owners, Residence Owners and/or Apartment Building Owners object to the performance of such repairs, maintenance and/or improvements, then such Owner or Owners may submit the question to the American Arbitration Association, Louisville, Kentucky office ("AAA") which shall decide the matter. Any initial deposit required by the AAA to secure the costs of the arbitration proceedings, shall be paid by the Owner or Owners requesting the arbitration. The costs of the arbitration shall be paid as the AAA may direct. Notwithstanding the foregoing, if any of the Cobblestone Condominium Unit Owners, Other Homeowner Lot Owners, Other Condominium Unit Owners, Residence Owners or Apartment Building Owners believes that the Recreational Facilities are in need of maintenance, repairs and/or improvements which the Cobblestone Estates Association has, after thirty (30) days following the Cobblestone Estates Association's receipt of such Owner's request for repairs, maintenance and/or improvements, refused to cause the same to be performed, notice of which refusal shall be delivered by the Cobblestone Estates Association to such Owner or Owners within five (5) days following the expiration of the thirty-day period, then any such Owner or Owners may submit the question of whether repairs, maintenance and/or improvements to the Recreational Facilities are necessary to the AAA which shall decide the matter. Any decision rendered by the

AAA shall be binding upon each of the Owners affected thereby. Any initial deposit required by the AAA to secure the costs of the arbitration proceeding shall be paid by the Owner or Owners requesting the arbitration. The costs of the arbitration proceeding shall be paid as the AAA may direct.

3. GENERAL ASSESSMENT. There are hereby established for the benefit of the Cobblestone Estates Association, its successors and assigns, and all Owners on the Property, as a charge on each Cobblestone Estates Dwelling Unit, Cobblestone Condominium Units, Other Homeowners Lots, Other Condominium Units, Residences and/or rental units in Apartment Buildings owned by such Owner, a general annual assessment ("General Assessment"), which shall be used in covering all of the costs of operating, maintaining, repairing, improving, and any reserves for the Recreational Facilities ("Repair and Maintenance Expenses") and of maintaining the liability insurance provided for in Section 12 hereof ("Insurance Expenses"). The General Assessment shall be estimated initially in accordance with Section 4 of this Agreement. The obligation to pay the General Assessment shall not in any manner be dependent on or discharged, or otherwise affected by the use or non-use of the Recreational Facilities or the actual occupancy of any lot or dwelling unit of the Property. Each Owner, by acceptance of a deed, covenants and agrees to pay such General Assessment, except Hills, its successors and assigns, shall not be required to pay the General Assessment for (a) any Cobblestone Estates Dwelling Units which it owns until such time as Hills transfers the first Cobblestone Estates Dwelling Unit in a particular building to a third party; after which, Hills will be responsible for paying eighty percent (80%) of the General Assessment for those Cobblestone Estate Dwelling Units which it still owns in fee simple in that particular building; or (b) any Cobblestone Condominium Units which it owns until such time as Hills transfers the first Cobblestone Condominium Unit in a particular building to a third party; after which, Hills will be responsible for paying eighty percent (80%) of the General Assessment for those Cobblestone Condominium Units which it still owns in fee simple in that particular building (collectively, hereinafter "Reduced General Assessment"). Therefore, in the event that a building is constructed on the Cobblestone Estates Property, and Hills is still the fee owner of all of the Cobblestone Estate Dwelling Units located in that particular building, then Hills shall not be obligated to pay its Reduced General Assessment for those Cobblestone Estate Dwelling Units located in that building ("Excluded Cobblestone Estates Dwelling Units") until such time as the first Cobblestone Estate Dwelling Unit has been conveyed to a third party. Further, in the event that a building is submitted to the Declaration of Cobblestone Condominium pursuant to Section 381.805 to 381.910 of the Kentucky Revised Statute, and Hills is still the fee owner of all of the Cobblestone Condominium Units located in a particular building, then Hills shall not be obligated to pay its Reduced General Assessment for those Cobblestone Condominium Units located in that building ("Excluded Cobblestone Condominium Units") until such time as the first Cobblestone Condominium Unit has been conveyed to a third party. Where an Owner is a Cobblestone Estates Dwelling Unit Owner, Cobblestone Condominium Unit Owner, Other Homeowner Lot Owner or Other Condominium Unit Owner, his/her General Assessment shall be paid by him/her monthly to the homeowners' or condominium owners' association of which he/she is a member as part of the common expenses of

the association of which his/her lot or unit is a part. Each homeowners' and/or condominium owners' association shall be responsible for collecting each of its lot owners' and/or unit owners' General Assessment and shall pay, when due, the total proportionate amount for all lots and/or units in its respective homeowners project and/or condominium project to the Cobblestone Estates Association, whether or not such amounts have been collected by such association from its lot owners and/or unit owners.

4. PAYMENT OF ASSESSMENT. The Board of Cobblestone Estates Association shall budget for the current year's projected costs for the Recreational Facilities. In addition, the Board shall build up and maintain a reasonable reserve for contingencies and for the periodic maintenance, repair and replacement of the Recreational Facilities. So long as there has been no default in payment of the General Assessment, it shall be payable in monthly installments due, in advance, on the first day of each month. The Board shall have the power from time to time to adopt such billing, collection and payment procedures, charges and other payment time schedules as it deems appropriate. The amount of the General Assessment shall be determined from year to year in accordance with the following:

(a) The General Assessment shall be determined by the Board in an amount which the Board estimates will be adequate to pay the Repair and Maintenance Expenses and Insurance Expenses (collectively, the "Common Expenses") for the current year and any unpaid deficits for prior years, plus an adequate capital reserve account for the capital replacement as needed.

