

DOR
14

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS**
Bardstown Woods

SECTION 7,
Jefferson County, Kentucky

This Declaration of Covenants, Conditions and Restrictions for Section 7, Bardstown Woods, (this "**Declaration**") is made as of May 1st 2016, by R. Miles Properties LLC, a Kentucky limited liability company, P.O. Box 409 Mt Washington Ky. 40047, ("**Developer**").

WHEREAS, Developer is the owner of certain real property in Jefferson County, Kentucky, which is to be developed as a residential subdivision;

NOW, THEREFORE, Developer hereby declares that all of the property described in this instrument shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the real property. The easements, restrictions, covenants and conditions shall run with the real property and be binding on all parties having any right, title or interest in it, their heirs, successors and assigns, and shall inure to the benefit of each owner.

ARTICLE I
PROPERTY SUBJECT TO THIS DECLARATION

The real property which is subject to this Declaration is located in Jefferson County, Kentucky, and is more particularly described as follows:

BEING Lots 39 through 49 inclusive, all as shown on the plat of Section 7, Bardstown Woods, of record in Plat Cabinet 55, Slide 61462, in the Office of the Clerk of Jefferson County, Kentucky.

BEING the property acquired by R. Miles Properties, LLC, by deed dated February 3, 2015, of record in Deed Book 10360, Page 425, in the office of the Clerk of Jefferson County, Kentucky.

ARTICLE II
USE RESTRICTIONS

Section 2.1. **Primary Use Restrictions.** No Lot shall be used except for private single-family residential purposes. No structure shall be erected, placed, altered or permitted to remain on any Lot except single family dwellings designed for the occupancy of one family for the sole use of the owner and occupants of the Lot. "Family," as used in this Section 2.1, shall include any domestic servants living on the premises. Without limiting the generality of the phrase "private single-family residential purposes", Developer expressly excludes from that phrase, and the following shall not be permitted on any lot, regardless of whether any of the following uses would

be permitted by applicable zoning regulations or other applicable laws, ordinances or regulations, and uses which constitute or relate to (a) boarding houses, (b) lodging houses, (c) fraternities or sororities, (d) clubs, (e) hotels or motels, (f) residences or homes for social rehabilitation, (g) nursing homes, (h) residences or homes for the aged or infirm, (i) programs with respect to which admission or residency in or occupancy of the premises is limited to or intended in whole or in part for persons in the custody of the criminal justice system and/or persons engaged in the care, custody, nurturance or supervision of such persons, and (j) any "group home" or other similar use as determined by Developer or the Homeowners Association (defined below).

Section 2.2. Clothes Lines; Fences and Walls; Antennae and Receivers/Transmitters; Firewood; Mailboxes; Tennis Courts and Pools; Sports Equipment.

(a) No outside clotheslines shall be erected or placed on any Lot.

(b) No fence, hedge or wall of any nature shall be place or planted on any Lot unless its design and placement of planting are approved in writing by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association). Privacy screens for patios shall not be considered fences as used in this subsection; however, no patio privacy fence or screening shall be place or erected or planted unless approved by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association).

(c) No tennis court and fence shall be erected or placed on any Lot unless the fencing is coated with black or green vinyl acceptable to Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association) and the plans have been approved pursuant to Article III of this Declaration.

(d) No in ground swimming pool shall be erected or placed on any Lot unless the plans have been approved pursuant to Article III of this Declaration. No above ground pools shall be erected or placed on any Lot without approval from Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association) in its absolute and sole discretion.

(e) No antenna (except for a standard small television antennae) or microwave or other receivers and transmitters (including those currently called "satellite dishes") shall be erected or placed on any Lot unless (i) the Lot owner can show special circumstances requiring the use of extraordinary receivers or transmitters [small digital satellite dishes of eighteen (18) inches or less shall probably satisfy this subsection]; (ii) the site design and placement are approved in writing by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association), which approval shall be within the discretion of Developer, and (iii) the device is adequately screened or buffered by mature shrubbery or trees, by terrain, by fences or other structures. By granting permission to one or more Lot owners, Developer shall not be deemed to have waived this restriction as it applies to other Lots.

