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**DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS, AND RESERVATION OF EASEMENTS  
FOR  
BLUEGRASS MEADOWS**

<b>TABLE OF CONTENTS</b>		
<b>SECTION NO.</b>	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
Section 1	Definitions	4
Section 2	Property Subject to This Declaration	9
Section 3	Covenant for Staged Development	9
Section 4	Association: Membership, Board of Directors and Management Companies	10
Section 5	Assessments	11
Section 6	Architectural Review	17
Section 7	Covenants and Restrictions of Use and Occupancy	20
Section 8	Community Maintenance Standards	28
Section 9	Common Elements and Easements	30
Section 10	Neighborhoods	
Section 11	Association and Owner Maintenance Responsibility	35
Section 12	Enforcement	36
Section 13	Real Estate Taxes and Assessments	37
Section 14	Insurance	38
Section 15	Dispute Resolution	40
Section 16	Duration Amendment and Termination	40
Section 17	Miscellaneous	41
Section 18	Additional Covenants, Conditions and Restrictions and Reservation of Easements	43
Exhibit A	Legal Description of the Property	-
Exhibit B	Bylaws	-
Exhibit C	Deficit Lending Terms	-
Exhibit D	Additional Covenants, Conditions and Restrictions, and Reservation of Easements for Single-Family Lots	-
Exhibit E	Additional Covenants, Conditions and Restrictions, and Reservation of Easements for Paired Lots	

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,  
AND RESERVATION OF EASEMENTS FOR  
BLUEGRASS MEADOWS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR BLUEGRASS MEADOWS ("Declaration") is made this 11 day of Dec, 2021, by BLUEGRASS MEADOWS DEVELOPMENT, LLC, a Kentucky limited liability company (the "Declarant"), under the following circumstances:

- A. Declarant is the owner in fee simple of certain real property located in Bullitt County, Kentucky, more particularly described in **Exhibit A** attached hereto (the "Property") and desires to create a residential community consisting of Dwelling Units (as hereinafter defined) with permanent Common Elements (as hereinafter defined) for the benefit of said community; and
- B. Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said Common Elements, and to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said Property and the subsequent Owners thereof; and
- C. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an Association to which should be delegated and assigned the powers and duties of maintaining and administering the Common Elements and administering and enforcing the within covenants and restrictions and disbursing the charges and Assessments hereinafter created; and
- D. Declarant has formed or will form the Bluegrass Meadows Homeowners' Association, Inc., as a Kentucky not-for-profit corporation (the "Association"), which shall be responsible for the maintenance, management and control of the Common Elements on the Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property described in **Exhibit A** and such Additional Property as may be subjected to the provisions hereof, shall be held, sold and conveyed, subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, and any subdivision plat which includes the Property, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

**SECTION 1**  
**DEFINITIONS**

The words in this Declaration which begin with capital letters, other than words which would be normally capitalized, unless the context otherwise requires, shall have the meanings set forth in this Section 1.

1.1 “Access and Utility Easements” means and refers to any easements shown on any Record Plat for the Subdivision and marked “Access Easement,” “Utility Easement,” or any combination thereof, which shall be maintained as provided for in this Declaration.

1.2 “Additional Property” means property that may in the future be added to the Property and made subject to the provisions of this Declaration, and consists of all or any part of property determined by Declarant, in its sole and unfettered discretion, and may include any property in the vicinity of, adjacent to, or contiguous with the Property, or a part of the Property as it is then constituted.

1.3 “Architectural Guidelines” means as defined in Section 6 of this Declaration.

1.4 “Areas of Common Responsibility” means and refers to the Common Elements, together with those areas, if any, which by the terms of this Declaration or by contract or agreement become the responsibility of the Association, whether located within the Property or adjacent to it. The office of any property manager employed by or contracting with the Association, if located on the Property, or any public rights-of-way within or adjacent to the Property, regional retention/detention basins adjacent to the Property, or other areas adjacent to the Property that the Association determines, may be part of the Areas of Common Responsibility.

1.5 “Articles” and “Articles of Incorporation” mean those articles, filed with the Kentucky Secretary of State, incorporating the Bluegrass Meadows Homeowners’ Association, Inc., as a non-profit corporation under the provisions of Chapter 273B of the Kentucky Revised Statutes, as the same may be amended from time to time.

1.6 “Assessments” mean General Assessment, Special Assessment, Neighborhood Assessment, Individual Assessment, Working Capital Assessment, and Capital Contribution Assessment, or any other Assessments required by the Declaration or any Supplemental Declaration.

1.7 “Association” means and refers to Bluegrass Meadows Homeowners’ Association, Inc., a Kentucky not-for-profit corporation, and any successor organization, which owns, operates and maintains the Common Elements.

1.8 “Board” or “Board of Directors” means the Board of Directors of the Association.

1.9 “Builder(s)” means Fischer Homes Louisville, LLC, a Kentucky limited liability company, its successors and assigns, and such other persons or entities, approved in writing by Declarant, that may acquire one or more Lots from Declarant for the purpose of constructing Improvements thereon for resale to an Owner.

1.10 “Bylaws” means the Bylaws of the Association, as the same may be amended from time to time, pursuant to Chapter 273B of the Kentucky Revised Statutes, an initial copy of which is attached hereto as **Exhibit B** and made a part hereof. It shall not be necessary to amend Exhibit B hereto if the Bylaws are subsequently modified.

1.11 “Capital Contribution Assessment” means as defined in Section 5 of this Declaration.

1.12 “Class A Members” or “Class A Membership” means those Members of the Association consisting of all Owners except, during the Development Period, Declarant.

1.13 “Class B Member” or “Class B Membership” means, during the Development Period, Declarant, as a member of the Association.

1.14 “Common Elements” means and refers to all real property, or any interest therein, together with improvements located thereon, owned by, leased to the Association or granted as an easement to the Association, for the benefit, use and enjoyment of all its Members.

1.15 “Common Expenses” means as defined in Section 5 of this Declaration.

1.16 “Common Private Driveway” means and refers to any private road or driveway which is built or installed as part of the original construction or improvement of the Property by the Declarant and/or the Builder to serve more than one (1) Lot; and which may be situated on a dividing line between Lots or partly on one (1) Lot and partly on another Lot, together with any road or driveway which may be specifically designated by Declarant and/or Builder within a Common Driveway Easement, Private Driveway Easement, or a record plat and/or other recorded instrument.

1.17 “Common Private Driveway Easement” means and refers to all private driveway easement(s) located on the Property as shown on any Record Plat, or other recorded instrument. The areas within the easement(s) are sometimes referred to as the Common Private Driveway(s).

1.18 “Community-Wide Standard” means the standard of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standard may be more specifically determined by the Board of Directors and Declarant.

1.19 “Declarant” means Bluegrass Meadows Development, LLC, a Kentucky limited liability company, its successors and assigns.

1.20 “Declaration” means this Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Bluegrass Meadows as the same may from time to time be amended or supplemented in the manner prescribed herein.

1.21 “Default” means any violation of, breach of, or any failure to comply with, the Restrictions, this Declaration or any other Governing Documents as defined herein.

1.22 “Development Period” means the period commencing on the date on which this Declaration is recorded in the Bullitt County, Kentucky Clerk’s Office and terminating on the earlier to occur of: (i) within sixty (60) days following the date when one hundred percent (100%) of the Dwelling Units which may be built on the Property or Additional Property have been deeded by either Declarant and/or any Builder to a third party purchaser; or (ii) thirty (30) years from the date of recording of the Declaration.

1.23 “Dwelling Unit” means any building or portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single person, a family or family-sized group of persons, which residence may either be attached or detached.

1.24 “General Assessment” means as defined in Section 5 of this Declaration.

1.25 “Governing Documents” means the Declaration, the Bylaws, the Articles of Incorporation, the Record Plat, the Rules and Regulations, if any, the management agreement, if any, entered into between the Association and any professional manager of the Property, and any other basic documents used to create and govern the Property.

1.26 “Improvements” means all Dwelling Units, buildings, outbuildings, sheds, garages and other structures; overhead, aboveground and underground installations, including without limitations, utility facilities and systems, lines, pipes, wires, towers, cables, conduits, poles, antennae and satellite dishes; flagpoles; swimming pools, hot tubs, spas, tennis courts, and all other types of recreational courts, fixtures and facilities, including but not limited to, tree houses, play houses, children’s recreational equipment or structures, basketball goals and playground equipment; pet houses, runs, and enclosures; changing of colors or materials of the Improvements; exterior lighting; slope and drainage alterations; roads, driveways, uncovered parking areas and other such areas; fences, mailboxes; trellises, walls, retaining walls, exterior stairs, decks, patios and porches; planted trees, hedges, shrubs and other forms or landscaping; and all other structures or Improvements of every type, constructed or maintained on the Property.

1.27 “Individual Assessment” means the charge established in Section 5 of this Declaration.

1.28 “Landscape, Fencing and Signage Easement” means as defined in Section 9 of this Declaration.

1.29 “Lot(s)” means each of the parcels of land shown as such upon the Record Plats of the Property and may be one of the following described Lots:

(a) Single Family Lot is a Lot upon which a single Dwelling Unit is situated, typically with minimal or no maintenance services but specifically as described herein.

(b) Patio Home Lot is a Lot upon which a single Dwelling Unit is situated, typically with some provided maintenance services but specifically as described herein.

(c) Paired Lot (whether Paired Patio or Paired Townhome) is a Lot upon which attached Dwelling Units that share a common wall each of which is situated on its own platted Lot with maintenance services as described herein. The Dwelling Units may be more than one story. The Dwelling Units may not be severed from one another.

1.30 “Maintenance Standards” means those standards adopted by Declarant and/or the Board pursuant to Section 8 of the Declaration as the same may from time to time be amended.

1.31 “Members” means all Class A Members and the Class B Member.

1.32 “Neighborhood” means and refers to each separately developed residential area comprised of one (1) or more housing/building types subject to this declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or Common Elements and facilities which are not available for use by all Association Members.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Association (as defined in Section 10 hereof) having jurisdiction over the property within the Neighborhood. It shall not be necessary for any Neighborhood to be governed by a Neighborhood Association except in the case of a condominium or otherwise required by law.

1.33 “Neighborhood Assessments” means assessments levied against the Dwelling Units in a particular Neighborhood or Neighborhoods to fund Neighborhood expenses, as more particularly described in Section 5 of this Declaration.

1.34 “Neighborhood Expenses” means and includes the actual and estimated expenses incurred by the Association for the benefit of Owners of Dwelling Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein.

1.35 “Occupant” means any person in possession of a Lot or Dwelling Unit whether or not such possession is lawful and shall include but not be limited to, an Owner’s family members, guests, invitees, Tenants and lessees.

1.36 “Open Spaces” means and refers to all open spaces located on the Property as shown on any Record Plat, which are for the benefit of the Owners in the Subdivision.

1.37 “Owner” means, with respect to any Lot, the owner of record from time to time, whether one or more persons or entities, of an interest in fee simple, reversion, remainder or leasehold estate of 99 years or more, but shall not include the Association. Such term shall include contract sellers except those having an interest merely as security for the performance of an obligation.

1.38 “Private Driveway Easement” means and refers to all private driveway easement(s) located on the Property as shown on any Record Plat. The areas within the easement(s) are sometimes referred to as the Common Private Driveway(s).

1.39 “Private Easements” means and refers to any drainage, utility, sanitary sewer, or storm sewer easement, or any combination thereof, shown on any Record Plat. These areas are for the benefit of all Lot Owners and any applicable government agency having jurisdiction over them and shall be maintained as provided for in this Declaration or Record Plat.

1.40 “Private Street” means any street constructed by the Declarant, which has not been dedicated to a municipality, on the Property providing primary access to individual Lots within the Subdivision as shown on any Record Plat for the Subdivision and intended to be owned and maintained by the Association as a Common Element.

1.41 “Property” means that certain land more particularly described in **Exhibit A** to this Declaration. When portions of the Additional Property are subjected to this Declaration pursuant to Section 3 herein, those portions shall then be deemed part of the Property.

1.42 “Record Plat” means a plat of Bluegrass Meadows as recorded in the Bullitt County, Kentucky Clerk’s records, including any subsequent plats or replats.

1.43 “Recreational Facilities” means any facilities now or hereafter installed upon the Common Elements for the benefit of Owners and Occupants, which may include, but not be limited to, swimming pools, bath houses, clubhouses, shelters, ponds, walking trails, gazebos, playgrounds and surrounding areas, and any portions of the Common Elements on which recreational activity is permitted.

1.44 “Restrictions” means all covenants, conditions, restrictions, easements, charges, liens and other obligations provided for in this Declaration, including, without limitation, the Maintenance Standards and all notices, rules and regulations issued in accordance with this Declaration.



1.45 “Retention and Detention Areas or Ponds” means and refers to any area designated on any Record Plat as such, or any combination thereof, which shall be used or designated to retain or temporary detain surface drainage which Declarant, its successors and assigns, have been required to construct or make use of in connection with surface drainage by any official agency of Bullitt County in connection with the development of the Property.

1.46 “Special Assessment” means as defined in Section 5 of this Declaration.

1.47 “Structure” means:

(a) any thing or object (other than trees, shrubbery, hedges, and landscaping which are less than two feet high) the placement of which upon any part of the Property may affect the appearance of the Property, including, without limitation, porch, deck, shed, barn, storage facility, covered or uncovered patio, fence, curbing, paving, wall, signboard or any other temporary or permanent Improvement; and

(b) any excavation, fill, ditch, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any part of the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any part of the Property.

1.48 “Subdivision” means all phases or sections of the Record Plat for Bluegrass Meadows, a subdivision in Bullitt County, Kentucky, and consisting of all the Property from time to time made subject to the provisions of this Declaration.

1.49 “Supplemental Declaration” means an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects all or any portion of the Additional Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land subject to this Declaration.

1.50 “Tenant” means any person occupying any Lot pursuant to a written lease agreement with the Owner thereof or with any other person or entity claiming under the Owner.

1.51 “Working Capital Assessment” means as defined in Section 5 of this Declaration.

**SECTION 2**  
**PROPERTY SUBJECT TO THIS DECLARATION**

The Property, each portion thereof, and all Dwelling Units thereon shall be held, transferred, sold, conveyed, leased, mortgaged and occupied subject to the terms, provisions, covenants and conditions of this Declaration.