(b) The Board shall determine the budget and the amount of the General Assessment for the immediately following year on or before December 1 of each year, and shall give written notice to all Owners of the General Assessment applicable to their lot and/or unit not later than January 1 of the following year.

(c) The General Assessment chargeable to each Owner shall be a fraction, the number of which is the total number of Cobblestone Estates Dwelling Units, Cobblestone Condominium Units, Other Homeowner Lots, Other Condominium Units, Residences and/or rental units in Apartment Buildings owned by such Owner, and the denominator of which is the total number of Cobblestone Estates Dwelling Units (except the Excluded Cobblestone Estates Dwelling Units), Cobblestone Condominium Units (except the Excluded Cobblestone Condominium Units), Other Homeowner Lots, Other Condominium Units, Residences, and/or rental units in Apartment Buildings located upon the Property and each Owner shall be charged with the payment of that portion of the total General Assessment except as provided in the following sentence. The lots and/or units shall be assessed on an equal basis regardless of any variations in the sizes or values of the lots and/or units, except that for the period of time during which Hills owns Cobblestone Estates Dwelling Units and/or Cobblestone Condominium Units, Hills shall have no obligation to pay the General Assessment for the Excluded Cobblestone Estates Dwelling Units and the Excluded

Cobblestone Condominium Units until such time as provided in Section 3 above. At the closing on the purchase of either a Cobblestone Estates Dwelling Unit or Cobblestone Condominium Unit from Hills, the purchaser of such Cobblestone Estates Dwelling Unit or Cobblestone Condominium Unit shall pay a pro-rata share of the General Assessment due on the Cobblestone Estates Dwelling Unit or Cobblestone Condominium Unit for that month.

(d) The failure of the Board to meet the time deadlines imposed herein shall have no effect on the obligation of the Owners to pay their proportionate share of the General Assessment when determined. If, during the course of the year, the Board determines that the amount of the General Assessment is or will be inadequate to cover any and all such costs described below, the Board may adjust the amount of the General Assessment by giving written notice to the Owners not less than twenty (20) days before the effective date of the adjustment.

5. COMMON SURPLUS. If the General Assessment collected in any given year is in excess of the actual Common Expenses for that year, the Board may, at its sole discretion (a) return each Owner's share of the Common Surplus; (b) credit each Owner's share of the Common Surplus to each Owner's payment as for the General Assessment for the following year; or (c) apply the Common Surplus to the reserve.

6. BOOKS AND RECORDS OF THE COBBLESTONE ESTATES ASSOCIATION. The Cobblestone Estates Association shall keep full and correct books of account with respect to the maintenance of the Recreational Facilities. The Cobblestone Estates Association shall make available to all Owners and the holders of all first mortgages on any part of the Property, current copies of the books, records and financial statements of the Cobblestone Estates Association relating solely to its obligations under this Agreement with respect to the Recreational Facilities, upon reasonable request during normal business hours. All funds collected by the Cobblestone Estates Association shall be held and expended solely for the purposes designated by this Agreement and shall be deemed to be held for the use, benefit and account of the Cobblestone Estates Association and all of the Owners.

7. PENALTY FOR LATE PAYMENT. For each Cobblestone Estates Dwelling Unit, Cobblestone Condominium Units, Other Homeowners Lots, Other Condominium Units, Residences and/or rental units in Apartment Buildings owned by such Owner as to which any installment of any General Assessment is not paid within the period provided by the Board, there shall be added to the installment a penalty of ten percent (10%) thereof, and interest at the rate of twelve percent (12%) per annum, or such other amount established by the Board (or, if less, the maximum rate allowable by law) from the due date on the amount of such installment plus penalty until paid.

8. CREATION OF LIEN AND PERSONAL OBLIGATION OF GENERAL ASSESSMENT. The General Assessment shall be a charge and lien on each Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit,



Residence and/or rental unit in an Apartment Building owned by such Owner to the extent and for the period provided in Section 9 below, and shall also be the personal obligation of the Owner of each Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit, Residence and/or rental unit in an Apartment Building owned by such Owner against which they are made.

9. LIENS. If the General Assessment on any Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit, Residence and/or rental unit in an Apartment Building owned by such Owner is not paid within the period established by the Board pursuant to Section 4 above, the amount thereof together with any interest, costs, penalties and reasonable attorneys' fees thereon shall constitute a lien on such Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit, Residence and/or rental unit in an Apartment Building owned by such Owner in favor of the Cobblestone Estates Association prior to all other liens and encumbrances whatsoever, excepting real estate taxes and assessments and liens of record in favor of the United States of America, the Commonwealth of Kentucky, and all other political subdivisions or governmental instrumentalities of the Commonwealth of Kentucky to the extent made superior by applicable law, and all bona fide recorded first mortgages and the rights of any first mortgagee who comes into possession of a Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit, Residence and/or rental unit in an Apartment Building owned by such Owner pursuant to mortgage foreclosure or by deed in lieu thereof. General Assessments shall become a lien on a Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lots, Other Condominium Units, Residences and/or rental units in Apartment Building owned by such Owner on the date the Board mails written notice of any such General Assessment to the Owner of any Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit, Residence and/or rental unit in Apartment Building owned by such Owner subject thereto. The Cobblestone Estates Association may perfect the lien by recording a notice of lien with the Clerks Office of Jefferson County, Kentucky in any legally recordable form. Nonpayment of the General Assessment on any Cobblestone Estates Dwelling Unit, Cobblestone Condominium Unit, Other Homeowners Lot, Other Condominium Unit, Residence and/or rental unit shall be deemed and is hereby declared to be the happening of a condition or event that creates an interest in real estate.