(f) No ornamental yard objects, statuary, sculpture or similar items may be placed on any Lot unless the design and placement are approved in writing by Developer (or the

Homeowners Association after Developer assigns this approval right to the Homeowners Association).

(g) Developer, for itself and the Homeowners Association, reserves the right to place a fence on the perimeter of the subdivision or to replace existing fences. Any such fence placed or replaced on the perimeter by Developer or the Homeowners Association shall be maintained by the Homeowners Association. Each Lot owner grants to Developer and the Homeowners Association an easement for such fencing, including an easement for access to the fence for maintenance purposes.

(h) No basketball goals or other goals, nets, skateboard ramps, or other sports equipment of any nature shall be placed on any Lot unless the design or placement are approved in writing by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association).

(i) No firewood shall be stored in a location that is visible from the front of the Lot on which it is stored.

(j) All mailboxes and paper boxes shall be of a uniform style designated by Developer (at the cost of a Lot owner).

Section 2.3. Use of Other Structures and Vehicles.

(a) No structure of a temporary character shall be permitted on any Lot, except temporary tool sheds or field or sales offices used by a builder with the written approval of Developer, or sales or field offices used by Developer, which shall be removed when construction or development is completed. This restriction does not prohibit the construction or erection of a recreational structure (such as a gazebo, small playhouse, swing set, jungle gym or the like), but only if the design, size, placement and screening have been approved in writing by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association).

(b) No outbuilding, trailer, basement, tent, shack, garage, barn or structure other than the main residence erected on a Lot shall at any time be used as a residence, either temporarily or permanently.

(c) No trailer, boat, truck, recreational vehicle or other vehicle, except an automobile, shall be parked on any street for a period in excess of an aggregate of 24 hours in any calendar year.

(d) No automobile shall be habitually or continuously parked on any street or right-of-way in the subdivision.

Section 2.4. **Nuisances.** No noxious or offensive activity shall be conducted on any Lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section 2.5. **Animals.** No animals, including reptiles, livestock or poultry of any kind, shall be raised, bred or kept on any Lot for any commercial purposes except that dogs, cats or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept, providing they are not kept, bred or maintained for any commercial purposes. All household pets, including dogs and cats, shall at all times be confined to the Lot occupied by the owner of such pet; provided, however, that household pets may be walked within the community, so long as such animals are at all times under the control of a resident. No dog runs or similar structures may be erected or place on any Lot unless first approved in writing by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association).

Section 2.6. **Disposal of Trash.** No Lot shall be used or maintained as a dumping ground of rubbish, trash or garbage. Trash, garbage or other waste shall not be kept except in sanitary containers. No trash, garbage or other waste in sanitary containers shall be kept or allowed to remain outside, except same may be placed outside after 5:00 p.m. of the evening before any regular trash or garbage collection day, and until same is collected on said day. Each Lot owner shall use the waste disposal company or companies designated by Developer (or by the Homeowners Association after Developer assigns this right to the Homeowners Association).

Section 2.7. **Drainage; Erosion; Sediment Control.** Drainage of each Lot shall conform to the general drainage plans of Developer and meeting guidelines set by MSD. Developer shall provide to the initial purchaser from Developer a detailed drainage plan for the Lot, each Lot owner and builder shall conform the construction on a Lot to such drainage plan. It is the Lot owner's responsibility to ensure that grading of a Lot complies with the drainage plan. If drainage is blocked or altered, the Lot owner shall correct the problem at the Lot owner's expense. If any Lot owner fails to do so, Developer (or the Homeowners Association after Developer assigns this right to the Homeowners Association) may perform the corrective work and charge the cost thereof to the Lot owner. Developer may place a lien on the Lot to ensure payment of those costs. No storm water drains, roof downspouts, ground water or other water shall be introduced into the sanitary sewage system. Plumbing connections on each Lot shall be made with watertight joints in accordance with all applicable plumbing code requirements. Each Lot owner shall be responsible for preventing mud, dirt, silt, gravel or other debris from washing, draining or being otherwise deposited on any street. This requirement is in keeping with the Federal Clean Water Act and the laws of the Commonwealth of Kentucky.