**SECTION 3**  
**COVENANT FOR STAGED DEVELOPMENT**

3.1 Staged Development. Declarant reserves the right at any time within the Development Period to remove any portion of the Property, annexed to the Property by Declarant, from the scope of the Declaration or to make subject to or annex any portion of the Additional Property to this Declaration without the consent of the Members of the Association. However, Declarant is not bound to annex any of the Additional Property to this Declaration, and until such time as any of the Additional Property is annexed, the same shall not be subject to the provisions of this Declaration. Declarant shall have the right and power, but neither the duty nor the obligation, in its sole and unfettered discretion, to subject all or any part of the Additional Property to the provisions hereof at any time and from time to time by executing and recording with the Bullitt County, Kentucky Clerk's Office, an amendment to this Declaration or a supplemental declaration specifying that such Additional Property is part of Bluegrass Meadows. Such an amendment shall not require the joinder or signature of the Association, other Owners, mortgagees, or any other Person. In addition, such amendments to this Declaration or supplemental declaration may contain such supplementary, additional, different, new, varied, revised or amended provisions as may be necessary or appropriate, as determined by Declarant, to reflect and address the different character or intended development of any such Additional Property.

3.2 Total Dwelling Units. The total number of Dwelling Units or Lots for the Property and the Additional Property shall not exceed the total number of Dwelling Units and Lots authorized by the zoning authority having jurisdiction over the development of the Property.

3.3 Supplemental Declaration for Staged Development. Owners of Lots subject to such amendment or supplemental declaration shall be Owners as defined by this Declaration.

3.4 Declarant's Rights to Complete Development. Declarant, its successors and assigns, shall have the right to post signs on its property incidental to the development, construction, promotion, marketing, sale and leasing of property within the Subdivision, and the right of ingress and egress through the streets, paths and walkways located in Common Elements for any purpose whatsoever, including but not limited to, purpose related to the construction, maintenance and operation of Improvements on property within the Subdivision. Nothing contained herein shall limit the rights of Declarant or require Declarant to obtain approval to: (i) excavate, cut, fill or grade any property owned by it or to construct, alter, remodel, demolish or replace any Improvements on any Common Elements or any property owned by it as a construction

office, model home or real estate sales or leasing office in connection with the sale of any property; or (ii) require it to seek or obtain the approval of the Association or the ARC for any such activity or Improvement on any Common Elements or any property owned by it. Nothing contained herein shall limit or impair the reserved rights of Declarant as elsewhere provided in the Declaration.

**SECTION 4**  
**ASSOCIATION: MEMBERSHIP,**  
**BOARD OF DIRECTORS AND MANAGEMENT COMPANIES**

4.1 Formation of the Association. The Declarant has caused or will cause the Association to be incorporated. The purpose of the Association is to provide for the administrative governance, maintenance, management and upkeep of the Property and to promote the general health and welfare of the Owners and Occupants of the Property.

4.2 Rules and Regulations. The Association through its Board may make and enforce reasonable rules and regulations governing the use of the Common Elements owned by the Association (“Rules and Regulations”); the levying and collection of assessments for the operation of the Association; the levying and collection of administrative and enforcement charges for the infraction of the Governing Documents, including but not limited to the Rules, and the covenants, conditions, restrictions, governing organizational documents and rules imposed on or encumbering any Lot within the Subdivision; and for other purposes consistent with its goals. All such Rules shall be consistent with the provisions of the Governing Documents. The Association shall have the power to impose sanctions on Owners, including without limitation: (i) reasonable monetary administrative charges which shall be considered Individual Lot/Unit Assessments; (ii) suspension of the right to vote as a Member of the Association; and (iii) suspension of the right of the Owner and the Owner’s Occupants, licensees, and invitees, to use the Common Elements for a period not exceeding sixty (60) days, for any infraction of the Governing Documents, including but not limited to the Rules, imposed on or encumbering any Lot within the Subdivision. In addition, the Board shall have the power to seek relief in any court for violations of, or, to abate violations of the Governing Documents, including but not limited to the Rules imposed on or encumbering any Lot within the Subdivision. If the Board expends funds for attorneys’ fees or litigation expenses in connection with enforcing any provision of the Governing Documents, including but not limited to the Rules, imposed on or encumbering any Lot within the Subdivision, or otherwise, the amount so expended shall be due and payable by the Owner or Owners of the Lot or Unit, whose Owner, Occupant, Tenant, licensee, or invitee violated any provision of the Governing Documents, including but not limited to the Rules, and the same shall be an individual Lot/Unit Assessment against such Owner’s Lot or Unit and such Owner.

4.3 Board of Directors. Until the expiration of the Development Period, the initial Board shall consist of three (3) persons appointed by the Class B Member who shall serve until their respective successors are elected and qualified. Directors appointed by the Declarant need not be Members of the Association. However, a Director elected by Class A Members shall be a Lot Owner or a spouse of a Lot Owner, except that if a Lot Owner is a corporation, partnership, joint

venturer, or other entity, the Lot Owner may elect as a Director an officer, partner, joint venturer, or like individual affiliated with this Lot Owner.

Within ninety (90) days after the expiration of the Development Period, the President of the Association shall call a special membership meeting (“Development Period Special Meeting”). At the Development Period Special Meeting, all Declarant appointed Directors shall be deemed removed from office, and the Class A Members, including the Declarant if it is then an Owner, shall elect one (1) Director that is an Owner of a Dwelling Unit in Neighborhood A and One (1) Director that is an Owner of a Dwelling Unit in Neighborhood B. The third (3rd) Director shall initially be from Neighborhood A, and shall alternate Neighborhoods each term thereafter. The terms of said elected Directors for the initial Class A Member elected board, shall be from one (1) to two (2) years so that any year thereafter, at least one (1) term shall expire. The Director from Neighborhood A and the Director from Neighborhood B with the most votes shall be the Directors who shall serve a two (2) year term. The remaining Director shall serve a one (1) year term. Subsequent to the Development Period Special Meeting, all Directors, and their successors, shall be elected by Class A Members and shall be elected for a two (2) year term. Furthermore, at any Annual Meeting subsequent to the Development Period Special Meeting, the Board may elect to expand the number of Directors to five (5) but in no event shall the number of Directors be less than three (3).

Notwithstanding anything above to the contrary, the Class B Member may, by written notice to the Board, at or before any Annual Meeting, relinquish to the Class A Members, the Class B Member’s right to appoint one or more Directors at such Annual Meeting pursuant to this Section 4.

4.4 Membership. The membership of the Association shall at all times consist exclusively of Owners. All Owners shall be Members. Membership shall be appurtenant to and may not be separated from such ownership.

4.5 Members Rights and Duties. Each Member shall have the rights, duties and obligations set forth in this Declaration and all amendments duly made hereto in accordance with the terms herein.

4.6 Professional Management Contracts. The Association may delegate all or any portion of its authority to discharge its responsibilities herein to a manager or managing agent. Any management agreement shall not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee on sixty (60) days or less written notice.

## **SECTION 5**

### **ASSESSMENTS**

5.1 Creation of Assessments. There are hereby created Assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in this Section 5. The types of Assessments

described in this Section 5 are (1) General Assessment; (2) Special Assessment; (3) Neighborhood Assessment (4) Individual Assessment; (5) Working Capital Assessment; and (6) Capital Contribution Assessment. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Property, is deemed to covenant and agree to pay these Assessments.

(a) Owners may not waive or otherwise exempt themselves from liability for the Assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Elements or abandonment of the Dwelling Unit. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

(b) Notwithstanding any provision of this Declaration, the Articles of Incorporation, or Bylaws to the contrary, Declarant shall not be required to pay any Assessments for any recorded, "unoccupied" Lot in which they have the interest otherwise required for Class A Membership. Furthermore, Declarant shall have the right, by written contract, to exempt any party purchasing a Lot not for its own occupancy of a house on such Lot from the liability to pay Assessments herein.

5.2 General Assessment. The General Assessment levied by the Association is for the purposes of promoting the recreation, scenic enjoyment, health, welfare and safety of the residents and for protecting, advancing and promoting the environmental concept of the Property and preserving the aesthetic and scenic qualities of the development. The General Assessment shall be levied by the Association against the Owner of each Dwelling Unit or Lot, as provided in Section 5, to be used currently, and to provide an adequate reserve fund for future use, for the improvement, expansion and maintenance of the Common Elements, including, but not limited to, the payment of real estate taxes on those portions of the Common Elements to which the Association is the record owner; casualty and liability insurance for the Common Elements to which the Association is the record owner and fidelity bonds; the cost of repairing, maintaining and replacing the landscaping in the Common Elements; the cost of supplying water to the Common Elements; the costs of operation, maintenance, improvement, and replacement of the Recreational Facilities, Open Spaces, Landscape Easement Areas and Signage Easement Areas, and retention/detention or other stormwater management facilities; the cost of reasonable reserves for contingencies, replacements and working capital; management fees; organizational costs; legal costs for the enforcement of liens and covenants in this Declaration and all other costs incurred by Declarant or the Board in the exercise of its powers and duties pursuant to this Declaration (collectively "Common Expenses"). The General Assessment shall be estimated initially in accordance with Section 5 of this Declaration. 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 Common

Elements or Recreational Facilities, or the actual occupancy of any Lot or Dwelling Unit of the Property.

5.3 Computation of General Assessment. It shall be the duty of the Board, prior to the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital reserve account for the capital replacement, as needed.

(a) The General Assessment for each Dwelling Unit shall commence upon its conveyance from Declarant and shall be prorated from the date of conveyance through the end of the billing period.

(b) The General Assessment to be levied against each Dwelling Unit for the coming year shall be determined by multiplying the total budgeted Common Expenses, including reserves, by a fraction, the numerator of which is the number "1," and the denominator of which is the total number of Dwelling Units or Lots subject to Assessment.

(c) Notwithstanding the above, the Board may, in its sole discretion, reduce the General Assessment determined pursuant to the above formula by taking into account:

(i) Other sources of funds available to the Association; and

(ii) Assessments to be levied upon additional Dwelling Units or Lots reasonably anticipated to become subject to Assessments during the fiscal year.

(d) So long as Declarant has the right unilaterally to annex Additional Property pursuant to Section 3 below, Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting General Assessment for any fiscal year by payment of a subsidy; provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate Declarant to continue payment of such subsidy in future years.

(e) The Board shall cause a copy of the Common Expense budget and notice of the amount of the General Assessment to be levied against each Dwelling Unit or Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the beginning of the fiscal year. If, in the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined by the Board, the budget in effect for the immediately preceding year shall continue.

5.4 Computation of Neighborhood Assessments. It shall be the duty of the Board, prior to the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf

Neighborhood Expenses are expected to be incurred during the coming year. Any Neighborhood may require that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Dwelling Units within the Neighborhood benefited thereby and levied as a Neighborhood Assessment.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Dwelling Unit in the Neighborhood for the coming year to be delivered to each Owner of a Dwelling Unit in the Neighborhood at least fifteen (15) days prior to the beginning of the fiscal year. In the event that the Board fails for any reason to determine the budget for any neighborhood, for any year, then and until such time as a budget shall have determined by the Board, the budget in effect for the immediately preceding year shall continue.

5.5 Special Assessment. In addition to the other Assessments authorized herein, and to the extent that the reserve fund is insufficient, the Association may levy Special Assessments for one or more of the following reasons:

(a) The amount of any operating deficit incurred or projected in any calendar year may be paid by means of a Special Assessment sufficient in an amount so as to allow the Association to satisfy such deficit in part or in whole, provided that any such Special Assessment shall have been approved in accordance with Section 5.

(b) To the extent that the capital budget is insufficient, the Association may levy Special Assessments to construct, structurally alter, or replace capital Improvements which are a part of the Common Elements in any fiscal year.

(c) Special Assessments shall be paid as determined by the Board, and the Board may permit Special Assessments to be paid in installments extending beyond the fiscal year in which the Special Assessments is imposed.

5.6 Individual Assessment. The Association after approval by a majority of the members of the Board shall have the right to assess an individual Lot or Dwelling Unit for any of the following (“Individual Assessment”):

(a) any costs incurred for maintenance or repair caused through the willful or negligent act of an Owner or Occupant or their family, tenants, guests or invitees, including attorney fees, court costs and other expenses incurred; and/or

(b) any costs associated with the enforcement of this Declaration or the Rules and Bylaws, if any, of the Association, including, but not limited to attorney’s fees, witness fees and costs, and court costs.

5.7 Working Capital Assessment. At the time of closing on the sale of each Lot from Builder or Declarant to a third party purchaser, the purchaser shall be required to pay an amount established by the Board, or the amount equal to the current annual assessment, as such purchaser's capital contribution to the working capital of the Association ("Working Capital Assessment"). The Builder or Declarant, in its sole discretion, may waive the Working Capital Assessment. The Working Capital Assessment amount shall be determined by the Board of Directors. The Working Capital Assessment shall be used by the Association for its operating expenses. Such Working Capital Assessment is not an advance payment of the General Assessment or any other Assessment established herein and will not be held in any sort of trust or reserve account. Declarant shall not be required to pay any Working Capital Assessment as described in this paragraph.

5.8 Capital Contribution Assessment. At the time of closing on the resale of a Dwelling Unit or Lot to a subsequent purchaser, said subsequent purchaser shall be required to pay one hundred percent (100%) of the current Working Capital Assessment as such purchaser's capital contribution to the working capital of the Association ("Capital Contribution Assessment"). The Capital Contribution Assessment shall be used by the Association for its operating expenses. Such Capital Contribution Assessment is not an advance payment of the General Assessment or any other Assessment established herein and will not be held in any sort of trust or reserve account. Declarant and Builder shall not be required to pay any Capital Contribution Assessment as described in this paragraph.

5.9 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 or Neighborhood Assessment for the following year; (c) apply the Common Surplus to the reserve; or (d) repay any loan obtained by the Board, on behalf of the Association, used to fund any prior year's operating deficit as provided for in Section 5.

5.10 Payment. Unless otherwise established by the Board, the General Assessment and Neighborhood Assessment shall be paid in advance in annual installments not more than ten (10) days after the due dates established by the Board. The Board shall have the power at any time to adopt such billing, collection and payment procedures and payment time schedules as it shall deem appropriate. Additionally, any Special Assessment or Individual Assessment imposed by the Board shall become due upon the date designated in the notice, but not less than thirty (30) days after the mailing of the notice to the Owner by United States mail. **At the time of closing on a Lot or Dwelling Unit from either Declarant or Builder to a third party purchaser, each purchaser of a Dwelling Unit or Lot shall be required to pay the Working Capital Assessment and a prorated share of the General Assessment and Neighborhood Assessment for the balance of the billing period in which the closing takes place. Further, at the time of a resale closing of a Dwelling Unit or Lot to a subsequent purchaser, such subsequent purchaser shall be required to pay the Capital Contribution Assessment, as provided in Section 5, and a prorated share of the General Assessment and Neighborhood Assessment for the balance of the billing period in which the closing takes place.**



5.11 Operating Deficit. If during the Development Period the Association incurs an operating deficit, Declarant, Builder or any other affiliated entity of Declarant (“Affiliated Entity”), may, at its option, loan funds to the Association to fund the deficit. In the event that Declarant, Builder and/or Affiliated Entity elects to fund the deficit, the Association shall execute a loan agreement and/or promissory note for the benefit of Declarant, Builder and/or Affiliated Entity, as the case may be, the form of which shall comply with the terms and conditions (“Deficit Lending Terms”) set forth in Exhibit C attached hereto and made a part hereof. The Association shall be obligated to repay to the Declarant, Builder and/or Affiliated Entity, as the case may be, any and all monies lent by such entity to the Association in accordance with this Section 5 in order to fund any deficit. Such repayment of monies shall be in accordance with the terms and conditions of said loan agreement and promissory note.