10. ENFORCEMENT OF LIEN. Any lien established under this Agreement may be enforced by the Cobblestone Estates Association in the same manner and to the same extent (including appointment of a receiver, foreclosure sale and deficiency judgment) and subject to the same procedures as in the case of foreclosure of a real property mortgage under the laws of Kentucky. In any such enforcement proceeding, the amount which may be recovered by the Cobblestone Estates Association shall include all costs of such proceeding, including reasonable

attorneys' fees. In any such foreclosure sale, the Cobblestone Estates Association may become the purchaser.

11. SUBORDINATION OF LIEN TO FIRST MORTGAGE. When the mortgagee of a first mortgage of record or other purchaser of any part of the Property acquires title thereto as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure, such acquirer of title, his or her heirs, successors and assigns, shall not be solely liable for the General Assessment chargeable to such Property which become due prior to the acquisition of title by such acquirer. Any lien levied against such Property pursuant to the terms hereof shall be canceled and voided and shall become unenforceable. Such unpaid General Assessment shall be deemed to be a Common Expense collected from all the Owners, including that of such acquirer, his, her or its heirs, successors or assigns.

12. INSURANCE REQUIREMENTS. Cobblestone Estates Association shall insure itself, its members, Cobblestone Condominium Council, Hills and all of the other Owners against liability for bodily injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from the use of the Recreational Facilities. Such insurance shall afford protection to a limit of not less than Three Million and 00/100 Dollars (\$3,000,000.00) in respect to bodily injury, disease, illness or death suffered by any one person, and to the limit of not less than Three Million and 00/100 Dollars (\$3,000,000.00) in respect to any one occurrence, and to the limit of not less than Five Million and 00/100 Dollars (\$5,000,000.00) in respect to damage to or destruction of property arising out of any one accident. In addition, Cobblestone Estates Association shall maintain an extended coverage/casualty insurance policy which insures the Recreational Facilities against fire and all other risks and perils customarily insured against, including vandalism and malicious mischief endorsements, insuring the full replacement cost of the Recreational Facilities. The foregoing insurance shall be written by a company or companies which are selected by the Cobblestone Estates Association and reasonably satisfactory to Hills and the Cobblestone Condominium Council, and which shall be licensed to do business in the Commonwealth of Kentucky. All policies effecting such insurance shall provide that each such policy shall not be canceled by the insurer thereunder unless Hills and the Cobblestone Condominium Council, or their designee shall first have been given thirty (30) days advance written notice of such cancellation. In addition, the Cobblestone Estates Association shall deliver to Hills and the Cobblestone Condominium Council, promptly upon commencement of the Cobblestone Estates Association's obligation to procure the same, copies of insurance policies, certificates or other appropriate evidence satisfactory to Hills and the Cobblestone Condominium Council of the insurance coverage required to be maintained by the Cobblestone Estates Association hereunder.

13. DAMAGE AND DESTRUCTION. In the event the Recreational Facilities suffer damage or destruction from any cause or peril, the Cobblestone Estates Association shall diligently proceed to repair and restore the Recreational Facilities to their original condition prior to such damage or destruction within ninety (90) days after the date of such damage or destruction. In the

event the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction of the Recreational Facilities, then, such repair, restoration or reconstruction of the Recreational Facilities shall be undertaken by the Cobblestone Estates Association at the expense of all the Owners in the same proportions as provided in Section 4 above. Should any Owner refuse or fail after reasonable notice to pay his or her share of such cost in excess of available insurance proceeds, the amount thereof may be advanced by the Cobblestone Estates Association and the amount so advanced by the Cobblestone Estates Association shall be assessed to such Owner. Such assessment shall have the same force and effect and, if not paid, may be enforced in the same manner as hereinabove provided for the nonpayment of the General Assessment.

14. CONDEMNATION. In the event of a condemnation or a sale in lieu thereof concerning a portion or all of the Recreational Facilities, the award or purchase price paid for such taking shall be paid to the Cobblestone Estates Association, it being the intent of the Cobblestone Estates Association as owner of the land so taken to release and/or waive such property interest or right with respect to such award or purchase price; provided, Hills, the Cobblestone Estates Association, or any other Owner shall have the right to seek an award or compensation for the loss of its contract right to the Recreational Facilities to the extent such award or compensation paid or allocated for such loss does not reduce or diminish the amount paid to Cobblestone Estates Association.

15. RIGHT TO TERMINATION. Hills, its successors and assigns, as fee owner of the Expansion Property, hereby reserves the right at any time to terminate the Recreational Facilities Easement as to all or any party of the Expansion Property; provided, however, Hills shall no longer have the right to terminate such Recreational Facilities Easement on any part of the Expansion Property which has been submitted to the Cobblestone Condominium or sold to a third party. Such termination shall be effective immediately upon the recording of a termination of easement with the Jefferson County, Kentucky Clerk's office, duly executed by Hills, its successors and assigns and successors in title and specifically describing the portion of the Expansion Property which the termination is to be applicable.