Section 2.8. **Business; Home Occupations.** No trade or business of any kind (including any practice of medicine, dentistry, chiropody, osteopathy and other like endeavors) shall be conducted on any Lot. Notwithstanding the provisions hereof or of section 2.1 of this Declaration, a new house may be used by a builder thereof as a model home for display or for the builder's own office for a period not to exceed 24 months after completion of the house (which 24-month period Developer may extend in Developer's discretion). Also, until such time as Developer has sold all of its Lots, it may maintain a sales office within the community.

Section 2.9. **Signs.** No sign for advertising or for any other purpose shall be displayed on any Lot or on a building or a structure on any Lot, except one sign for advertising the sale or rent thereof, which sign shall not be greater in area than nine (9) square feet; provided, however,

Developer shall have the right to (i) erect larger signs when advertising, (ii) place signs on Lots designating the lot number of any Lot, and (iii) following the sale of a Lot, place signs on such Lot indicating it has been sold and the name of the purchaser of that Lot. This restriction shall not prohibit placement of occupant name signs and lot numbers as allowed by applicable zoning regulations.

Section 2.10. Duty to Repair and Build.

(a) Each Lot owner shall, at the owner's sole cost and expense, repair his residence, keeping the same in condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

(b) If all or any portion of a residence is damaged or destroyed by fire, or other casualty, then owner shall, with all due diligence, promptly rebuild, repair or reconstruct such residence in a manner which will substantially restore it to the condition which existed immediately prior to the casualty.

Section 2.11. Duty to Maintain Lot. After the date of purchase, it shall be the duty of each owner to keep the grass on the Lot properly cut, to keep the Lot free from weeds and trash and to keep it otherwise neat and attractive in appearance. This requirement includes, without limitation, performing such duties in all areas of the Lot subject to easements. Should any owner fail to do so, then Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association) may take such action as it deems appropriate, including mowing, in order to make such Lot neat and attractive, and the owner shall, immediately upon demand, reimburse Developer or other performing party for all expenses including but not limited to attorneys fees incurred in so doing, together with allowable statutory interest, and Developer shall have a lien on that Lot and the improvements thereon to secure the repayment of such amounts. Such lien may be enforced by foreclosure against that Lot and the improvements thereon, but such lien shall be subordinate to any first mortgage lien thereon. The owner shall and does hereby indemnify and hold harmless Developer for any liability, loss or damage as a result of the entry by Developer onto the owner's Lot in accordance with this Section 2.11.

Section 2.12. Underground Utility Service.

(a) Each Lot owner's electric utility, gas, sewer, cable television, internet access and telephone service lines shall be underground at locations designated by service provider, throughout the length of service from the point of delivery to customer's building, and title to the service lines shall remain in and the cost of installation or maintenance thereof shall be borne individually by the respective owner upon which said service line is located.

Appropriate easements are hereby dedicated and reserved to each property owner, together with the rights of ingress and egress over abutting Lots or properties to install, operate and maintain utility service lines to the provider's termination points. Electric service lines, as installed, shall determine the exact location of said easements.

The electric, telephone and other easements shown on the plat shall be maintained and preserved in their present condition and no encroachment therein and no change in the grade or elevation thereof shall be made by any person or owner without the express written consent of LG&E, LWC, MSD or other service providers, and their respective successors and assigns.

(b) Easements for electric transmission and distribution feeder lines, poles and equipment appropriate in connection therewith are reserved over, across and under all spaces (including park, open and drainage space area) outlined by appropriate lines on the plat and designated for underground and overhead facilities.