5.12 Books and Records of the Association. The Association shall keep full and correct books of account. The Association shall make available to all Lot Owners and the holders of all first mortgages on Lots, current copies of the books, records and financial statements of the Association upon reasonable request during normal business hours. All funds collected by the Association shall be held and expended solely for the purposes designated by this Declaration and shall be deemed to be held for the use, benefit and account of the Association and all of the Lot Owners. The Association may charge a reasonable fee to cover the cost of copies, mailings, storage retrieval fees, and administrative fees incurred for same.

5.13 Penalty for Late Payment. For each Lot as to which any installment of any Assessments are not paid within a period of thirty (30) days from its due date, unless otherwise modified 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.

5.14 Creation of Lien and Personal Obligation of Assessment. All Assessments shall be a charge and lien on each Lot to the extent and for the period provided in Section 5, and shall also be the personal obligation of the Owner of each Lot against which they are made.

5.15 Liens. If any Assessment on a Lot is not paid within the period established by the Board pursuant to Section 5 herein, the amount thereof together with any interest, costs, penalties and reasonable attorneys’ fees thereon shall constitute a lien on such Lot in favor of the 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 Lot pursuant to mortgage foreclosure or by deed in lieu thereof. Assessments shall become a lien on a Lot on the date the Board mails written notice of any such Assessment to the Owners of any Lot subject thereto. The Association may perfect the lien by recording a notice of lien with the Bullitt County, Kentucky Clerk’s Office, in any legally recordable form. Nonpayment of any Assessment on a Lot shall be

deemed and is hereby declared to be the happening of a condition or event that creates an interest in real estate.

5.16 Evidence of Payment. Upon the request of the Owner or any mortgagee or Tenant of any Lot or any prospective purchaser, mortgagee, or Tenant thereof, the Board or its designated representative shall furnish written evidence of the amount of the Assessments with respect to such Lot for the current year and the amount of any unpaid Assessments, penalty and interest, if any. Such evidence may be conclusively relied upon by any such party and by anyone furnishing any title evidence or opinion with respect to such Lot. A reasonable charge may be imposed for furnishing such written evidence.

5.17 Enforcement of Lien. Any lien established under this Declaration may be enforced by the 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 the Commonwealth of Kentucky. In any such enforcement proceeding, the amount which may be recovered by the Association shall include all costs of such proceeding, including reasonable attorneys' fees. In any such foreclosure sale, the Association may become the purchaser. Any enforcement proceedings described herein are not subject to the Dispute Resolution provisions described in Section 15.

5.18 Subordination of Lien to First Mortgage. The mortgagee of a first mortgage of record on a Lot shall have no obligation hereunder to collect any Assessments chargeable to such Lot. Failure of a Lot Owner to pay any Assessments imposed in this Declaration shall not automatically be deemed a default under the first mortgage of record on that respective Lot. In addition, when the mortgagee of a first mortgage of record, or other purchaser of a Lot as a result of judicial execution, acquires title to the Lot as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure, such acquirer of title, his, her or its heirs, successors and assigns, shall not be solely liable for the share of the Assessments chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Any lien against such Lot shall be canceled and voided, and shall become unenforceable. Such unpaid share of Assessments shall be deemed to be Common Expenses collectible from all of the Lots, including that of such acquirer, his, her or its heirs, successors or assigns.

## **SECTION 6**

### **ARCHITECTURAL REVIEW**

6.1 Architectural Review Committee. The Board, or the Declarant during the Development Period, may appoint an Architectural Review Committee ("ARC") to review and approve, modify or reject all development, construction, landscaping and site plans involving an Improvement on any Lot pursuant to this Section 6. If an ARC has not been appointed in accordance with the foregoing, any reference in this Section 6 to ARC shall mean the Declarant during the Development Period or the Board thereafter.

6.2 Alteration of Dwelling Unit and Structures. Except for initial construction of Dwelling Units, accessory Structures and Common Elements by Declarant, no building, fence, wall, deck or other Structure shall be commenced, constructed, erected, placed, moved onto or permitted to remain on any Lot, nor shall any Dwelling Unit, Improvement and/or Structure on any Lot be remodeled, painted or altered or expanded in any way which changes the exterior appearance thereof, unless detailed plans and specifications therefor shall have been submitted to and approved in writing by the ARC. Such plans and specifications shall be in such form and shall contain such information as the ARC may reasonably require, including but not limited to any or all of the following: a site plan; patio and walkway locations; description of materials; location of lighting; architectural plans including cross-sections, floor plans and elevations; and evidence of conformity with building codes. The ARC shall either approve the plans and specifications, disapprove them, or approve them with conditions or qualifications.

6.3 Approval of Plans and Specifications. The ARC shall approve plans and specifications submitted to it with respect to any Lot (or subdivision of Lots) if it finds that they comply with the requirements of Section 6, will further the purposes outlined in this Declaration and meets Architectural Guidelines adopted by the ARC. Upon final approval thereof, a copy of the detailed plans and specification shall be kept as part of the Association's record and a copy bearing the written approval of the ARC shall be returned to the applicant. Approval by the ARC of plans and specifications with respect to any Lot shall not impair the ARC's right subsequently to approve a requested amendment of such plans and specifications relating to such Lot (subject to the requirements of Section 6). The ARC's approval of any plans and specifications shall not constitute a representation or warranty as to the quality of the plans and specifications or their compliance with applicable laws and codes.

6.4 Architectural Guidelines. The ARC may adopt reasonable architectural guidelines and rules relating to the construction, erection and placement of buildings, fences, walls and structures in order to fulfill its obligations under Section 6. Such guidelines and specifications may include but not be limited to building materials, minimum or maximum sizes, dimensions or heights, color schemes, material finishes, locations, setbacks or other reasonable requirements.

6.5 Disapproval of Plans and Specifications. If plans and specifications (whether schematic, preliminary or detailed) submitted to the ARC with respect to any Lot do not comply with the Architectural Guidelines, if any, and the requirements of Section 6 as to the information required to be included in the plans and specifications, the ARC shall either disapprove such plans and specifications or approve them subject to such conditions and qualifications as the ARC may deem necessary to achieve compliance. The ARC, in its sole discretion, may refuse to grant permission to construct, place or make the requested Improvement, when:

(a) the plans, specifications, drawings or other material submitted are, themselves, inadequate to incomplete, or show the proposed Improvement to be in violation of these Declarations, the plat restrictions or any rules, regulations or guidelines adopted by the ARC;

(b) the design or color scheme of a proposed Improvement or the materials proposed to be used are not in harmony with the general surroundings of the Lot, adjacent buildings, or Structures; or

(c) the proposed Improvement, or any thereof, would, in the sole opinion of the ARC, be contrary to the interest, welfare or rights of all of part of other Owners.

6.6 Failure of the ARC to Act. If the ARC shall fail to act upon any plans and specifications submitted to it within ninety (90) days after submission thereof, such plans and specifications shall be deemed to have been approved as submitted, and no further action by the ARC shall be required. If construction of a Structure is not commenced on a Lot on or before six (6) months from the date of submission of plans and specifications, then such “deemed approval” shall be automatically canceled and a new submission shall be required.

6.7 Violations. If any Dwelling Unit and/or Structure situated upon any Lot shall have been constructed, erected, placed, remodeled or altered other than in accordance with the approved plans and specifications, the ARC shall give notice of a Default to the Owner of the Lot involved, provided, however, that the ARC may, upon such conditions as it may determine, waive any such Default if it finds that such Default does not substantially conflict with the policies of the ARC.

6.8 Enforcement. In the event of a violation of the provisions of this Section 6, the Association shall have the right to enforce this Section 6 by any proceedings authorized in this Declaration, the Bylaws, or Rules and Regulations, if any, as well as any other relief available at law or in equity.

6.9 Right of Entry. The ARC through its members, employees, and agents, shall have the right to enter upon any Lot at all reasonable times for the purpose of ascertaining whether such Lot or the construction, erection, placement, remodeling, or alteration of any Dwelling Unit and/or Structure thereon is in compliance with the provisions of Section 6, without the ARC or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of such action or actions.

6.10 Fees. Reasonable fees may be charged for the processing of plans and specifications. Such fees may cover the cost of such processing, including inspection costs. Such fees shall be payable at the time of submission of the respective item for approval.

6.11 Approval of Plans by Declarant. Notwithstanding anything to the contrary in Section 6, during the Development Period (which may still be in effect even after the Development Period Special Meeting), the plans and specifications for the initial construction of a Dwelling Unit, building, fence, wall, deck or other Structure shall be subject only to Declarant’s approval and shall not be approved by the ARC.

6.12 No Waiver of Future Approvals. The Approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approvals and consent of such ARC, shall not be deemed to constitute a

waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

6.13 Variance. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with applicable zoning laws, ordinances and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) stop the ARC from denying a variance in other circumstances. For the purpose of Section 6, the inability to obtain approval of any governmental agency, the issuance of any permit, the terms of any financing, or the initiation of work without the required approval of the ARC shall not be considered hardships warranting a variance.

6.14 Compliance with Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the ARC may be excluded by the ARC from the Property without liability to any person, subject to the notice and hearing procedures contained in the Bylaws or Rules and Regulations. Further, if any approval required by this Declaration is not granted in writing with respect to any item prior to its installation, the respective Owner thereof shall remove promptly the unapproved item or Structure, upon request by ARC.

6.15 Non-Liability of Declarant, ARC. Neither the Declarant nor the ARC shall be responsible in any way for any defect in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto. Further, the ARC or the Declarant does not make, and shall not be deemed by virtue of any action of approval or disapproval taken by it to have made, any representation or warranty as to the suitability or advisability of the design, the engineering, the method of construction involved, or the materials to be used or as to the compliance of any plans submitted for approval with these Restrictions, any recorded plat governing the Property or any applicable code, regulation or law.

6.16 Inspection. The ARC and the Declarant may inspect work being performed to assure compliance with this Declaration, the plat restrictions and applicable Rules and Regulations. However, neither the ARC, nor any member thereof, nor the Declarant, nor any agent or contractor employed or engaged by the ARC or the Declarant, shall be liable or responsible for defects, nonconformity or deficiencies in any work inspected or approved by it or them, or on its or their behalf. Further, no such inspection or approval given by or on behalf of the ARC or the Declarant shall be taken or deemed to be or constitute a warranty or guaranty of the work so inspected or approved.

6.17 No Compensation. Neither the ARC nor any of its members shall be entitled to any compensation for performing its duties or obligations set forth in the Declaration.

6.18 Zoning Requirements. Notwithstanding anything herein or in the Rules and Regulations to the contrary, all Improvements on the Property shall comply with the following zoning requirements:

- 6.18.1 All single family detached Dwelling Units constructed on the Property shall be a minimum of one thousand four hundred (1,400) square feet.
- 6.18.2 All single family attached (i.e. Paired Patio, Paired Townhome or duplex) Dwelling Units constructed on the Property shall be a minimum of one thousand two hundred (1,200) square feet.
- 6.18.3 Not more than twenty percent (20%) of any building exterior may be constructed using aluminum or vinyl siding with the remaining building exterior to be constructed of brick, stone, brick or stone veneer, cement siding (e.g. James Hardie), stucco, or a combination of the same. Notwithstanding the foregoing, Declarant recognizes that the appearance of other exterior building materials may be attractive and innovative, and such other building materials may be used if approved by Declarant and the appropriate city or county governmental body.

6.19 Approval of Contracts. Prior to the commencement of construction on any improvements on a Lot, the builder or general contractor constructing such improvements shall be approved in writing by Declarant, or any person or association to which Declarant may assign the right, which approval may be given or withheld in its sole discretion. Such builder or general contractor must be licensed by all applicable authorities. Declarant's approval of any builder or general contractor on one Lot shall not in any way be deemed approval for such builder or general contractor to construct a structure on any other Lot. The approval by Declarant of any builder or general contractor shall in no manner whatsoever serve as a guarantee, warranty or representation of the quality of workmanship by the approved builder or general contractor, nor of the ability of the builder or general contractor to fully perform the work.

## **SECTION 7**

### **COVENANTS AND RESTRICTIONS OF USE AND OCCUPANCY**

7.1 Purposes. In order to promote the health, safety and welfare of all Owners, Members and Occupants, and to preserve, beautify and maintain the Property and all Structures thereon as a subdivision of high quality and to preserve and promote a good environmental quality, the following covenants, restrictions and limitations as to use and occupancy are hereby adopted, declared and established. These covenants and restrictions shall hereinafter burden and benefit all Lots on the Property, shall run with the land, and be binding on current and successor Lot Owners.

7.2 Covenants and Restrictions. The following are the covenants and restrictions and limitations as to use and occupancy to which the Property is hereby subjected:

- (a) Land Use. Except as otherwise provided in this Declaration, no part of the Property other than Common Elements shall be used for other than a Dwelling Unit. To

the extent permitted by law, an Owner of a Lot may use a portion of a Dwelling Unit located thereon for his office, studio or other business or trade purpose provided that the activities therein shall not: (i) interfere with the quiet enjoyment or comfort of any other Owner or Occupant; (ii) do not increase the normal flow of traffic or individuals in and out of the Property or in and out of said Owner's Lot; (iii) be apparent or detectable by sign, sound or smell from the exterior of the Lot; (iv) conflict or violate zoning requirements for the Subdivision; (v) increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (vi) be inconsistent with the residential character of the Subdivision; (vii) constitute a nuisance or a hazardous or offensive use; (viii) threaten the security or safety of other residents of the Subdivision; or (ix) involve door-to-door solicitation within the Subdivision, all as may be determined in each case in the sole discretion of the Board of Directors. The foregoing notwithstanding, Declarant, its successors, assigns and affiliates, and any Builder may use Lots, Dwelling Units and Common Elements for construction offices, sales purposes (i.e. model homes), and as offices to meet with prospective purchasers of Dwelling Units. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involve the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a Lot or Dwelling Unit shall not be considered a trade or business within the meaning of Section 7. Section 7 shall not apply to any commercial property within the Property nor shall it apply to any activity conducted by the Declarant or Builder with respect to its development and sale of the Property or its use of any Lots or Dwelling Units which it owns within the Property.