16. BINDING AGREEMENT. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, and successors in title.

17. SEVERABILITY. In case any one or more of the provisions set forth in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provision hereof, and this Agreement shall be construed as if such provision had never been contained herein.

18. AMENDMENT. Except as provided in Section 15 above, any amendment to this Agreement shall be valid only if in writing and signed by all parties.

19. NOTICES. All notices, demands, statements or other communications hereunder or required by law shall be in writing and shall be deemed properly delivered when, and if personally delivered, delivered by overnight private courier service which in the ordinary course of its business maintains a record of receipt of each of its deliveries, or when mailed United States postage pre-paid certified or registered mail, return receipt requested, addressed to the parties hereto at the respective addresses set forth below or as they may hereafter specify by written notice delivered in accordance herewith:

Hills Communities, Inc.  
7420 Montgomery Road  
Cincinnati, Ohio 45236  
Attention: Valerie Fee

Cobblestone Council of Co-Owners, Inc.  
1436 Glasgow Boulevard  
Louisville, Kentucky 40241

Cobblestone Homeowners' Association, Inc.  
1436 Glasgow Boulevard  
Louisville, Kentucky 40241

20. CAPTIONS. The captions in this Agreement are inserted for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part hereof.

21. NON-MERGER. Hills intends that no merger of the easements set forth in this Agreement shall occur by reason of the same person or entity holding title to the Property or any portion thereof.

22. GOVERNING LAWS. This Agreement shall be governed by the laws of the Commonwealth of Kentucky.

*[The Remainder of this Page is Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties have executed this Recreational Facilities Easement Agreement as of the day and year first above written.

Witnessed By:

James F. Beck  
Wendy D Bassman

HILLS COMMUNITIES, INC., an Ohio corporation

By: Stephen Guttman, Pres.  
Name: Stephen Guttman  
Title: President

COBBLESTONE HOMEOWNERS' ASSOCIATION, INC., a Kentucky non-profit corporation

By: Valerie G. Fee  
Name: Valerie G. Fee  
Title: President

James F. Beck  
Wendy D Bassman

COBBLESTONE CO-COUNCIL OF OWNERS, INC., a Kentucky non-profit corporation

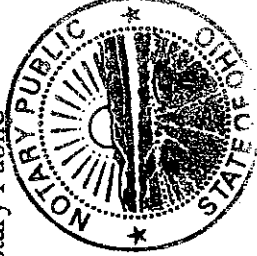
By: Wendy D Bassman  
Name: Wendy D Bassman  
Title: President

James F. Beck  
Wendy D Bassman

STATE OF OHIO )  
                          ) : SS:  
COUNTY OF HAMILTON )

The foregoing instrument was acknowledged before me this 23 day of JANUARY, 2001, by Stephen Guttman, as PRESIDENT of HILLS COMMUNITIES, INC., an Ohio corporation, on behalf of the corporation.

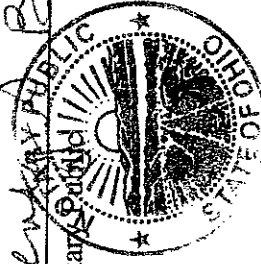
Wendy D. Bassman  
Notary Public



WENDY S. BASSMAN  
Notary Public - State of Ohio  
My Commission Expires  
June 19, 2005

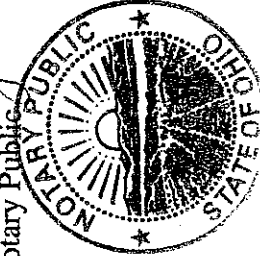
STATE OF OHIO )  
COUNTY OF HAMILTON )  
: SS:

The foregoing instrument was acknowledged before me this 23 day of JAN, 2001, by VALERIE G. FEE, as PRESIDENT of COBBLESTONE HOMEOWNERS' ASSOCIATION, INC., a Kentucky corporation, on behalf of the corporation.

Wendy S. Bassman  
Notary Public  
  
WENDY S. BASSMAN  
Notary Public - State of Ohio  
My Commission Expires  
June 19, 2005

STATE OF OHIO )  
COUNTY OF HAMILTON )  
: SS:

The foregoing instrument was acknowledged before me this 23 day of JAN, 2001, by VALERIE G. FEE, as PRESIDENT of COBBLESTONE CO-COUNCIL OF OWNERS, INC., a Kentucky corporation, on behalf of the corporation.

Wendy S. Bassman  
Notary Public  
  
WENDY S. BASSMAN  
Notary Public - State of Ohio  
My Commission Expires  
June 19, 2005

This instrument prepared by:  
Susan J. Moeller  
Susan J. Moeller, Esq. / Jedy T. Klekamp, Esq.  
KEATING, MUEITHING & KLEKAMP, P.L.L.  
1400 Provident Tower  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-6400

DB07590PG0740

EXHIBIT A

LEGAL DESCRIPTION  
COBBLESTONE ESTATES  
INNOVATIVE SUBDIVISION, SECTION 1

A TRACT OF LAND LOCATED ON THE EAST SIDE OF CHAMBERLAIN LANE BETWEEN INTERSTATE NO. 71 AND BROWNSBORO ROAD, JEFFERSON COUNTY, KENTUCKY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING ALL OF LOTS 1 THROUGH 101, INCLUSIVE, AS SHOWN ON THE PLAT OF COBBLESTONE ESTATES INNOVATIVE SUBDIVISION, SECTION 1 OF RECORD IN PLAT AND SUBDIVISION BOOK 47, PAGES 26, 27 AND 28, RECORDED IN THE OFFICE OF THE CLERK OF JEFFERSON COUNTY, KENTUCKY.