Above ground electric transformers and pedestals may be installed at appropriate locations in electric easements where described and directed by Developer.

In consideration of bringing service to the property, service providers are granted the right to make further extensions of its lines from all overhead and underground distribution lines.

(c) The electric and telephone easements hereby dedicated and reserved to utilities, as shown on the recorded plat shall include easements for the installation, operation and maintenance of cable television service to the owners, including the overhead and/or underground installation and service of coaxial cables, cable drop wires, converters, home terminal units and other necessary or appropriate equipment, as well as easements for the installation, operation and maintenance of future communication, telecommunication and energy transmission mediums, including but not limited to internet lines.

ARTICLE III ARCHITECTURAL CONTROL

Section 3.1. **Building Materials; Builder.**

(a) The exterior building material of all structures shall be approved by Developer. The color of any paint or stain to be applied to exterior surfaces, whether initial application or reapplication, must be approved by Developer (or the Homeowners Association after Developer assigns this approval right to the Homeowners Association).

(b) Developer reserves the right of prior approval of each general contractor, contractor, or builder which proposes, or is contracted with, hired or otherwise retained by any owner, to build a residential structure on any Lot, which approval must be obtained prior to the commencement of any such construction in Bardstown Woods Section 7. Developer reserves the right of prior approval in order to ensure (i) the maintenance of a quality construction, (ii) that the economic value of other Lots and structures will not be impaired by the construction of residential structures not of the comparable quality, and (iii) the maintenance of the aesthetic quality of community. Developer's approval of any general contractor or builder for any particular Lot shall not be considered approval to build on any subsequent Lot, nor does the Developer waive any right

to disapprove any general contractor or builder on any subsequent Lot because of approval on a previous lot.

(c) Any approval by Developer of any general contractor, contractor or builder shall in no manner whatsoever serve as a guarantee, warranty or representation of the quality of workmanship by said general contractor, contractor or builder, or of the ability of said general contractor or builder to fully perform the work for which the owner contracted, nor the owner's satisfaction therewith.

Section 3.2. **Setbacks.** No structure shall be located on any Lot nearer to the front Lot line or the street side Lot line than the minimum building setback lines shown on the recorded plat, except steps may project into said areas, and open porches may project into said areas not more than six (6) feet. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations.

Section 3.3. **Minimum Floor Areas.** The following shall be the minimum floor areas for homes to be constructed after this Declaration is recorded:

(a) The total floor area of a one-story dwelling shall be a minimum of 1,400 square feet.

(b) The total floor area of a one and one-half story dwelling shall be a minimum of 1,600 square feet.

(c) The total floor area of a two story dwelling shall be a minimum of 1,800 square feet.

(d) Basement areas (finished and unfinished), garages, decks and open porches shall not be included in calculating floor areas.

Section 3.4. **Garages.** Garages are subject to prior approval of Developer as set forth in Section 3.5 of this Declaration.

Section 3.5. **Approval of Construction, Fencing and Landscaping Plans.**

(a) No structure may be erected, placed or altered on any Lot (except by Developer) until the construction plans and building specifications and a plan consisting of (i) a survey of the Lot prepared by a land surveyor, licensed in the Commonwealth of Kentucky; (ii) the location and specifications of all improvements including any building, fence, wall or other structure on the Lot; (iii) the grade elevation (including rear, front and side elevations); (iv) the type of exterior materials (including delivery of a sample thereof, if requested by Developer); (v) the color of paint or stain to be applied to any exterior surface (including delivery of a sample thereof); (vi) the location and size of the driveway, which shall be concrete, brick or decorative stone; and (vi) such other data as the Developer may request, shall have been approved by Developer in its sole discretion. In addition to the foregoing, no structure may be erected, placed or altered on any Lot until a plot plan depicting the location of all improvements, setbacks and easements has been

approved by Developer in its sole discretion. In reviewing any proposed structure, Developer shall have the right to take into consideration the suitability of the structure to the site, the harmony thereof with the surroundings, and the effect of the structure on the view from adjacent or neighboring Lots. Developer, in its sole discretion, shall have the right to accept or reject construction plans and building specifications solely on the basis of aesthetics.