(b) Other Structures. No Improvements or Structures of a temporary character (trailer, shack, garage, barn or other temporary outbuilding) shall be used or erected on any Lot after the permanent residence on each Lot has been completed. No window-mounted heating or air conditioning units shall be permitted. Improvements or Structures may not be placed on any Lot without the ARC's prior written approval, as provided in Section 6 above. Section 7 shall not apply to Declarant or a Builder during the initial construction of a Dwelling Unit located on a Lot.

(c) Parking. All Lots shall provide a minimum of two (2) off-street parking spaces, exclusive of garages. No parking spaces, streets or driveways nor any other part of the Common Elements nor any Lot upon which a Dwelling Unit is constructed shall be used for parking of any trailer, truck, boat, or anything other than operative automobiles, motorcycles or scooters, except while loading, unloading or cleaning which shall not exceed forty-eight (48) hours. Any such vehicles may, however, be stored or parked in an enclosed garage provided such garage door can be completely closed, and remains closed, except during times of ingress and egress from the garage, when such vehicle is parked therein. The word "trailer" shall include, but not be limited to, trailer coach, recreational vehicle, house trailer, mobile home, automobile trailer, boat trailer, camper or any other

vehicle, whether or not self-propelled, constructed or existing in such a manner as to permit human use and occupancy, storage, or conveyance of machinery, tools or equipment, whether resting on wheels, jacks, tires or other foundation. The word "truck" as used herein shall include and mean every type of motor vehicle other than passenger cars and other than any non-commercial pick-up truck (no ladder, racks, advertising, etc.), sports utility vehicle or van which is used as a principal vehicle by an Owner of a Dwelling Unit or his/her family. Notwithstanding the restrictions in Section 7, vehicles actively being used for the purpose of construction, delivery, or repair work to or upon any Lot or Dwelling Unit may be permitted to be parked on any Lot and street in the Subdivision.

No vehicle may be left upon any portion of the Subdivision, except in an enclosed garage or other area designated by the Board, if any, for a period of more than five (5) days if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five-day period, such vehicle may be removed from the Subdivision by the Board of Directors or the appropriate authority of Bullitt County, Kentucky. Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal. No semi-truck, eighteen wheel truck, semi-trailer, tractor ("cab," "power unit," etc.) or portion of such trucks or any trucks with a load capacity in excess of three-quarters (3/4) of a ton shall be parked, kept or stored within the Subdivision except as may be reasonably necessary to provide service to or delivery within the Subdivision or as otherwise permitted by the Board of Directors.

All homes shall contain a garage. Carports shall not be permitted. Garage doors shall be kept closed at all times, except during times of ingress and egress from the garage. Garages shall be used primarily for the parking of vehicles and shall not be used primarily for storage or other purposes. Garages shall not be converted into additional living space (i.e., family rooms, bedrooms, offices, recreational rooms, bathrooms). Declarant and/or Builder shall have the right to use unsold residences as model homes and the garage as a sales office.

(d) Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or interfere with the quiet enjoyment, comfort, and health of any Owner or Occupant of adjacent neighboring Lots. No Lot Owner shall permit anything to be done or kept in a Dwelling Unit or other approved Structure on any Lot that would be in violation of any law. No waste shall be committed in or to any of the Property. This paragraph shall not apply to any Lots owned by the Declarant.

(e) Oil and Mining Operations. No oil drillings, oil development operations, oil refining, quarries or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, water or natural gas shall be erected, maintained or permitted on any Lot.



(f) Garbage and Refuse Disposal. All trash, garbage or other rubbish (“Trash”) shall be kept at all times in each Owner’s garage, except on the days which it is collected or as otherwise directed and instructed by the Board or Declarant. Any Trash containers placed outside by the Dwelling Unit Owners to be collected shall only remain outside for a period not to exceed twenty-four (24) hours or in accordance with an alternative schedule determined by the Board or Declarant. Trash removal and/or recycling shall be subject to such other Rules and Regulations as the Board or Declarant may adopt from time to time.

(g) Antennas. No exterior antenna, receiving dish or similar apparatus of any kind for receiving or transmitting audio or video signals shall be placed, allowed or maintained upon any portion of the Subdivision, including any Lot, unless approved in accordance with the provisions of Section 7 hereof or as otherwise permitted by the Architectural Guidelines; provided, however, no such approval shall be necessary to install the following on a Dwelling Unit: (i) antennae designed to receive direct broadcast satellite services, including direct-to-home satellite services or antennae designed to receive or transmit fixed wireless signals via satellite, that are one meter or less in diameter; (ii) antennae designed to receive video programming services via multi-point distribution services or antennae designed to receive or transmit fixed wireless signals other than via satellite that are one meter or less in diameter or diagonal measurement; or (iii) antennae that are designed and intended to receive television broadcast signals.

Notwithstanding anything to the contrary herein, Owners shall install a permitted antennae only on the rear of the Dwelling Unit unless such installation: (i) imposes unreasonable delay or prevents the use of the antennae; (ii) unreasonably increases the cost of installation; or (iii) prevents an acceptable quality signal from being obtained.

(h) Signs. Other than those allowed in the Architectural Guidelines, no permanent sign shall be permitted on any Lot or building in the Subdivision. An Owner of a Dwelling Unit is permitted to place and maintain a standard “For Sale” or “For Rent” sign on his Lot; provided, however it is of a typical size within the industry. An Owner must obtain the prior written consent of the Board in the event said Owner desires to maintain a “For Sale” or “For Rent” sign which is not of a typical size within the industry. This sign restriction shall not apply to signs used by Declarant and/or Builder or their assigns, while Declarant and/or Builder are selling Dwelling Units in the Subdivision, or to traffic, street names, Common Elements or subdivision identification signs. During the Development Period, Builder may place signage on Open Space or on Common Elements with approval of Declarant. The Board of Directors shall have the right to adopt Rules and Regulations governing the display and placement of signs in the Subdivision, including, without limitation, imposing reasonable time, place and manner restrictions; provided, however, such restrictions shall not apply to Declarant during the Development Period.

(i) Animals. No animals of any kind shall be raised, bred, or kept on any Lot or any area within the Property, except that dogs or other household pets, may be kept on a Lot, subject to the Restrictions, provided that it is not kept, bred or maintained for any commercial purpose, and provided that it is kept subject to the Rules and Regulations, if any, of the Association. No such pets may be allowed to run unattended. Dogs, cats, or

other household pets must be kept within the confines of the Owner's Lot except when being held on hand leash by the person attending the animal. A Lot Owner shall be responsible for cleaning up after his/her household pet. Notwithstanding the foregoing, the Association shall have the right to promulgate Rules and Regulations pertaining to size, number, and type of such household pets and the right to levy fines and enforcement charges against persons who do not clean up after their pet.

(j) Laundry and Trash. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out to dry or for other reasons or exposed on any part of the Property. No clotheslines shall be located on any Lot. The Property shall be kept free and clear of Trash and other unsightly materials.

(k) Rental of Dwelling Units. The Owners of the respective Dwelling Units or any first mortgagees in possession thereof shall have the right to lease the same subject to the covenants and restrictions in the Declaration and the Bylaws and Rules and Regulations, if any. However, neither a Unit Owner nor any first mortgagee in possession shall lease less than an entire Dwelling Unit nor shall any Dwelling Unit be leased for a term of less than six (6) months. The respective Dwelling Unit shall not be rented for transient or hotel purposes, which shall be defined as (i) rental for any period less than ninety (90) days, or (ii) any rental if the occupants of the Dwelling Units are provided customary hotel service such as room service or food and beverage, maid service and furnishing of laundry and linen. All leases of any Dwelling Unit shall be in writing. All such leases shall provide that they are subject to all the provisions of the Declaration, the Bylaws and the Rules and Regulations and Architectural Guidelines, if any, and that any failure of the lessee to comply with any such provision shall constitute a default under the lease. In the event that the Tenant or any other Occupant of a Lot violates the Declaration, the Bylaws, or any Rules and Regulations or Architectural Guidelines for which a fine is imposed, notice of the fine shall be given to the Owner and the Tenant and such fine may be assessed against the Tenant in accordance with the Declaration and the Bylaws. If a fine is not paid by the Tenant within the time period established by the Board, the Owner shall pay the fine upon notice from the Association of the Tenant's failure to pay such fine. Unpaid fines shall constitute a lien against the Lot.

Within seven (7) days of entering into a lease agreement for the lease of a Lot, the Owner is responsible for providing the Board with the following information: (i) a copy of the fully executed lease agreement; (ii) the name and address of the Tenants and any other Occupant(s); (iii) the name, address, and telephone number of the Owner other than at the Lot; and (iv) such other information as the Board may reasonably require. In the event an Owner leases a Lot and does not provide the Board with the information in (i) through (iv) above, the Board may require the Owner, at any time, to provide it with such information within seven (7) days of the Board's request.

If an Owner who is leasing his or her Lot fails to pay any Assessment or any other charge for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the Tenant during the period of delinquency, and, upon request by the Board of Directors,

Tenant shall pay to the Association all unpaid Assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by Tenant. However, Tenant need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board of Director's request. All such payments made by Tenant shall reduce, by the same amount, Tenant's obligation to make monthly rental payments to lessor. If Tenant fails to comply with the Board of Director's request to pay Assessments or other charges, Tenant shall pay to the Association all amounts authorized under the Declaration as if Tenant were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for Assessments, for which he or she would otherwise be responsible.

(l) Hot Tubs and Spas. Hot tubs or spas may be installed if located in the rear yard of the Dwelling Unit with proper screening and not visible from the street. The Board may require additional landscaping or screening of any such hot tub or spa. An Improvement application is required to be submitted for approval pursuant to Section 6 of the Declaration.

(m) Building Setbacks. No building or Improvement shall be located nearer to any street than the building setback line shown in the Record Plat of the Subdivision. All building setbacks shall comply with zoning requirements established for the Property.

(n) Obligation to Keep Dwelling Unit in Good Condition. Each Lot Owner or Occupant shall keep his/her Dwelling Unit and all Structures located on his/her Lot in good order, condition and repair, unless such maintenance and/or repair is an obligation of the Association as specifically described in Exhibit D and/or Exhibit E attached hereto and made a part hereof. Such maintenance, repair, appearance and condition shall comply with the provisions of this Declaration and applicable laws and ordinances.

(o) Mailboxes/Post-Lamps: Declarant reserves the right to establish a standard design for mailboxes and post-lamps for use by all Lot Owners. The decision of the type of material to be used by each Owner shall be in the sole discretion of Declarant. Approved mailboxes and post-lamps installed for each Dwelling Unit shall be individually maintained and replaced as necessary by the Owner of a Lot for which they serve. Costs for such maintenance and/or replacement shall be paid by the Dwelling Unit Owner that the mailbox and/or post-lamp serves. Costs for such maintenance and/or replacement of post-lamps, including replacement bulbs, shall be paid by the Dwelling Unit Owner of the Lot the post-lamp is located on. The cost of the electricity for the post-lamp shall be the sole responsibility of the Dwelling Unit Owner whose electric meter registers the post-lamp's electrical usage. Mailboxes or post-lamps may not be altered or replaced without written consent of the Board or ARC. Notwithstanding the foregoing, Declarant reserves the right to establish an alternative standard design for mailboxes and/or post-lamps and establish the use of cluster mailboxes.

(p) Additional Restrictions. As the Additional Property is annexed to the Property by means of a Supplemental Declaration, Dwelling Units or Lots within specific

phases may be subject to additional covenants, Rules and Regulations established by Declarant at such time as such Dwelling Units or Lots are annexed to the Property.

(q) Lot Grading. Neither the Owner nor anyone claiming under the Owner shall alter elevations and grades established by Declarant for any building Lot without the prior written approval of Declarant and/or Declarant's designee during the Development Period; and, the prior written approval of the Board after the Development Period in accordance with this Declaration. The purpose of this Restriction is to ensure that the surface drainage plan originally established by Declarant for sheet surface drainage and drainage swales over the yard areas of building Lots is not altered or impeded. Landscaping or plantings shall not be installed or maintained in such a manner as to impede sheet surface drainage or swale drainage.

(r) Storm Water Detention/Retention Ponds. Except as herein provided, the storm water retention/detention ponds within the Subdivision shall be used for aesthetic amenities and storm water drainage only, no other use thereof, including without limitation, swimming, ice skating, playing, boating, fishing, or use of personal flotation devices, and other recreation, shall be permitted, without the written consent of the Declarant or Board of Directors. The Association, the Declarant and their respective representatives, agents, employees, officers, trustees or directors, shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the storm water detention/retention ponds or any other body of water located within the Subdivision. No Owner shall have any right to place rocks, stones, trash, sewage, waste water, debris, ashes or other refuse in any storm water detention/retention pond or any other body of water. Applicable governmental agencies, the Declarant and the Association, shall have the sole right to control the water level of all bodies of water located within the Subdivision and to control the growth and eradication of plants, fowls, reptiles, animals, fish and fungi in and around any storm water retention pond within the Subdivision. Owners shall not be permitted to withdraw water from any storm water detention/retention pond in the Subdivision.

(s) Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Community, except for temporary lines as required during construction. Notwithstanding the foregoing, utility lines or replacement of utility lines existing prior to the development of the Subdivision, special purpose utility lines which would be impractical to locate underground, and utility lines established by the Declarant shall be exempt from this requirement.

(t) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ARC.

(u) Garage Sales, Yard Sales, Moving Sales, Holiday Decorations. No garage sale, yard sale, moving sale, or similar activity shall be conducted within the Subdivision without the approval of the Association. Holiday lights and decorations may be erected no

sooner than five (5) weeks prior to and removed not later than two (2) weeks after, such holiday.

(v) Building Type. No building or Structure shall be erected, placed or permitted to remain upon any Lot except a Dwelling Unit which may include an attached garage. No other Structure shall be erected, placed or permitted to remain on any Lot without the written approval of the Board or ARC, except as specifically provided in this Declaration.

(w) Irrigation Systems. Irrigation systems may be installed with the approval of the Board, the Declarant, or Declarant's designee.

(x) Obstruction of Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the record plat(s) for the Lots. Within these easements, no structure, planting or other material, other than driveways or sidewalks, shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may change, obstruct, slow down, or stop the direction or flow of any drainage channels in the easement area. The easement area of each Lot and all improvements in the easement area shall be maintained by the Owner of the Lot except as otherwise provided in the Declaration or supplements thereto and except for those improvements for which a public authority, utility company or the Association is responsible for maintaining.

All provisions of the Declaration, the Bylaws and of any Rules and Regulations or use restriction promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Lot. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, the Bylaws, and the Rules and Regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Lot are fully liable and may be sanctioned for any violation of the Declaration, the Bylaws, and Rules and Regulations adopted pursuant thereto.