BEING ALL OF THE PROPERTY CONVEYED TO HILLS COMMUNITIES, INC, ON JULY 29, 1999, OF RECORD IN DEED BOOK 7290, PAGE 886 AND A PORTION OF THE PROPERTY CONVEYED TO HILLS COMMUNITIES, INC., ON JULY 29, 1999, OF RECORD IN DEED BOOK 7290, PAGE 895, BOTH LOCATED IN THE OFFICE OF THE CLERK OF JEFFERSON COUNTY, KENTUCKY.

EXHIBIT "B"

Legal Description Cobblestone (Phase 1) and Residual Tract

ROBERT W. STADER  
DEED BOOK 6899 PAGE 804

DB07590PG0741

N 73°55'37" E  
80.33'

N 75°12'33" E 1236.74'

EXISTING GLASGOW BOULEVARD  
PER COBBLESTONE INNOVATIVE  
SUBDIVISION, SECTION 1, OF  
RECORD IN PLAT AND  
SUBDIVISION BOOK  
PAGE

CHAMBERLAIN LANE  
RIGHT OF WAY VARIES

GLASGOW  
BOULEVARD

COBBLESTONE INNOVATIVE  
SUBDIVISION, SECTION 1  
PLAT AND SUBDIVISION  
BOOK , PAGE

PHASE 1  
0.91 ACRE

N 73°55'14" E 124.19'

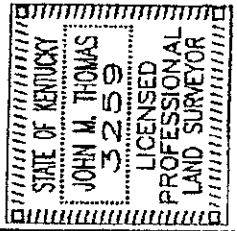
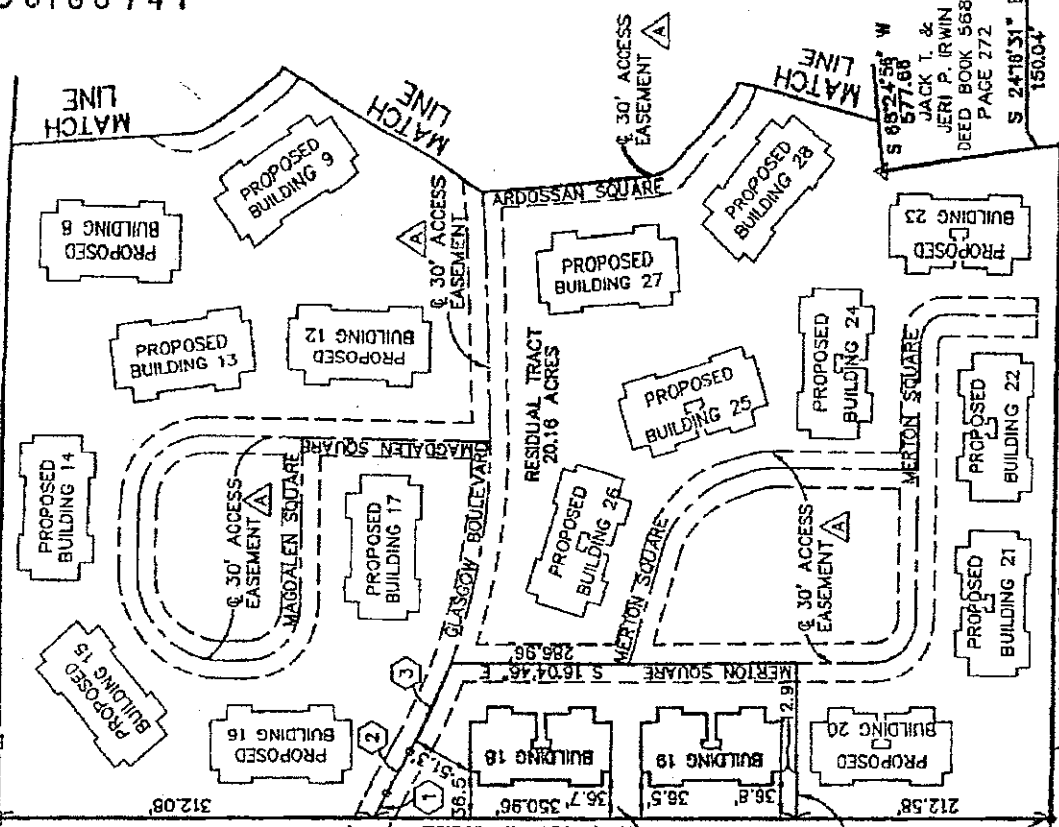
FOUND 1" PIPE  
AT CORNER

ELLA M. JONES (TRUSTEE)  
DEED BOOK 7262 PAGE 6110

S 74°30'25" W 835.11'  
KIRK H. &  
LAURA LEE SWIGERT  
DEED BOOK 7282 PAGE 73

WORTHINGTON  
CHRISTIAN CHURCH  
DEED BOOK 292 PAGE 400  
FOUND 4" X 4" STONE  
AT CORNER

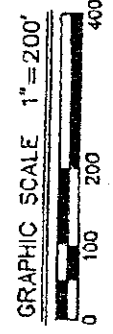
S 85°24'58" W  
677.86'  
JACK T. &  
JERI P. IRWIN  
DEED BOOK 5687  
PAGE 272  
S 24°18'31" E  
150.04'



Land Surveyor's Certificate

I hereby certify that the survey depicted by this plat was performed by persons under my direct supervision by the method of random traverse with alidshots and the undistorted precision ratio of traverse exceeds 1:12,982. The bearings, distances and traverse shown herein were adjusted for closure. This survey meets or exceeds the minimum standards for a class "A" survey as established by the state of Kentucky, per 201 KAR 18:150 and in effect on the date of this survey.