(b) References to "Developer" in this Declaration shall include any entity, person or association to whom Developer may assign its rights and responsibilities, including these rights of approval. References to "structure" in this Section 3.5 shall include, but not be limited to, any building (including a garage), fence, sheds, walls, hedges, antennae, microwave and other receivers and transmitters (including those currently called "satellite dishes"), swimming pool(s), tennis court(s) and mail and paper boxes.

Section 3.6. Landscaping; Driveways; Trees; Sidewalks.

(a) Promptly after the construction of a residence, the Lot owner shall promptly grade and sod the front yard of the Lot and shall either grade and sod or grade, seed and straw the rear yard and side yards.

(b) Each owner shall brick, concrete or decorative stone the driveway and concrete the driveway apron up to the edge of the sidewalk prior to occupancy of a single family dwelling. Any driveway which in Developer's determination restricts drainage by, over or into a roadway shall be removed and replaced by owner within twenty (20) days of demand for such removal and replacement by Developer at the sole cost and expense of owner.

(c) Each owner shall construct on that owner's Lot a four (4) foot wide concrete sidewalk along the full length of the front Lot line, and where such Lot is a corner Lot, the sidewalk shall be constructed along the full length of each Lot line adjacent to a right-of-way, all in accordance with applicable laws and regulations. Such sidewalk shall be concrete and of broom finish. The sidewalk shall be installed prior to completion of a dwelling on the Lot.

(d) Upon an owner's failure to comply with the provisions of this Section 3.6, Developer may take such action as necessary to cause the owner to comply therewith or take such other actions as Developer shall deem appropriate, and the owner shall immediately, upon demand, reimburse Developer or other performing party for all expenses incurred in so doing, together with allowable statutory interest, and Developer shall have a lien on that Lot and the improvements thereon to secure the repayment of such amounts. Such lien may be enforced by foreclosure against that Lot and the improvements thereon, but such lien shall be subordinate to any first mortgage thereon.

Section 3.7. Subdividing Lots. No owner of a Lot shall subdivide any Lot without the prior written consent of the Developer.

Section 3.8. Future Road Corridor. The developer has granted an easement for a future Cooper Chapel Road Corridor that adjoins Bardstown Woods Section 7. This easement is shown on the record plat and adjoins Lots 44 and 45.

Section 3.9. **High Pressure Gas Line.** There is a 30 foot gas line easement that runs through the Bardstown Woods Subdivision. In Bardstown Woods Section 7, lots 39 through 44, have a 15ft gas easement across the rear line of the lot. Prior to constructing any fences or doing any type of work within this 15ft gas easement the homeowner must get approval from the gas company.

ARTICLE IV COMMON AREAS AND HOMEOWNERS ASSOCIATION

Section 4.1. **Common Area.** Every Lot owner shall have a right and easement of enjoyment in and to any "Common Area", which right and easement shall be appurtenant to and shall pass with the title to every Lot. The term "Common Area" means and refers to all non-residential Lots and areas designated as "common area" or "open space" or "non-buildable" on the plat, and shall also mean any area intended and designated by Developer for the common use and enjoyment of Lot owners in the community, whether or not so designated on a plat. Such Common Area may also mean and include, to the extent necessary and appropriate for the enjoyment of or maintenance by the Homeowners Association, certain areas dedicated to public use and certain easement areas on a Lot or Lots in Bardstown Woods designed for signature entry features. Developer reserves the right to locate signature entry features on Lots 1 and 62 in Bardstown Woods Section 5 and reserves an easement to build, maintain, reconstruct, alter and repair the signature entry features on those Lots, including an easement for access to the entry features, all in favor of Developer and the Homeowners Association, each such easement to be in the area where the entry features are actually located.