## **SECTION 8**

### **COMMUNITY MAINTENANCE STANDARDS**

8.1 Adoption and Amendment. Declarant during the Development Period, and the Board after the Development Period, shall have the right to adopt, and may from time to time amend, Maintenance Standards pertaining to the maintenance, repair and appearance of all Lots, and the exterior of all Dwelling Units and Structures thereon. If any provision of any applicable building inspection, or similar maintenance statute, ordinance, resolution, regulation or order of the Commonwealth of Kentucky, any other political subdivision or governmental instrumentality of the Commonwealth of Kentucky or the Board, is more stringent with regard to a Lot than a comparable provision of the Maintenance Standards, such more stringent provision shall be deemed incorporated in the Maintenance Standards. The Maintenance Standards shall provide, among other things, that:

(a) except as otherwise hereinafter provided, or as may be provided by other recorded documents, the Association shall be responsible for maintenance, repair and replacement of the Common Elements and all Structures thereon, the cost of which shall be a Common Expense of the Association;

(b) except as otherwise hereinafter provided, the Association shall be responsible for the maintenance and general upkeep of all lawns and landscaping in the Common Elements owned in fee simple by the Association, which shall include, but not limited to, mulching the landscaping beds, cutting the grass and keeping all lawns and landscaping beds in a neat and orderly manner, the cost of which shall be a Common Expense of the Association;

(c) each Owner shall maintain, repair and replace at their expense all portions of the Common Elements which may be damaged or destroyed by reason of his/her own intentional or negligent act or omission or by the intentional or negligent act or omission of any invitee, lessee, licensee, employee, agent, family member, guest, and/or pet(s) of such Owner; provided, however, in the event an Owner or Occupant damages the Common Elements and fails to maintain, repair or replace the same as provided herein, the Association shall have the right to provide such maintenance, repair and replacement and assess all costs associated therewith as an Individual Assessment against the Lot of such Owner;

(d) the obligation of the Association and of the Owners to repair, maintain and replace the portions of the Property for which they are respectively responsible shall not be limited, discharged or postponed by reason of the fact that any maintenance, repair or replacement may be necessary to cure any latent or patent defects in material or workmanship in the construction of the Property;

(e) notwithstanding the fact that the Association and/or any Owner may be entitled to the benefit of any guarantee of material and workmanship furnished by any construction trade responsible for any construction defects, or to benefits under any policies of insurance providing coverage for loss or damage for which they are respectively responsible, the existence of any construction guarantee or insurance coverage shall not excuse any delay by the Association or by any Owner in performing its or his obligation hereunder; and

(f) except as otherwise provided above in Section 8, each Owner shall maintain, repair and replace at his/her expense all portions of each Dwelling Unit and Structure located on each Lot owned by him/her and all internal and external installations of such Lot such as appliances, heating, plumbing, electrical and air conditioning fixtures or installations, and any portion of any other utility service facilities located within the boundaries of or serving the Lot.

8.2 Obligation to Keep Premises in Good Repair. Each Owner during his/her period of ownership and, during his/her tenancy, each Tenant leasing a Lot, shall keep each Lot, Dwelling

Unit, and all Structures thereon owned or leased by him/her in such maintenance, repair and appearance as shall comply with the Maintenance Standards, unless such maintenance and/or repair is an obligation of the Association as specifically described in Exhibit D and/or Exhibit E attached hereto and made a part hereof.

8.3 Periodic Inspection. Periodically, the Association may inspect each Lot and the exterior of the Dwelling Unit and all Structures thereon to determine whether each complies with the Maintenance Standards and the Declarant or the Association or such officer, employee agent or representative shall not be deemed to have committed a trespass. After each such inspection, the Association shall, if any defects are found, issue an inspection report to the Owner with a copy to the Tenant, if applicable, listing such defects, if any, and the reasonable time within which they may be corrected. Such Owner shall correct such defects or cause them to be corrected within such reasonable period as is stated in the inspection report. In the event that an Owner fails to correct such Default(s), the Association shall have the right to enter such Lot to cure such Default(s) as provided in Section 12 hereof and all costs associated therewith shall be an Individual Assessment against the Lot.

8.4 Drainage Swales. Neither the Owner nor anyone claiming under the Owner shall, except in an emergency, alter the location or grade of any open storm water drainage way on any Lot without the prior written consent of the Board. If altered, such Owner shall correct the alteration or cause it to be corrected within a reasonable period. In the event that an Owner fails to correct the alteration, the Association shall have the right to enter such Lot to cure as provided in Section 12 hereof and all costs associated therewith shall be an Individual Assessment against the Lot.

8.5 Right of Entry. Declarant and the Association, through its authorized officers, employees, and agents, shall have the right to enter upon any Lot and/or Structure at all reasonable times and upon reasonable advance notice for the purpose of making inspections required by Section 8 without Declarant or the Association or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of such entry or such action or actions. Any bona fide utility company, through its authorized officers, employees, and agents, shall have the right to enter upon the Common Elements or upon any utility easements located on any Lots, for the purpose of installing, repairing or servicing any of its equipment, or for reading meters, without Board approval; provided, however, that if any such activities by the utility require alteration to or displacement of any waterscaping, landscaping, grass, sidewalks, fences, garages, or other Structures, then the prior approval of the Board shall be required.

8.6 Failure to Comply. Failure to comply with the Maintenance Standards or to correct the defects listed in any inspection report issued by the Association or to pay any fee hereunder shall constitute a Default, in which event Declarant or the Board shall have the right to enforce Section 8 by any proceedings authorized in this Declaration, the Bylaws, or Rules and Regulations, if any.

**SECTION 9**  
**COMMON ELEMENTS AND EASEMENTS**

9.1 Description of Common Elements. The Common Elements in the Subdivision shall include, but not be limited to: the Recreational Facilities; Open Spaces; Landscape and Signage Easements; Private Storm Sewer Easements and any other easements for open space, landscaping areas and mounding, water retention/detention basins, common area utility easements, storm sewer and surface water drainage easements, water main easements, sanitary sewer easements, preservation areas, and private drainage easements; all as are or may be located, described and shown on the Record Plats (collectively, the "Common Elements"). Declarant and/or Builder may also create other Common Elements not now in existence but that might in the future be added, located and shown on any subsequent Record Plat to be recorded and creating additional Lots to be subjected to this Declaration.

9.2 Rights of Enjoyment in Common Elements. Except as herein otherwise provided, each Owner shall have a right and nonexclusive easement for use and enjoyment of the Common Elements, and such right and easement shall be appurtenant to, and shall pass with the title to his/her Lot. Each Tenant shall have a nontransferable right to use and enjoy the Common Elements, which right shall terminate when such person ceases to have the status of a Tenant. Such rights and privileges shall be subject, however, to the following:

(a) The right of the Board to borrow money and in aid thereof to mortgage the Common Elements upon the approval of the Declarant or, after the Development Period, the Owners of at least two-thirds (2/3) of the Lots for the purpose of constructing, equipping, improving and maintaining the Common Elements; provided, however, no such approval shall be required for a loan pursuant to Section 5.11 above.

(b) The right of the Board to adopt, enforce and amend Rules and Regulations pertaining to the use of the Common Elements, including regulations limiting guests of Owners and Tenants who may use the Common Elements at any one time.

(c) The right of the Board to suspend the right of any Owner or the privilege of any Occupant to use the Common Elements that are recreational in nature as determined by the Board for any infraction of the Rules and Regulations relating to the Common Elements for a period not to exceed sixty (60) days for each such infraction, or for nonpayment or delinquency of the Assessments against such Owner's Lot for a period not to exceed the period of such nonpayment or delinquency.

(d) Such rights as the Board may have to grant easements or rights of way to any public utility or public agency.

(e) The right of the Association to transfer or convey title to all or any portion of the Common Elements upon the approval of the Declarant or, after the Development Period, the Owners of at least two-thirds (2/3) of the Lots;



(f) All applicable provisions of valid agreements of the Association relating to the Common Elements.

(g) Such rights as the Board may have under the Declaration to convey or lease all or any part of the Common Elements.

(h) All other easements, restrictions and rights to which the Property is subject.

(i) The right of the Association to grant permits, licenses, and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property, or the benefit of the Association.

(j) Such easements and rights reserved or granted within the Declaration to Declarant and/or Builder.

9.3 Subordination to Mortgage or Other Lien. The rights and privileges provided in Section 9 shall be subordinate to any mortgage or other lien given by the Association for the purposes of acquiring, improving or maintaining the Common Elements.

9.4 Conveyance of Common Property by Declarant to Association. No Implied Rights. Upon final construction of Improvements in the Common Elements described in Section 9, Declarant covenants to convey by quitclaim deed all of its right, title and interest in and to said Common Elements to the Association and all such right, title and interest in and to said items shall then be the property of the Association. As to any Common Elements located entirely or partially on any one or more of the Lots, the Owners of such Lots shall have only nonexclusive easement rights to use such facilities as described in Section 9 of this Declaration. Declarant may transfer or convey to the Association at any time and from time to time any personal property and any interest in improved or unimproved real property. Such conveyance shall be deemed to be accepted by the Association upon delivery of any personal property or upon recordation of an instrument of conveyance of any interest in real property, and the property shall thereafter be Common Elements to be used and maintained by the Association for the benefit of its Members. The Association shall accept "as is" the conveyance of such property without any representation or warranty, express or implied, in fact or by law, with respect thereto, including, without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and without representations or warranties regarding future repairs or regarding the condition, construction, accuracy, completeness, design, adequacy of the size or capacity in relation to the utilization, or the future economic performance or operations of, or the material or furnishing which has been or will be used in such property or repairs. By acceptance of title to any Common Elements, the Association and all Owners release Declarant from any claims, and warrant that no claim shall be made by the Association or any Member or Owner relating to the condition, construction, design, capacity, operation, use accuracy, adequacy or completeness of such property or repairs or for incidental or consequential damages arising therefrom. So long as Declarant owns any property primarily for development and/or sale in the Subdivision or has the right unilaterally to annex Additional Property to the Declaration, Declarant may, upon written notice to the Association,

require the Association to reconvey to Declarant all or any portion of the Common Elements, improved or unimproved, at no charge to Declarant, without a vote of the Members of the Association, if all or any portion of the Common Elements are: (a) found by Declarant to have been conveyed in error; (b) needed by Declarant to make adjustments in property boundary lines; or (c) reasonably determined by Declarant to be needed by Declarant due to changes in the overall scheme of development for the Subdivision.

The Association hereby constitutes and appoints Declarant as its agent and attorney-in-fact to accept on behalf of the Association any such conveyance to the Association, to reconvey any such property on behalf of the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds, necessary or convenient to effectuate and document any such conveyance to or reconveyance from the Association. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to Section 9 and shall have no duty or obligation to convey any property or property rights to the Association regardless of whether any such property has been made available for the use of Owners. Declarant may reserve, by lease, license, easement or otherwise, such rights of use and enjoyment in and to all or any portion of the property so conveyed as Declarant may reasonably require so long as such reservation is not materially inconsistent with the overall scheme of development for the Subdivision. Neither a Recorded Plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses, in the Association or the Owners, express or implied, unless and until any such property rights, easements or licenses are conveyed by the Declarant to the Association or the Owners, as the case may be, by an instrument recorded in the Bullitt County, Kentucky land records.

9.5 Conveyance or Lease of Common Elements. Upon authorization by the Board and the Class B Member, the Association may at any time convey or lease all or a part of the Common Elements to any public agency, authority, or utility or to any private entity, upon such terms and conditions as shall be agreed upon by the other party and Board, including, without limitation, terms and conditions providing for the use of such Common Elements by the public in general and terms and conditions pertaining to the maintenance and repair of such Common Elements and the assessments of Owners and/or Tenants for the costs of such maintenance and repair.

9.6 Use of Common Elements by Declarant and Builder. Declarant and Builder and their affiliates and associates shall have the same rights of use and enjoyment of the Common Elements as the Class A Members during the Development Period, and shall have the right to use the Common Elements for promotional, sales and similar purposes until all of the Dwelling Units have been sold. Declarant specifically reserves the right to use, or allow its affiliate Builder to use, part of the clubhouse or Recreational Facilities as a sales office during the Development Period.

9.7 Easements.

(a) In the event that, by reason of the construction, settlement or shifting of any of the Dwelling Units or other Structures located on Lots or by reason of the partial or total destruction and rebuilding of the buildings, any part of the Common Elements presently encroach or shall hereafter encroach upon any part of a Lot; or any part of a Dwelling Unit

presently encroaches on or shall hereafter encroach upon any part of the Common Elements or any other Lot; or, if by reason of the design or construction of utility systems, any main pipes, ducts or conduits serving more than one Dwelling Unit presently encroach or shall hereafter encroach upon any part of any Dwelling Unit or Lot, valid easements for the maintenance of each encroachment and for the use of such adjoining space are hereby established. These easements shall exist during the term of this Declaration for the benefit of such Lot or Dwelling Unit and the Common Elements, as the case may be. However, in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment occurred due to the willful conduct of said Owner.

(b) The Association may hereafter grant easements for utility purposes for the benefit of the Property or other reasons, including but not limited to, the right to install, lay, use, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires over, under, along and on any portion of the Common Elements, and each Owner hereby grants the Association an irrevocable power of attorney to execute, acknowledge, deliver and record, for and in the name of such Owner, such instruments as may be necessary to effectuate the foregoing.

(c) Declarant hereby reserves easements and the right to grant easements on, over and across certain Lots for open space, landscaping mounding and monument areas and for the installation, maintenance, use, repair and replacement of underground utilities, public utilities, water detention basins, storm sewer, sanitary sewer and surface water drainage easements, water mains, preservation areas and private drainage easements, and building setbacks, specifically as shown on the Record Plats now or hereinafter recorded for the Subdivision, and to cut and grade slopes in and along Lot boundaries at streets and drives built within the Property. The foregoing easements shall not be used for recreations purposes but are reserved for such aesthetic or utility purposes as indicated by the nature of the easement.

(d) All easements and rights described in the Declaration are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on Declarant, its successors and assigns, and any Owner, purchaser, mortgagee and other party now or hereafter having an interest in the Property, or any part or portion thereof. After the Development Period, the Association shall be deemed to be the successor of Declarant and, as such, shall be deemed to be the grantee of said easements provided in Section 9, and shall hold such easements for the use, benefit and enjoyment of all Lot Owners in the Subdivision. All notes on the Record Plat that are pertinent to the specific easements set forth herein are incorporated herein by reference.

9.8 Landscape, Fencing and Signage Easement. A non-exclusive and irrevocable easement is hereby created, for the benefit of the Association or its designees, on, over and across those Lots identified on any Record Plat, or other recorded instrument, as "Landscape Easement," "Signage Easement," or "Fencing Easement," or any combination thereof, for the purpose of installing, maintaining and replacing any and all landscaping, fencing, monuments, signage,

ponds, fountains, and other items as the Declarant may determine in its discretion located within the aforementioned easement areas.