- DENOTES SET 1/2" REBAR W/ CAP #3259, UNLESS NOTED.
- FOUND MONUMENT AS NOTED
- ▲ COMPUTED UNMARKED POINT



PHASE 1 EXHIBIT  
OWNER: HILLS COMMUNITIES, INC.  
D.B. PG.

7420 MONTGOMERY ROAD  
CINCINNATI, OHIO 45236  
TAX BLOCK 39 LOT 24

LOCATION: BROWNSBORO ROAD, 900'±  
SOUTH OF INTERSTATE 265

DATE: 1-10-2000 SCALE: 1"=120'

JOHN M. THOMAS PLS# 3259  
DATE:  
MINDEL • SCOTT & ASSOCIATES INC.  
PLANNING • ENGINEERING • SURVEYING  
LANDSCAPE ARCHITECTURE  
P.O. BOX 7246 Louisville, Kentucky 40257-0246  
(502) 485-1508



DB07590PG0742

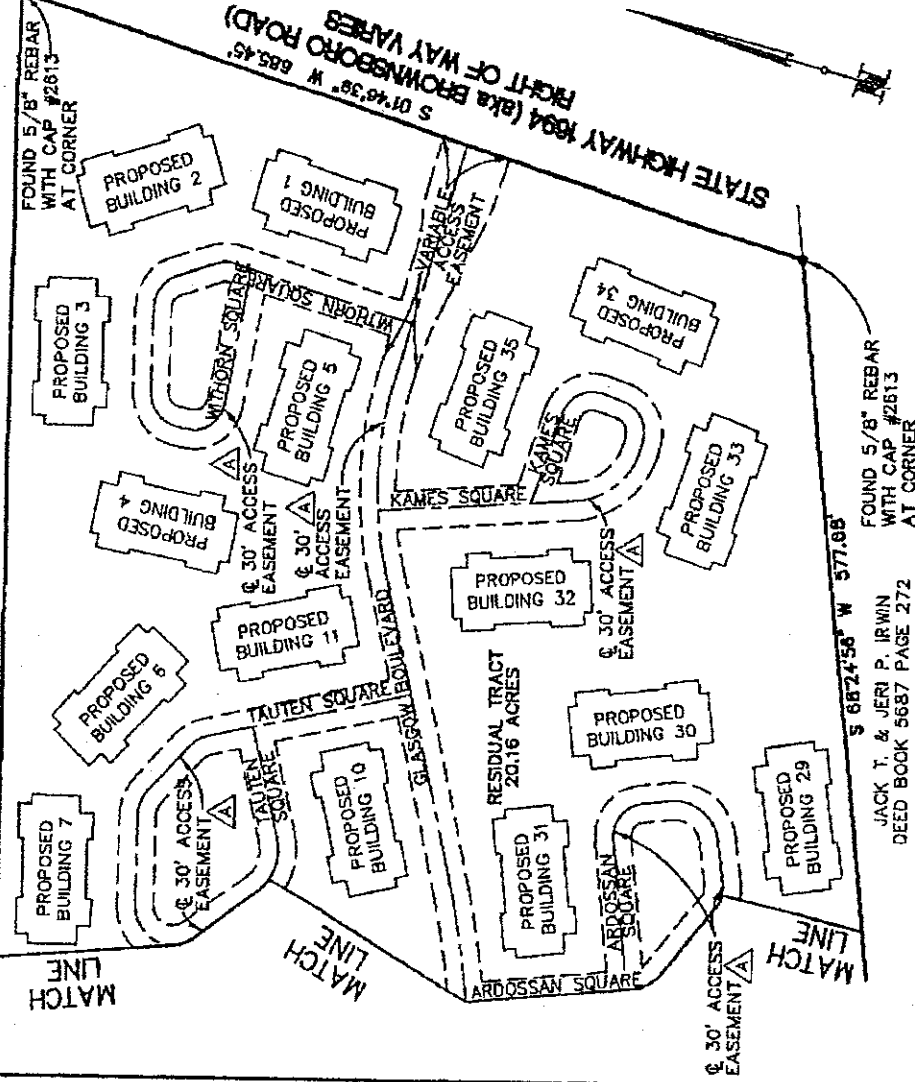
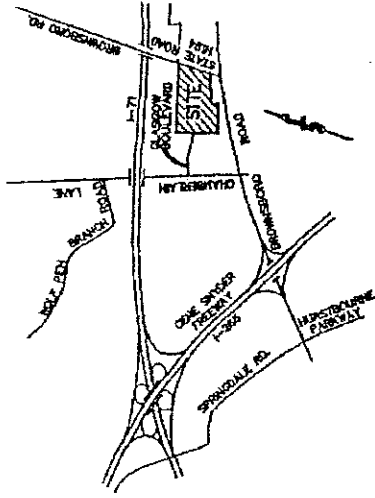
BEARINGS & DISTANCES

- ① S 77°51'51" E 22.16' R=333.00'
- ② S 75°56'16" E 38.53'
- ③ S 80°28'19" E 79.04' R=500.00'

ROBERT W. STADER  
DEED BOOK 6899 PAGE 604

N 75°12'33" E 1238.74'

LOCATION MAP  
NO SCALE



STATE OF KENTUCKY  
JOHN M. THOMAS  
3259  
LICENSED PROFESSIONAL LAND SURVEYOR

Land Surveyor's Certificate

I hereby certify that the survey depicted by this plat was performed by persons under my direct supervision by the method of random traverses with sideshots and the undisturbed precision ratio of traverse exceeds 1:12,982. The bearings, distances and traverse shown hereon were adjusted for closure. This survey meets or exceeds the minimum standards for a class "A" survey as established by the state of Kentucky, per 201 KAR 18:150 and in effect on the date of this survey.