The right of enjoyment is subject to the following provisions:

- (a) The right of the Homeowners Association to permit or regulate the use of any facilities situated within Common Area.
- (b) The right of the Homeowners Association to borrow money for the purpose of improving the Common Area or for constructing, repairing or improving any facilities located or to be located thereon, and to give a security for the payment of any such loan a mortgage on all or part of the Common Area.
- (c) The right of the Homeowners Association to suspend the voting rights and the right to use and enjoy the Common Area, by any Lot owner for any period during which an assessment against the owner's Lot remains unpaid, and for a period of time for any infraction of its published rules and regulations.
- (d) The right of the Homeowners Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Homeowners Association. Developer may dedicate utility or service easements at its sole discretion so long as Developer owns any Lots in the community.
- (e) The right of the Homeowners Association to make rules and regulations governing the use of the Common Area.

(f) Common Area, including open space, private roads, islands in dedicated rights-of-way, and signature entrances shall not be dedicated to a unit of local government without the acceptance of the unit of local government involved and the approval of the Planning Commission, or its successors or assigns. The Homeowners Association may not amend this restriction without approval from the Planning Commission, or its successors or assigns.

(g) Anything to the contrary herein notwithstanding, the Homeowners Association and the Lot owners shall be responsible for the maintenance of all Common Area and common open space, private roads, islands in the right-of-way, and signature entrances, so long as the subdivision is used as a residential subdivision or until properly dedicated to a unit of local government. This provision shall not be amended.

(h) After release of the drainage bond, mosquito abatement on open space lots shall be the responsibility of the Homeowners Association. Accumulations of water in which mosquito larvae breed or have the potential to breed are required to be treated with a mosquito larvacide approved by the Louisville Metro Health Department. Larvacides shall be administered in accordance with the products labeling.

Section 4.2. **Delegation of Use.** Any Lot owner may delegate, in accordance with the Homeowners Association's bylaws or rules and regulations, his or her right of enjoyment to the Common Area and facilities to the members of his or her family or to tenants or contract purchasers who reside on that owner's Lot. Membership in the Homeowners Association may not be conveyed separately from ownership of the Lot.

Section 4.3. **Homeowners Association's Right of Entry.** The authorized representative(s) of the Homeowners Association or its Board of Directors shall be entitled to reasonable access to the individual Lots as may be required in connection with the preservation of property on an individual Lot or in the event of an emergency or in connection with the maintenance of, repairs or replacements within the Common Area, or any equipment, facilities or fixtures affecting or serving other Lots or the Common Areas or to make any alteration required by any governmental authority.

Section 4.4. **Assessments; Creation of Lien and Personal Obligation.** Each Lot owner, except Developer, by acceptance of a deed for a Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Homeowners Association (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as provided in this Article IV. Developer shall be responsible for the maintenance costs of the Homeowners Association incurred over and above assessed amounts payable to the Homeowners Association by Lot owners, until Developer transfers control of the Homeowners Association to the Lot owners. The annual and special assessments, together with interest, cost and reasonable attorney fees shall be a charge on each owner's Lot and improvements thereon and shall be a continuing lien upon such property against which each such assessment is made. Each such assessment, together with interest, cost and reasonable attorney fees shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless

expressly assumed by them; provided, however, the lien shall remain effective against a Lot for delinquent assessments notwithstanding any transfer of the Lot.

Section 4.5. **Purpose of Assessments.** The assessments levied by the Homeowners Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose, including without limitation street lights in the subdivision, and for the use and enjoyment of the Common Area, including but not limited to the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the Bylaws of the Homeowners Association, the employment of attorneys, accountants and other professionals to represent and advise the Homeowners Association, and such other needs as may arise, and for the improvement and maintenance of the Common Area. The Homeowners Association shall maintain, operate and repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Area. Until Class B membership ceases and is converted to Class A membership pursuant to Section 4.13 of this Article V, Developer or its nominee shall administer the assessments and receipts of the Homeowners Association, which may only be used for the purposes set forth in this Declaration.