9.9 Common Private Driveway Easements. The Lots sharing a Common Private Driveway Easement shall be subject to and benefited by a perpetual non-exclusive easement for ingress and egress over the Common Private Driveway. The Owners of such Lots shall use the Common Private Driveway situated on the easements with due regard for the rights of any other Owner and its use of such driveway. No Owner shall use or permit the use of the driveway in a manner which impairs the right of way of any other Owner to its use, nor shall any Owner park or store vehicles or personal property on, or obstruct or encroach upon, or permit the use of, or permit the obstruction of or encroachment upon, the Common Private Driveway in any manner whatsoever without the concurrence of all Owners entitled to use the Common Private Driveway. The Owners using the Common Private Driveway shall share equally in the expense and costs of maintaining, improving and repairing the Common Private Driveway, except that any damage other than ordinary wear and tear caused by any Owner, or any party claiming through such Owner, whether by negligence or willful misconduct, shall be repaired at the expense of such Owner. The driveway shall be maintained in good order and repair and in a condition substantially similar to that of its original construction. Upon conveyance of a Lot, the grantor of such Lot shall be, as of the closing date for such conveyance, relieved of the obligation to share in the expense and cost of future maintenance and repair imposed hereby, and those obligations shall bind thereafter the grantee of said conveyance. The grantor shall, however, be obligated personally during and after his/her period of ownership for expenses and costs incurred for maintenance and repair during his/her period of ownership of the Lot. The obligations and responsibilities for the enforcement of the provisions contained within Section 9 shall fall upon the Lot Owners served and benefited by the Common Private Driveway and shall not be an obligation or responsibility of the Association. The obligation of an Owner of a Common Private Driveway to share in the cost and expense of maintaining a Common Private Driveway, is separate and distinct from the obligation of such Owner to pay other Assessments levied pursuant to this Declaration.

9.10 Easements to Other Residents. Declarant may designate that certain owners of real property outside of the Property and such other persons as Declarant may designate, shall have an easement of enjoyment in and over the Common Elements or specific Common Elements, and the facilities located thereon, to the same extent as any Owner, subject to the provisions of Section 9. Such individuals shall be subject to the Rules and Regulations of the Association concerning the use of said Common Elements but shall not be subject to Assessments by the Association. The Association may, if appropriate, and at the sole discretion of the Board of Directors, charge a fee to such individuals for the use of such Common Elements, including the Recreational Facilities.

## **SECTION 10** **NEIGHBORHOODS**

Every Dwelling Unit shall be located within a Neighborhood as defined in Section 1. The Dwelling Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association")

in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium or otherwise required by law.

10.1 The Declarant hereby establishes the following Neighborhoods:

- (a) Neighborhood "A" consisting of all Single-Family Lots.
- (b) Neighborhood "B" consisting of all Paired Lots

10.2 During the Development Period, Declarant reserves the right to add and/or establish additional Neighborhoods as Declarant so requires in the marketing of the Property during the Development Period. Declarant further reserves the right to add, subtract or otherwise reclassify Lots and/or neighborhoods provided such revisions are made by Supplemental Declaration during the Development Period.

10.3 Dwelling Units or Lots within specific Neighborhoods may be subject to additional covenants, rules and regulations established by Declarant at such time as such Dwelling Units or Lots are annexed to the Property. Such covenants, rules and regulations may require the Association to provide for higher levels of service and special services for the benefit of Dwelling Units in such Neighborhood. In such event, the Association shall provide such services and the costs of such services shall be assessed against the Dwelling Units within such Neighborhood as a Neighborhood Assessment pursuant to Section 5 hereof.

10.4 After the Development Period, each Neighborhood, upon affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may require that the Association provide a higher level of service or special services for the benefit of Dwelling Units in such Neighborhood. In such event, the Association shall provide such services and the costs of such services shall be assessed against the Dwelling Units within such Neighborhood as a Neighborhood Assessment pursuant to Section 5 hereof.

## **SECTION 11**

### **ASSOCIATION AND OWNER MAINTENANCE RESPONSIBILITY**

11.1 Association's Responsibility. The Association shall maintain and keep in good repair the Areas of Common Responsibility, such maintenance to be funded as hereinafter provided. The Areas of Common Responsibility shall include, but need not be limited to, entry landscaping, fencing, and signage easements; water retention/detention basins; Common Element utility easements, storm sewer and surface water drainage easements; preservation areas; all landscaping and other flora, Structures, and Improvements, including any private streets, situated upon the Common Elements; landscaped medians within public right-of-way throughout the Property; the Recreational Facilities; and such portions of any Additional Property included within the Areas of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or by a contract or agreement for maintenance thereof by the Association. The Association may maintain other property which it does not own or share in the maintenance of Property it does not own, including, without limitation, property dedicated to the public or

property owned by another homeowners' association, individual, or entity, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(a) There are hereby reserved to the Association blanket easements over the Property as necessary to enable the Association to fulfill responsibilities under Section 9.

(b) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Areas of Common Responsibility shall be a Common Expense to be allocated among all Dwelling Units as part of the General Assessment, subject to the right of the Association to seek reimbursement from the Owner(s) of, or other persons responsible for, certain portions of the Areas of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the Owner(s) thereof; provided, however, in the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Occupants, family, guests, lessees or invitees of an Owner, then the Association may perform such maintenance, repair or replacement and all costs thereof, not paid for by insurance, shall be assessed against the Lot of such Owner as an Individual Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder. All maintenance by the Association shall be performed consistent with the Community-Wide Standard.

The Association shall also be responsible for maintenance, repair and replacement of property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either where, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Assessment only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

11.2 Neighborhood Responsibility. Upon resolution of the Board of Directors, the Owners of Dwelling Units within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, cost of maintenance of certain portions of the Areas of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any right-of-way and green space between the Neighborhood and adjacent public roads, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided, however, all Neighborhoods which are similarly situated shall be treated the same.

11.2 Owner's Responsibility. Each Owner shall maintain his or her Lot, Dwelling Unit and all Structures, and other Improvements comprising the Dwelling Unit. Owners of Dwelling Units adjacent to any roadway within the Property shall maintain driveways serving their respective Dwelling Units including that portion lying outside the Owner's Lot boundaries. Owners shall maintain and irrigate landscaping on that portion of the Common Element or right-of-way, if any, commonly referred to as the curb strip or road verge which lies between the sidewalk and the adjacent street. All maintenance required by this Declaration shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. In addition to any other enforcement rights available to the Association, if any Owner fails properly to perform his or her maintenance responsibility, the Association may enter such Owner's property and perform the required maintenance. The costs and expense of such maintenance shall be charged to the Owner thereof as an Individual Assessment in accordance with Section 5; provided, however, when entry is required other than due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

## **SECTION 12** **ENFORCEMENT**

12.1 Curing Defaults; Lien. In the event of any Default with respect to any Lot under this Declaration, the Board shall give written notice to the Owner thereof, with a copy of such notice to each Tenant in Default and a copy to any first mortgagee of the Lot who has requested to receive such notices, setting forth with reasonable particularity the nature of such Default, and the specific action or actions required to remedy the Default. If the Owner or Tenant shall fail to take the specific action or actions within thirty (30) days after the mailing of the notice, the Board may, but shall not be required to exercise any of its rights hereunder. The Board may exercise, without notice, any of its rights hereunder with respect to any Default if it determines that an emergency exists requiring immediate action.

Costs incurred by the Association in exercising any of its rights with respect to any Lot shall be a binding personal obligation of the Owner thereof which shall be payable on demand. If the Owner fails to pay such costs within thirty (30) days after demand, the Association shall enter the amount of the obligation, the name of the Owner as it appears on its records and the description of the Lot in a lien record book to be maintained by the Board at its main office, together with the date of such entry. The Association shall have a prior lien on such Lot for such amount until paid and such lien shall have priority from the date of such entry over all other liens and encumbrances thereon whatsoever, excepting real estate taxes and assessments, liens of record as of the date of such entry and liens 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, all bona fide recorded first mortgages and the lien of any first mortgagee who comes into possession of a Lot pursuant to mortgage foreclosure or by deed in lieu thereof. The lien provided in Section 12 shall be recordable and shall be enforceable as provided in Section 5 hereof.

12.2 Right and Easement of Entry. The Association, through its authorized officers, employees, and agents, shall have the right and easement to enter upon any Lot at all reasonable times and to do anything thereon necessary to perform the action or actions specified in the notice

to the Owner to abate, remedy, extinguish, remove or repair a Default, without the Association or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of each entry or such action or actions as are carried out in accordance with the provisions of Section 12, provided that no summary abatement or similar procedure may be utilized through non-judicial means to alter or demolish items of construction.

12.3 No Waiver. The failure of Declarant, Builder, the Association, any Owner, Tenant, or their legal representatives, heirs, devisees, successors or assigns, in any one or more instances, to insist upon compliance with any of the Restrictions, or to exercise any right or privilege conferred in this Declaration, shall not constitute or be construed as the waiver of such or any similar restriction, right or privilege, including the right to cure Default, but the same shall continue and remain in full force and effect as if no such forbearance had occurred.

12.4 Rules and Regulations. The Board may adopt and enforce, and from time to time amend, reasonable rules and regulations (a) for the maintenance, use, conservation, and beautification of the Property and for the health, comfort, safety, and general welfare of Members and their families, tenants, and invitees, and/or (b) regarding the administration, interpretation and enforcement of the Restrictions (the "Rules and Regulations"). Each such rule and regulation shall be consistent with and designed to further the purposes outlined in this Declaration.

### **SECTION 13** **REAL ESTATE TAXES AND ASSESSMENTS**

13.1 Real Estate Taxes. The Owner of a Lot shall be responsible for and shall pay all taxes and assessments, general and special, levied or imposed upon the Lot and its Improvements.

13.2 Common Elements. Taxes and assessments, general and special, charged against the Common Elements which are owned in fee simple by the Association or Declarant shall be deemed a Common Expense. Assessments charged against the Subdivision shall be paid by the Owners as set forth in Section 5 hereof.

### **SECTION 14** **INSURANCE**

14.1 Fire, Extended Coverage and Standard "All Risks" Insurance. The Association shall insure all buildings which are part of the Common Elements and Recreation Facilities, if applicable, and may maintain insurance for all other Structures and Improvements now or hereinafter constructed on the Common Elements against any loss or damage by such hazards as are ordinarily insured by a comprehensive, extended coverage and "all-risks" policies issued in the amounts at all times sufficient to prevent the Association from becoming co-insurers under the terms of any applicable coinsurance clause or provision and in no event less than the actual replacement cost of such Improvements, as determined from time to time by the insurer.

Any such insurance shall be obtained from a fire and casualty insurance company authorized to write such insurance in the Commonwealth of Kentucky which has a general policy holder rating of no less than A, as determined by the then latest edition of the Best's Insurance



Reports or its successor guide, and shall be written in the name of the Association for the use and benefit of the Lot Owners and their mortgagees as their interests may appear. The Board of Directors and/or its authorized representatives shall have the exclusive right to negotiate and adjust all loss claims. Unless the Board of Directors determines otherwise, all such insurance shall contain a waiver of subrogation of rights by the carrier as to the Association, its officers or Directors, and all Lot Owners and occupants.

14.2 Use of Fire Insurance Proceeds. Unless at least sixty-seven percent (67%) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than Declarant or Builder) of the individual lots have given their prior written approval, the Association shall not be entitled to use hazard insurance proceeds for losses to the Common Elements for other than the repair, replacement, improvement or reconstruction of such Common Elements.

14.3 Liability Insurance. The Association shall obtain and maintain a comprehensive policy of public liability insurance covering all Common Elements, and other areas for which the Association is responsible, and insuring the Association, the Directors, and the Lot Owners and members of their respective families, tenants and occupants, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for personal injury and/or property. This insurance shall include protection against liability for risks arising out of the maintenance of the Areas of Common Responsibility and such other risks as are customarily covered with respect to developments similar in construction, location and use, as determined by the Board. This insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim for a Lot Owner, tenant or occupant because of negligent acts of the Association, the Board, or other Lot Owners, tenants, or occupants.

14.4 Other Insurance. In addition, the Board may purchase and maintain contractual liability insurance, directors and officers ("D&O") liability insurance, and such other insurance as the Board may deem desirable from time to time.

14.5 Insufficient Insurance. In the event the improvements forming a part of the Common Elements or any other area for which the Association is responsible, or any portion thereof, shall suffer damage or destruction from any cause or peril which is not insured against, or, if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, the Association shall advance such costs in excess of available insurance proceeds. The amount so advanced by the Association shall become a Special Assessment against all of the Lots, and such Assessments shall have the same force and effect, and, if not paid, may be enforced in the same manner as herein provided for the nonpayment of Assessments. The action required to be taken by the Association under Section 14 shall not require any vote of the Members of the Association.

14.6 Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall (i) during any period in which construction activity is underway on any Lot, carry or cause its Builder to carry builder's risk insurance for the full value of any improvements and other liabilities associated with the ongoing construction activity on the Lot, and (ii) at all other times, carry blanket all-risk casualty insurance on the Lot(s) and any Dwelling and/or other

structures constructed thereon. The Board may require all Owners to furnish copies or certificates thereof to the Association. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of any Dwelling or other structure, the Owner shall proceed promptly to repair or to reconstruct the damaged parts of the Dwelling or other structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Section 6 of this Declaration and all applicable zoning, building and other governmental regulations. The Owner shall pay any costs of repair or reconstruction, which are not covered by insurance proceeds. In the event that the Dwelling or other structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat, safe, and attractive condition consistent with the Community-Wide Standard.

14.7 Fidelity Bonds. The Board may obtain as a Common Expense to the Association fidelity bond coverage with respect to any person who either handles or is responsible for funds held or administered by the Association, in an amount no less than the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force; provided, however, the fidelity bond coverage must at least equal the sum of three months' Assessments on all Dwelling Units on the Property, plus the Association's reserve funds. A management agent handling funds for the Association shall also be covered by its own fidelity bond, naming the Association as an additional obligee, at the sole cost of said agent.

## **SECTION 15**

### **DISPUTE RESOLUTION**

In order to provide an efficient procedure for resolving disputes, the Declarant, the Association and all Owners shall be subject to the dispute resolution procedure set forth in this Section 15, notwithstanding that other procedures, **except** those set forth in Section 5 regarding Assessments, may otherwise be applicable.

In the event a dispute should develop between the Declarant, the Association, or any Owner, and/or between any Owners, (individually, or any combination thereof referred to collectively herein as "Claimant") which in any manner concerns, arises out of or relates to any provision of this Declaration, the dispute, regardless of the legal theory under which it is brought, shall be settled pursuant to the procedure as outlined herein:

(a) **Right to Cure:** Claimant shall provide Declarant, the Association, and/or any Owner with written notice and at least 30 calendar days to cure any such dispute, pursuant to the "Right to Repair", "Right to Cure" or similar law.