- DENOTES SET 1/2" REBAR W/ CAP #3259, UNLESS NOTED.
- FOUND MONUMENT AS NOTED
- △ COMPUTED UNMARKED POINT

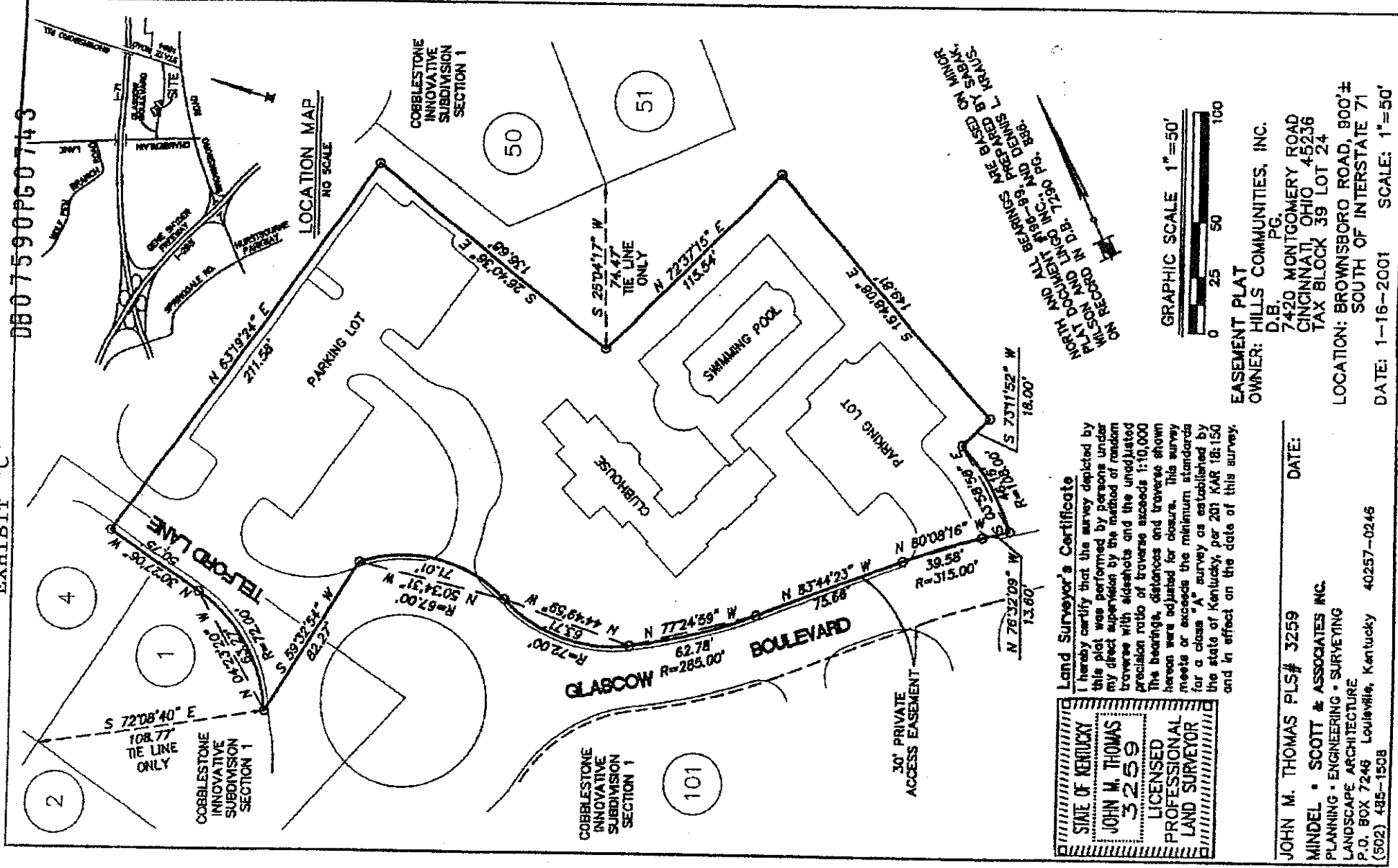
GRAPHIC SCALE 1"=200'



PHASE 1 EXHIBIT  
OWNER: HILLS COMMUNITIES, INC.  
D.B. PG.  
7420 MONTGOMERY ROAD  
CINCINNATI, OHIO 45236  
TAX BLOCK 39 LOT 24  
LOCATION: BROWNSBORO ROAD, ±  
SOUTH OF INTERSTATE 265  
DATE: 1-10-2000 SCALE: 1"=120'