Section 4.6. **Assessment Amounts.** The Board of Directors of the Homeowners Association may fix the annual assessment at an amount determined by the Board to be reasonably necessary to meet the budgeted expenses of the Homeowners Association. The Board of Directors shall determine when the assessment shall be due, and whether the assessment shall be paid monthly, quarterly or annually. The Board of Directors may establish from such assessments a reserve account.

Section 4.7. **Special Assessments.** In addition to the annual, regular assessments authorized above, the Homeowners Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto. As determined by the Board of Directors, any such special assessment may be payable in a lump sum or the Board of Directors may allow installment payments, such installment payments to bear interest at a rate set by the Board of Directors.

Section 4.8. **Uniform Rate of Assessment.** Both annual and special assessments shall be fixed at a uniform rate for all Lots except those owned by Developer and those not occupied as a residence. The Board of Directors may at its discretion waive the assessment for any year or part of a year for any Lot not occupied as a residence.

Section 4.9. **Date of Commencement.** The annual assessments provided for shall begin as to any Lot subject to the assessment at the earlier of (a) the time the Lot is occupied as a residence, or (b) eighteen months after the date on which Developer conveys the Lot to a third party. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the earlier of those events occurs.

Section 5.1. **Restrictions Run with Land; Amendment.** Unless canceled, altered or amended under the provisions of this Section 1, these covenants, conditions and restrictions are to run with the land and shall be binding on all parties claiming under them for a period thirty (30) years from the date this document is recorded, after which time they shall be extended automatically for successive periods of ten (10) years, unless an instrument signed by a majority of owners prior to the date of extension is placed of record in the Jefferson County Clerk's office canceling such automatic extension. These restrictions may be canceled, altered or amended at any time by the affirmative vote of the owners of seventy-five percent (75%) of the Lots subject to these restrictions. No cancellation of, alteration of or amendment to any covenant, condition or restriction shall take effect until the owners of seventy-five percent (75%) of the Lots subject to these restrictions file in the Office of the Jefferson County Clerk an Amendment to the Declaration describing such cancellation of, alteration to or amendment to such provision herein.

Section 5.2. **Severability; Modification.** The provisions of this Declaration are severable. While the covenants, conditions or restrictions set forth above are considered to be reasonable in all circumstances, it is recognized that covenants, conditions or restrictions of this nature may fail for reasons unforeseen, and accordingly it is hereby declared that if any of such covenants, conditions or restrictions shall be adjudged void as going beyond what is reasonable in all circumstances, the said covenant, condition or restriction shall apply with such modifications as may be necessary to make it valid and effective. In the event any provision or portion of this Declaration shall be held or adjudged invalid or unenforceable and incapable of reasonable modification to make it valid and effective in accordance with this Section 2, the remaining provisions or portions of this Declaration shall not be invalidated thereby, but shall remain in full force and effect.

Section 5.3. **Non-Liability of the Developer.** Developer shall not be personally liable to the owners of the Lots for any mistake of judgment or for any other acts or omissions of any nature whatsoever while acting within the scope of the rights and duties specified in this Declaration, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The owners shall indemnify and hold harmless Developer and its respective successors and assigns from and against any damage, costs and/or other expenses (including reasonable fees of counsel of the indemnified party's choice) arising out of or in connection with any actions taken in good faith in accordance with this Declaration.

Section 5.4. **Enforcement.** Enforcement of these restrictions shall be by proceeding of law or in equity, brought by any owner or by Developer against any party violating or attempting to violate any covenant or restriction, either to restrain violation, to direct restoration and/or to recover damages. Failure of any owner or Developer to demand or insist upon observance of any of these restrictions or covenants, or to proceed for restraint of violations, shall not be deemed a waiver of a violation, or the right to seek enforcement of these restrictions.

Section 5.5. **Discretion.** At any time that Developer is granted a right of approval herein, such right of approval shall be exercisable within the sole and absolute discretion of the Developer.

WITNESS the signature of Developer on the above date.