(b) **Mediation:** Should the dispute not be resolved between the Declarant, Association, or any Owner, and/or between any Owners following the expiration of the Right to Cure period, any of the parties aforementioned shall initiate, including the payment of any applicable fees and costs, a mediation procedure with the office of the American Arbitration Association. All mediation meetings shall be held in the county in which the property is located.

(c) Arbitration: If the mediation does not result in complete settlement of the dispute, any unresolved dispute, regardless of the legal theory under which it is brought, shall be settled by binding arbitration administered by the office of the American Arbitration Association. Judgment on the arbitration award rendered by the arbitrators may be entered into either a Kentucky state or federal court and shall be binding and conclusive as to the parties and no appeal may be taken by any party. The following specific arbitration provisions shall apply:

- i. The arbitration proceedings shall be held in the county in which the property is located, unless otherwise agreed upon;
- ii. The arbitration panel shall consist of 3 arbitrators, unless otherwise agreed upon as a single arbitrator, being selected by the American Arbitration Association using its standard process;
- iii. Each party may take a maximum of 2 depositions lasting no more than a total of 8 hours;
- iv. The arbitration award shall be in writing, signed by a majority of the arbitrators, and shall include a detailed statement regarding reasons for the award;
- v. The arbitrators shall award to the prevailing party, if any, as determined by the arbitrators, all of its costs and fees including arbitrators' fees, administrative fees, travel expenses, witness fees, and attorney fees;
- vi. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties; and
- vii. The parties agree to arbitrate solely on an individual basis, and this agreement to arbitrate does not permit class arbitration or permit any dispute being brought as a plaintiff or class member in any class or representative arbitration proceeding.

## **SECTION 16**

### **DURATION AMENDMENT AND TERMINATION**

16.1 Duration. This Declaration and all amendments and supplements thereto, and the Restrictions shall be covenants running with the land and shall bind the Property and every part thereof, and shall inure to the benefit of and be enforceable by, the Board and each Owner and tenant and their legal representatives, heirs, devisees, successors and assigns, and shall continue in full force and effect for thirty (30) years from the date on which this declaration is recorded in the Bullitt County, Kentucky Clerk's office. Thereafter the restrictions shall be automatically renewed for successive ten (10) year periods unless amended or terminated as provided in Section 16.

16.2 Amendment or Termination. Other than the manners described below, prior to the end of the Development Period, any provision of this Declaration may be amended, in whole or in part, or terminated, by a recorded instrument approved by the Declarant and Owners (including

Declarant) of at least sixty-seven percent (67%) of all Lots located in the Property. After the end of the Development Period, any provision of this Declaration may be amended in whole or in part or terminated by a recorded instrument approved by the Owners (including Declarant) of at least sixty-seven percent (67%) of all Lots located in the Property.

The President of the Board shall determine whether the persons who have approved of any amendments or termination of this Declaration constitute Owners of at least sixty-seven percent (67%) of all Lots. Promptly after the approval of any amendment or termination of any part of this Declaration, the President of the Board shall cause to be recorded the written instrument of amendment or termination executed in properly recordable form by the President of the Association and, if during the Development Period, Declarant and the certificate of the President of the Association that the Owners of at least sixty-seven percent (67%) of all Lots have approved such instrument.

The Board shall maintain such copies filed with it by the President as a permanent record and shall make copies thereof available to any Owner at a reasonable cost.

Notwithstanding anything above or elsewhere herein to the contrary, this Declaration may be amended at any time during the Development Period without the vote or approval of Owners or any other third party by a written instrument executed by Declarant for any purpose whatsoever. Each Owner and his or her mortgagees, by acceptance of a deed to a Lot or a mortgage encumbering such Lot, shall be deemed to have consented to and approved of the provisions of this paragraph and the amendment of this Declaration by Declarant as provided in the immediately preceding sentence. All such Owners and their mortgagees, upon request of Declarant, shall execute and deliver from time to time all such instruments and perform all such acts as may be deemed by Declarant to be necessary or proper to effectuate the provisions of this paragraph.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege. No amendment or removal from the Declaration may be made to Section 3, Covenant for Staged Development.

## **SECTION 17** **MISCELLANEOUS**

17.1 No Reverter. No covenant, condition, restriction or reservation or easement contained in this Declaration is intended to create, or shall be construed as creating, a condition subsequent or a possibility of reverter.

17.2 Notices. Any notice required or permitted to be given to an Owner or Tenant by the Board pursuant to the provisions of this Declaration shall be deemed given when delivered personally or mailed by United States Registered or Certified Mail, return receipt requested, postage paid, or delivered in person, including delivery by Federal Express or other reputable commercial courier service, addressed to his or her last address as it appears on the records of the Association. Notices provided for in this Declaration, the Articles of Incorporation, or the Bylaws shall be in writing, and shall be addressed to an Owner at the address of the Lot and to the Declarant and to the Association at the address of their respective registered agent on file with the

Secretary of State of Kentucky. Any Owner may designate a different address for notices to such Owner by giving written notice to the Association. Owners shall keep the Association advised of their current address and phone numbers where they can be reached. The time period in which a response to any such notice must be given or any action taken with respect thereto, shall commence to run from the date of personal delivery or date of receipt shown on the return receipt. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice sent.

17.3 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Neither the Association, the Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor be held liable for loss or damage to property, nor be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and occupants of any Lot, tenants, guests and invitees of any Owner, as applicable, acknowledge that the Association, its Board and committees, Declarant, or any successor Declarant are not insurers and that each Owner and occupant of any Lot and each tenant, guest and invitee of any Owner assumes all risk for loss or damage to persons, to Lots and Dwellings and to the contents of Lots and Dwellings and further acknowledges that the Association, its Board and Committees, Declarant, or any successor Developer have made no representation or warranties nor has any Owner, occupant, tenant, guest, or invitee relied upon any representations or warranties expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems or other security systems recommended or installed or any security measures undertaken within the Property.

17.4 Construction. The Board shall have the right to construe the provisions of this Declaration, and, in the absence of an adjudication by a court of competent jurisdiction to the contrary, such construction shall be final and binding as to all persons and entities benefited or bound by the provisions of this Declaration.

17.5 Invalidity. The determination by a court of competent jurisdiction that any provision of this Declaration is invalid for any reason shall not affect the validity of any other provision hereof.

17.6 Headings. The headings of the Sections are for convenience only and shall not affect the meaning or construction of the contents of this Declaration.

17.7 Gender. Throughout this Declaration, the masculine gender shall be deemed to include the feminine and neuter, and the singular the plural, and vice versa.

17.8 Conflict. If there are conflicts or inconsistencies between the provisions of the laws of the Commonwealth of Kentucky, the Articles of Incorporation, this Declaration, the Bylaws, Architectural Guidelines and the Rules and Regulations, it shall be agreed that the provisions of the laws of the Commonwealth of Kentucky, this Declaration, the Articles of Incorporation, the Bylaws, the Architectural Guidelines and the Rules and Regulations (in that order) shall prevail.

17.9 Covenants Running with Land. This Declaration and all amendments hereto shall be, and shall be construed as, covenants running with the land, shall be binding upon Declarant, Builder, any mortgagee, the Association, its Members, each Owner, each Occupant and all claiming under each Owner or Occupant, and shall (regardless of whether or not any such beneficiary owns an interest in any Lot) inure to the benefit of and be enforceable by (i) Declarant, (ii) Builder, (iii) the Association, and (iv) each Owner and all claiming under each Owner.

17.10 Availability of Documents. The Association shall make available to Members, Owners, and lenders, and to holders, insurers, or guarantors of any first mortgage, current copies of the Declaration, Rules and Regulations, if any, and other rules concerning the Property. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. The Association may charge a reasonable fee to cover the cost of copies, mailings, storage retrieval fees and administrative fees incurred for same.

17.11 Right of Entry. The Association shall have a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance or operation of the Property.

17.12 Condemnation. In the event any Lot or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the net proceeds of any award or settlement shall be the property of the Owner and the holder of the first mortgage, to the extent of their respective interests. Each Owner shall give the holder of a first mortgage on the Owner's Lot timely written notice of such proceeding or proposed acquisition.

In the event the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceedings or other sought to be acquired by a condemning authority, the proceeds of any award or settlement shall be distributed to the Association for the common benefit of the Owners and their mortgagees, as their interests appear.

**SECTION 18**  
**ADDITIONAL COVENANTS, CONDITIONS AND RESTRICTIONS, AND**  
**RESERVATION OF EASEMENTS**

The additional Covenants, Conditions and Restrictions, and Reservations of Easements specified in Exhibit D and/or Exhibit E attached hereto and made a part hereof are in full force and effect as if contained in the body of this Declaration.

**SECTION 19**  
**RIGHT OF FIRST REFUSAL**

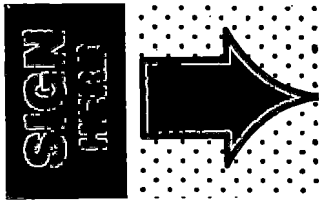
If any Lot Owner, with the exception of Declarant, shall desire to sell its Lot at any time prior to construction of a Dwelling Unit thereon, the Lot Owner shall first give Declarant at least forty-five (45) days prior written notice (the "Sale Notice") of the proposed sale, including the identity of the proposed purchaser and a copy of the written purchase and sale agreement for the Lot (the "Sale Agreement"). The Declarant shall have a right of first refusal to purchase such Lot

on the terms and conditions set forth in the Sale Agreement. If Declarant exercises such right of first refusal by delivering written notice to the Lot Owner within forty-five (45) days after receipt of the Sale Notice, then Declarant and the Lot Owner shall enter into a purchase and sale agreement with the same terms as the Sale Agreement (or if such Sale Agreement includes non-cash consideration, with the reasonable cash equivalent thereof). If Declarant does not notify the Lot Owner in writing within forty-five (45) days after receipt of the Sale Notice that it elects to exercise its right of first refusal to purchase said Lot, then the Lot Owner may sell the Lot on the terms and conditions set forth in the Sale Notice. If the Lot Owner does not sell the Lot on such terms and conditions within thirty (30) days thereafter, the Lot Owner shall not thereafter sell or otherwise transfer the Lot without complying with the terms of this Section 19. This section 19 shall not apply to purchasers at a judicial foreclosure or to transfers to a mortgagee in lieu of foreclosure; provided that said mortgagee gives written notice of the default with respect to said mortgage to Declarant and gives Declarant the right to cure said default within twenty (20) days of such notice; and provided, further, that Declarant shall be given the right at least thirty (30) days prior to the institution of foreclosure proceedings or transfer in lieu thereof to purchase the mortgage indebtedness. The obligations, duties and requirements of this Section 19 shall run to and benefit Declarant, and shall not pass to or extend to the Association.

<signature appears on the following page>

IN WITNESS WHEREOF, Declarant has caused this Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Bluegrass Meadows to be executed by its duly authorized officer as of the day and year first above written.

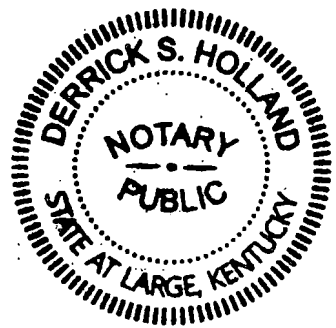
BLUEGRASS MEADOWS DEVELOPMENT, LLC, a Kentucky limited liability company



By: *Norman V. Noltemeyer*  
Norman V. Noltemeyer, Assistant Manager

COMMONWEALTH OF KENTUCKY  
COUNTY OF Jefferson

This is an acknowledgment clause; no oath or affirmation was administered to the signor. The foregoing instrument was acknowledged before me this 6 day of DECEMBER 2021 by Norman V. Noltemeyer, as Assistant Manager of Bluegrass Meadows Development, LLC, a Kentucky limited liability company, on behalf of the company.



*Derrick S. Holland*  
Notary Public

My Commission Expires: MAY 4, 2022  
Notary ID Number: 600599

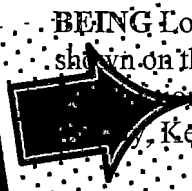
This instrument prepared by:

*Daniel M. Walter*  
Daniel M. Walter, Esq.  
Vice Cox & Townsend PLLC  
2303 River Road, Suite 301  
Louisville, KY 40206  
(502) 290-3205



EXHIBIT A

**SIGN  
HERE**



BEING Lots 1 through 48, Lots 101 through 112 and Open Space Lots 113-116 as shown on the Record Plat of Bluegrass Meadows, Section 1A, of record in Plat and Deed Book 4, Page 298 in the Office of the County Clerk of Bullitt County, Kentucky; and Plat/Slide

BEING a portion of the property acquired by Bluegrass Meadows Development, LLC by Deed dated March 19, 2021, of record in Deed Book 1023, Page 100 in the office of the Clerk of Bullitt County, Kentucky.

**EXHIBIT B**

**BYLAWS  
OF  
BLUEGRASS MEADOWS HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE 1  
NAME AND LOCATION**

The name of the corporation is Bluegrass Meadows Homeowners' Association, Inc., hereinafter referred to as the Association. The initial principal office of the Association shall be located at 122 N. Peterson Avenue, Louisville, Kentucky 40206. The meetings of Members of the Association and Board of Directors shall 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 Covenants, Conditions and Restrictions and Reservation of Easements for Bluegrass Meadows Subdivision (as amended or supplemented from time to time, "Declaration") made by Bluegrass Meadows Development, LLC, a Kentucky limited liability company ("Declarant"), and of record (or hereafter recorded) at the Bullitt County, Kentucky Clerk's Office. The Declaration may be, from time to time, amended or supplemented.

**ARTICLE 3  
MEETING OF MEMBERS**

3.1 Annual Meetings. The first Annual Meeting of the Members shall be held within five (5) years from the date of incorporation of the Association, on such date as the initial Board shall determine. Each subsequent Annual Meeting of the Members shall be held in the Commonwealth of Kentucky 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"). Each Annual Meeting shall be open to all Members. No Annual Meeting shall be held on a legal holiday.

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 one-third (1/3) 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 ten (10) nor more than thirty-five (35) 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.

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 ten (10) days, but no more than thirty-five (35) 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 Association, or, supplied by such Member to the Association for the purpose of notice. Such notice shall specify the date, time and place 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 Association. 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.

3.4 Quorum; Adjournment. The presence at the meeting of Members entitled to cast, whether in person or by proxy, two-tenths (2/10) of the votes of each class of membership entitled to vote shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. Proxies may be submitted in person, by mail, or by electronic means. The person designated a proxy need not be a Lot 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/her Lot, except as otherwise provided in the Declaration or the Articles of Incorporation. If a first mortgagee has been designated a proxy under the terms of a first mortgage covering a Lot, 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. A proxy shall be void if it is not dated or purported to be revocable without notice.

