

however, that any such grantee shall be entitled to a statement from the managing officer of the Association or the Board setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth. As used in this Section 9.07, "grantor" shall include a decedent's estate, and "grantee" shall include a devisee or intestate heir of such decedent.

9.08 Dispute as to Common Expenses. Any Unit Owner who believes that the portion of Common Expenses chargeable to his Unit, for which a certificate of lien has been filed by the Association, has been improperly charged against him or his Unit may commence an action in the District Court of Fayette County, Kentucky, for the discharge of all or any portion of such lien.

9.09 Owner's Share of Water Bills. Each Unit Owner shall be responsible for his proportionate share of the monthly water bill in addition to Owner's monthly Homeowners Association assessment. The Homeowners Association shall be billed directly for the water and the Association shall, in turn, bill Homeowner the amount due. If there are 24 Units in the Condominium, then each homeowner shall be billed for 1/24th of the total water bill.

ARTICLE X

INSURANCE AND FIDELITY BONDS

10.01 Fire and Extended Coverage Insurance.

(a) The Association shall obtain for the benefit of all Unit Owners insurance on all buildings, structures or other improvements now or at any time hereafter constituting a part of the Condominium Property against loss or damage by fire, lightning and such perils as are at this time comprehended within the term "extended coverage," and vandalism and malicious mischief in an amount not less than the replacement value thereof. Such insurance shall be written in the name of, and the proceeds therefrom shall be payable to the Association, as trustee for each of the Unit Owners and each Unit Owner's mortgagee, as their interests may appear, in accordance with the percentage ownership in the Common Areas and Facilities set forth in Exhibit "E." The name of the insured under such policy or policies shall be set forth therein substantially as follows: "Campus Downs Condominium Association, for use and benefit of the individual owners." Such policy or policies shall provide: (i) for the issuance of certificates of insurance to each Unit Owner and each

Unit Owner's mortgagee upon request, (ii) that the insurance may not be canceled by the insured or the insurer or substantially modified without at least thirty (30) days prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder of a first mortgage in the policy or policies, (iii) that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of the Unit Owners collectively, (iv) that the insurance is primary in the event the Unit Owner has other insurance covering the same loss, and (v) as a minimum, protection against all perils which are customarily covered with respect to condominiums similar in construction, location, size and use, including all perils normally covered by the standard "extended coverage" and "all risk" endorsements. Such policy shall cover built-in or installed fixtures and equipment in an amount not less than the replacement value thereof.

Such insurance by the Association shall be without prejudice to the right of a Unit Owner to obtain individual contents and chattel property insurance or insurance to cover any improvements or additions to his Unit, but no Unit Owner may at any time purchase individual policies of insurance on his Unit or his interest in the Common Areas and Facilities as real property unless the Association shall be set forth as a named insured in such policy.

(b) The Association shall be responsible for obtaining insurance upon the Units, including all fixtures, installations or additions thereto contained within the unfinished interior surfaces of the perimeter walls, floors and ceilings of such Unit, as initially installed or replacements thereof. The Association shall not be responsible for procurement or maintenance of any insurance covering the liability of any Unit Owner not caused by or connected with the operation, use, or maintenance of the Common Areas. Each Unit Owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and casualty and public liability insurance coverage within each Unit are specifically made the responsibility of each Unit Owner, and each Unit Owner must furnish a copy of his insurance policy to the Association.

(c) The following endorsements shall be obtained on any policies obtained under this Section 10.01:

(i) Agreed Amount Endorsement;

(ii) Inflation Guard Endorsement, if available;
and

(iii) Construction Code Endorsements, such as Demolition Costs Endorsements, Contingent Liability from Operation of Building Laws Endorsement, and Increased Cost of Construction Endorsement, if available and required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

(d) Such policy of insurance shall be written with a company licensed to do business in the State of Kentucky and holding a rating of "A" or better by Best's Insurance Reports. Such policy shall also provide for the release by the insurer thereof of any and all rights of recovery of subrogation or assignment and all causes and right of recovery against any Unit Owner, member of his family, his tenant, or other Occupant of the Condominium Property for recovery against any one of them for any loss occurring to the insured property resulting from any of the perils insured against under such insurance policy.

10.02 Liability Insurance. The Board of Directors shall be required to obtain and maintain comprehensive general liability insurance coverage covering all of the Common Areas and Facilities, commercial space owned and leased by the Association, and public ways in the Condominium. Such insurance shall cover the officers, the Board of Directors, the managing agent, the manager, and all Unit Owners, collectively and individually, and shall also contain cross-liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner. Coverage shall further include legal liability arising out of lawsuits related to employment contracts of the Association. Such insurance shall have a minimum combined single limit of Two Million Dollars (\$2,000,000.00) covering all claims from personal injury or property damage arising out of any one occurrence. The Board of Directors shall review such limits annually. The Board of Directors shall also carry workers' compensation insurance as required by the laws of the State of Kentucky. All such liability policies shall provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage on any Unit which is listed as a schedule holder of a first mortgage in such insurance policy or policies.

10.03 Power of Attorney. Each Unit Owner irrevocably designates the Association, as attorney-in-fact, for the purpose of purchasing and maintaining such insurance as is required by this Declaration, including the collection and appropriate