JOHN M. THOMAS PLS# 3259  
MINDEL • SCOTT & ASSOCIATES INC.  
PLANNING • ENGINEERING • SURVEYING  
LANDSCAPE ARCHITECTURE  
P.O. BOX 7246 Louisville, Kentucky 40257-0246  
(502) 485-1508

DATE:



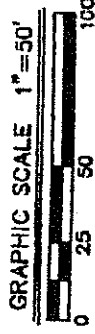
STATE OF KENTUCKY  
**JOHN M. THOMAS**  
**3259**  
 LICENSED  
 PROFESSIONAL  
 LAND SURVEYOR

**Land Surveyor's Certificate**  
 I hereby certify that the survey depicted by this plat was performed by persons under my direct supervision by the method of random traverse with sidestops and the unadjusted precision ratio of traverse exceeds 1:10,000. The bearings, distances and traverse shown herein were adjusted for closure. This survey meets or exceeds the minimum standards for a class "A" survey as established by the state of Kentucky, per 201 KAR 18:150 and in effect on the date of this survey.

**JOHN M. THOMAS PLS# 3259**  
**MINDEL • SCOTT & ASSOCIATES INC.**  
 PLANNING • ENGINEERING • SURVEYING  
 LANDSCAPE ARCHITECTURE  
 P.O. BOX 7246 Louisville, Kentucky 40257-0246  
 (502) 485-1508

DATE:

ALL RECORDS AND ALL BEARINGS ARE BASED ON ANCESTRAL PLAT DOCUMENT # 89-89 AND DEPARTED BY SURVEYOR ON RECORD IN D.B. 1290 PG. 898



**EASEMENT PLAT**  
 OWNER: **HILLS COMMUNITIES, INC.**  
 D.B. PG.  
 7420 MONTGOMERY ROAD  
 CINCINNATI, OHIO 45236  
 TAX BLOCK 39 LOT 24  
 LOCATION: **BROWNSBORO ROAD, 800'±**  
**SOUTH OF INTERSTATE 71**  
 DATE: 1-16-2001 SCALE: 1"=50'

CONSENT AND SUBORDINATION OF MORTGAGEE

The Fifth Third Bank, an Ohio banking corporation and the holder of a mortgage deed to the premises recorded in the Official Records of Jefferson County, Kentucky at Mortgage Book 5206, Page 483 hereby consents to the execution and delivery of the foregoing Recreational Facilities Easement Agreement, with exhibits thereto (the "Agreement"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects and subordinates the above-described mortgage to the provisions of the foregoing Agreement with attached exhibits.

IN WITNESS WHEREOF, The Fifth Third Bank, by its authorized officer, has caused the execution of this Consent this 24 day of JANUARY, 2001.

Signed and acknowledged

in the presence of:

Susan J. Moeller

Printed: SUSAN J. MOELLER

Dawn Pope

Print: Dawn Pope

STATE OF OHIO )

: ss:

COUNTY OF HAMILTON )

THE FIFTH THIRD BANK, an Ohio banking corporation

By: [Signature]

Name: MARK A. CAESAR

Title: VICE PRESIDENT

The foregoing instrument was acknowledged before me this 24 day of JANUARY, 2001, by MARK A. CAESAR, as VICE PRESIDENT of The Fifth Third Bank, an Ohio banking corporation, on behalf of the corporation.

[Signature]

Notary Public

This instrument prepared by:

[Signature]

Susan J. Moeller, Esq. Jody T. Klekamp, Esq.  
KEATING, MUETHING & KLEKAMP, P.L.L.  
1400 Provident Tower  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-6954

CONSENT AND SUBORDINATION OF MORTGAGEE

Hills Financial Group, A Limited Partnership, an Ohio limited partnership and the holder of a mortgage deed to the premises recorded in the Official Records of Jefferson County, Kentucky at Mortgage Book 5206, Page 483 hereby consents to the execution and delivery of the foregoing Recreational Facilities Agreement, with exhibits thereto (the "Agreement"), and to the filing thereof, in the office of the County Recorder of Jefferson County, Kentucky, and further subjects and subordinates the above-described mortgage to the provisions of the foregoing Agreement with attached exhibits.

IN WITNESS WHEREOF, Hills Financial Group, A Limited Partnership, by its authorized partner, has caused the execution of this Consent this 23 day of JAN., 2001.

Signed and acknowledged  
in the presence of:

HILLS FINANCIAL GROUP, A  
LIMITED PARTNERSHIP, an Ohio  
limited partnership

By: Hills Developers, Inc., an Ohio  
corporation, General Partner

Wendy D. Bassman  
Printed: WENDY S. BASSMAN

By: Stephen Guttman, Inc.  
Name: Stephen Guttman  
Title: President

Theresa G. Lee  
Print: Theresa G. Lee

STATE OF OHIO )  
  ): SS:  
COUNTY OF HAMILTON )

The foregoing instrument was acknowledged before me this 23 day of JAN. 2001, by Stephen Guttman PRESIDENT of Hills Developers, Inc., an Ohio corporation, as General Partner of Hills Financial Group, A Limited Partnership, an Ohio limited partnership, on behalf of the corporation and partnership.

Wendy D. Bassman



This instrument prepared by:  
Susan J. Moeller

Susan J. Moeller, Esq. / Jody T. Klekamp, Esq.  
KEATING, MUETHING & KLEKAMP, P.L.L.  
1400 Provident Tower  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-6954

WENDY S. BASSMAN  
Notary Public - State of Ohio  
My Commission Expires  
June 19, 2005