3.6 Voting by Mail or Electronically by Association Members. Any Association Member may cast his/her written vote by mail or by electronic means on any proposal voted upon at any meeting of the Members of the Association by sending such written vote to the Secretary of the Association within the period seven (7) days before the date of the meeting. Such written votes shall be filed with the records of the Association and, in no event, shall any action be taken or approved by the Association with the approval of any 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.

3.7 Members. Every Lot Owner shall be a Member of the Association, and such membership shall be appurtenant to and may not be separated from ownership of any Lot. During

the Development Period (as defined in the Declaration), the Association shall have Class A Members (being all Owners except Declarant) and a Class B Member (being Declarant). At such time as the Class B Membership shall terminate, the Declarant, if it is then a Lot Owner, shall become a Class A Member and continue as such so long as it shall remain a Lot Owner. Class B Membership shall terminate upon the expiration of the Development Period.

3.8 Voting. Each Class A Member shall be entitled to one (1) vote for each Lot owned by such Class A Member; provided that any Class A Member with respect to whom a notice of Default has been issued by the Board pursuant to the Declaration, or who has had his/her right or privilege of use and enjoyment of the Common Elements 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 Lot shall be owned by more than one (1) Lot Owner, such Lots Owners shall be deemed to constitute a single Class A Member as to such Lot for purposes of this Section. The Class B Member shall have one hundred (100) votes for each Lot in which the Declarant holds the interest otherwise required for Class A Membership multiplied by the number of Dwelling Units located or proposed by the Declarant to be located on such Lot, provided, however, that each Class B Membership shall terminate upon the expiration of the Development Period. At such time as Class B Membership shall terminate, the Declarant which, for any Lot, holds an interest therein otherwise required for Class A Membership, shall be deemed a Class A Member with reference to such Lot or Lots and entitled to the voting and all other rights of such Class A Member.

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.

3.9 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 preceding meeting; (5) reports of Officers; (6) reports of committees; (7) election of the Board of Directors (when appropriate); (8) unfinished and/or old business; (9) new business; (10) adjournment.

3.10 Action by Association 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 all Members in good standing which writing or writings shall be filed with the records of the Association. 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 ten (10) days prior to commencing the circulation of the action for written consent among the Members.

#### **ARTICLE 4**

#### **BOARD OF DIRECTORS-SECTION-TERM OF OFFICE**

4.1 Number and Term of Office. Until the expiration of the Development Period, the initial Board shall consist of three (3) persons appointed by the Class B Member who shall serve

until their respective successors are elected and qualified. Directors appointed by the Declarant need not be Members of the Association. However, a Director elected by Class A Members shall be a Lot Owner or a spouse of a Lot Owner, except that if a Lot Owner is a corporation, partnership, joint venturer, or other entity, the Lot Owner may elect as a Director an officer, partner, joint venturer, or like individual affiliated with this Lot Owner.

Within ninety (90) days after the expiration of the Development Period, the President of the Association shall call a special membership meeting (“Development Period Special Meeting”). At the Development Period Special Meeting, all Declarant appointed Directors shall be deemed removed from office, and the Class A Members, including the Declarant if it is then an Owner, shall elect one (1) Director that is an Owner of a Dwelling Unit in Neighborhood A and One (1) Director that is an Owner of a Dwelling Unit in Neighborhood B. The third (3rd) Director shall initially be from Neighborhood A and shall alternate Neighborhoods each term thereafter. The terms of said elected Directors for the initial Class A Member elected board shall be from one (1) to two (2) years, so that any year thereafter, at least one (1) term shall expire. The Director from Neighborhood A and the Director from Neighborhood B that has the most votes shall be the Directors who shall serve a two (2) year term. The remaining Director shall serve a one (1) year term. Subsequent to the Development Period Special Meeting, all Directors, and their successors, shall be elected by Class A Members and shall be elected for a two (2) year term. Furthermore, at any Annual Meeting subsequent to the Development Period Special Meeting, the Board may elect to expand the number of Directors to five (5) but in no event shall the number of Directors be less than three (3).

Notwithstanding anything above to the contrary, the Class B Member may, by written notice to the Board, at or before any Annual Meeting, relinquish to the Class A Members, the Class B Member’s right to elect one or more Directors at such Annual Meeting pursuant to this Section.

4.2 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 Declarant may be removed by Declarant at any time, with or without cause. An elected Director whose removal has been proposed by a Lot 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. Declarant 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 this Section, at any Annual Meeting of the Members or at any special meeting of the Members called for the purpose of filling this vacancy.

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

## **ARTICLE 5**

### **NOMINATION AND ELECTION OF DIRECTORS**

5.1 Nomination. Nominations may also be made from the floor at the Annual Meeting of the Members. Nomination for election to the Board may be made by a Nominating Committee appointed by the Board. If created, the Nominating Committee shall consist of three (3) persons who may or may not be Members of the Board or Association. The Nominating Committee, if formed, shall be appointed at least thirty (30) days prior to the Annual Meeting of the Members, to serve from appointment until the close of such 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. Notwithstanding the foregoing, as long as Declarant has the right to appoint all Directors, Declarant also has the right to nominate all Directors.

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**

6.1 Annual Organizational Board Meeting. The “Annual Organizational Board Meeting” shall take place immediately after each Annual Meeting of the Members, at the time and place fixed from time to time by the Board.

6.2 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. No Regular Meeting shall be held on a legal holiday.

6.3 Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by a majority of Directors.

6.4 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, electronic mail, facsimile, or telephone at least three (3) 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. A Non-Director Member may not attend a Board meeting or participate in any such meeting unless given permission to do so by the President of the Board. A Non-Director Member may not vote at a meeting of the Board.

6.5 Waiver of Notice. Any requirement of notice to a Director provided under this Article 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 Association. Attendance at a meeting is considered waiver of notice.

6.6 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.

6.7 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.

6.8 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 which may include electronic approval 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 7**

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

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 (as hereinafter defined) governing the use of the Common Elements and the personal conduct of the Members, occupants 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;

(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 Elements;

(f) Mortgage the Common Elements in order to borrow money for the purpose of constructing, equipping, improving, and maintaining the Common Elements with the approval of sixty-seven percent (67%) of the Class A Members, and during the Development Period, the approval of the Class B Member.

(g) Execute any loan agreement and/or promissory note for the benefit of Declarant, Builder (as defined in the Declaration) and/or Affiliated Entity (as defined in the Declaration), as the case may be, the form of which shall comply with the terms and conditions set forth in Exhibit C attached to the Declaration, which shall evidence any loan of funds made to the Association to fund a deficit;

(h) Authorize the repayment to the Declarant, Builder and/or Affiliated Entity, as the case may be, of any or all monies lent by such entity to the Association in accordance with Section 5 of the Declaration in funding any deficit;

(i) 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 Association, as more fully provided in the Declaration;

(j) Employ a manager, an independent contractor and/or such other employees as it deems necessary, and to prescribe their duties; and

(k) Exercise for the Association all powers, duties and authority vested in or delegated to the Association 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.

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 representing one-third (1/3) of each class of Members who are entitled to vote;

(b) Supervise all Officers, agents and employees of the Association, 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:



- (i) Establish, enforce, levy and collect Assessments as provided in the Declaration;
  - (ii) Give written notice of each Assessment to every Member subject thereto within the time limits set forth therein;
  - (iii) 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;
  - (iv) Pay the Association's Common Expenses through the Assessments and/or the borrowing of funds as provided in the Declaration;
- (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 Association'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.

7.3 Professional Management Contracts. The Association may delegate all or any portion of its authority, subject to the Board of Directors supervision, to discharge its responsibilities herein to a manager or managing agent. Any management agreement shall not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee on sixty (60) days or less written notice.

7.4 Rules and Regulations. The Board may adopt and amend rules and regulations (hereinafter, "Rules and Regulations") for the maintenance, use, conservation, and beautification of the 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 any 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 Lot Owner in question and his or her Lot. 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.

7.5 Annual Review. The Board may, but shall not be required to, arrange for a certified public accountant to perform a review the Association's books. Upon written request, the Board shall provide a first mortgagee with a copy of any annual review report.

## **ARTICLE 8**

### **OFFICERS AND THEIR DUTIES**

8.1 Enumeration of Officers. The Association may 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 Declarant or Builder.

8.2 Election of Officers. Prior to the Development Period Special Meeting, the Officers of the Association will be elected by the Board of Directors at the Annual Organizational Board Meetings. Thereafter, the Officers of the Association 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.

8.3 Term. The Officers of this Association 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.

8.4 Special Appointments. The Board may elect such other Officers as the affairs of the Association 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.

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.

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.

8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 of these Bylaws, 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.

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

(a) President. The President shall be the chief executive officer of the Association 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 Association.

(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 Association 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.

(e) 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 Association. It is understood that the Directors and Officers will be unpaid volunteers.

## **ARTICLE 9** **COMMITTEES**

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

## **ARTICLE 10** **INDEMNIFICATION 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 Association shall indemnify any Director or Officer of the Association or former Director or Officer of the Association, 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 Association, 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 Association, 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 plead 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 Association, 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 Association is advised by counsel that the Director or Officer has not been guilty of willful misconduct or bad faith as a Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which a Director or Officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as Common Expenses. Nothing in this Section shall be deemed to obligate the Association to indemnify any 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**

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

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.

11.3 Nondiscrimination. No Member (including the Declarant) 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 Lot, or in the use of the Common Elements.

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 or be deemed to be a waiver of any subsequent exercise of such a right, power, or privilege, or be deemed to be a waiver of any subsequent violation or breach of such covenant, condition, obligation, 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.

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.

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

11.7 Books and Records. The books, records and papers of the Association 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, if any, shall be available for inspection by any Member at the principal office of the Association or at such other reasonable place as the Board might direct, where copies may be purchased at reasonable cost.

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 Association shall begin at the date of incorporation. The commencement date of the fiscal year herein established may be changed by the Board of Directors.

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 Association by either the President or the Vice-President, and all checks and other drafts shall be executed on behalf of the Association by such Officers, agents or other persons as are, from time to time, by the Board, authorized so to do.

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.

11.11 Amendments. These By-Laws may be amended (a) at a regular or special meeting of the Members at which a quorum is present, by a vote of a majority of the voting Members present in person or by proxy and entitled to vote, or (b) by the Board of Directors by two-thirds (2/3) majority of its members. Notwithstanding the foregoing, the Declarant, or any person or

entity that the Declarant has designated, must consent in writing to the amendment before the amendment is effective if the amendment is passed during the Development Period.

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

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 Donald J. Trump.

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.

11.15 Heirs, Successors and Assigns. These Bylaws shall be binding upon and shall inure to the benefit of the Association, the Declarant, the Members and Members' heirs, successors, and assigns.

11.16 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 laws of Kentucky and shall have all powers given to a board of directors under the applicable corporation laws of Kentucky. These 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. Any capitalized terms used herein which are not otherwise defined, shall have the meanings as defined in the Declaration.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

BLUEGRASS MEADOWS HOMEOWNERS'  
ASSOCIATION, INC.,  
a Kentucky not-for-profit corporation

By: EXHIBIT – DO NOT SIGN  
Norman V. Noltemeyer, President

## EXHIBIT C

### DEFICIT LENDING TERMS

Loan Agreement(s) and Promissory Note(s) to fund Operating Deficit(s) pursuant to Section 5 of Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Bluegrass Meadows shall conform with the following provisions which shall govern the terms and conditions of said Agreement(s) and Notes(s):

1. Type of Note:

The Note(s) may be issued in any of the following forms:

(a) Demand Note:

This type of Note shall be payable on the date of demand by Lender; or

(b) Open-end Note:

This type of Note shall permit additional borrowing and prepayment of principal, without penalty; or

(c) Closed-end Note:

This type of Note shall not permit additional borrowing against this note; but prepayment of principal, without penalty, shall be permitted.

2. Method of Payment:

Repayment of the loan(s) may be by any of the following methods:

(a) Installment Plan:

This method of payment shall require payments, of both principal and interest, at regular intervals over the term of the loan; or

(b) Lump Sum Payment:

This method of payment shall require Periodic payments, of both principal and interest, for a specified time and a lump sum payment at maturity to discharge the outstanding balance of the loan; or

(c) Balloon Payment:

This method of payment shall require periodic interest payments for a specified

time and a lump sum payment at maturity to discharge the outstanding balance of the loan.

3. Interest:

The Interest Rate established by lender shall be reasonable, but no greater than two (2) percentages points over the “prime rate” as published in the Wall Street Journal and shall be designated by lender to be either:

(a) Fixed:

The Lender shall establish a rate of interest at the time of the making of the Note and this rate of interest shall remain constant over the term of the Note; or

(b) Variable:

The Lender can periodically adjust the interest rate in accordance with fluctuations in the “prime rate” as published in the Wall Street Journal.

Furthermore, Interest shall be designated by Lender to be either:

(c) Compound:

Interest shall be paid on both the principal and the previously accumulated interest; or

(d) Simple:

Interest shall be paid on the principal only and not on accumulated interest.

4. Limit on Term:

The Note(s) may be issued for a term up to, but not to exceed, ten (10) years.

5. Waiver of Defenses:

Borrower shall waive presentment, demand, protest, and notice of demand, protest, nonpayment and dishonor. Borrower shall also waive all defenses based on surety ship or impairment of collateral.

6. Agreement(s) and Note(s) shall contain clauses addressing the following issues:

- (a) Order of payment
- (b) Default
- (c) Expenses
- (d) Omission or waiver by Lender



- (e) Severability
- (f) Choice of law

**EXHIBIT D**

**THE FOLLOWING ADDITIONAL COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS SHALL APPLY TO SINGLE-FAMILY LOTS OF BLUEGRASS MEADOWS (NEIGHBORHOOD "A" LOTS) OF THE BULLITT COUNTY, KENTUCKY RECORDS.**

**SECTION 7**  
**COVENANTS AND RESTRICTIONS OF USE AND OCCUPANCY**

7.2 Covenants and Restrictions.

(y) Swimming Pools. No above-ground swimming pools shall be constructed, erected, placed or permitted to remain upon any Single-Family Lot; provided, however, portable or inflatable swimming pools designed for use by small children shall be permitted so long as they are stored out of view when not in use. In-ground swimming pools are permitted provided they are approved pursuant to Section 6 hereof. This Section shall not prohibit the construction, erection or placement of a diving board, slide or other equipment appurtenant to an otherwise conforming swimming pool.

(z) Basketball Goals, Play Areas, etc. No permanent basketball goals shall be attached to any Dwelling Unit or affixed in the ground without the approval of the ARC. No full size portable goals will be allowed on any Single-Family Lot. Small portable children's goals made of plastic are allowed so long as the goals are kept away from public streets and kept in the garage when not in use. No playground equipment, play apparatuses, swing sets, tree houses, trampolines, or other similar structures or apparatuses shall be erected, constructed, or allowed to remain on any Single-Family Lot except in accordance with Rules and Regulations established by the ARC from time to time or as otherwise approved by the ARC.

(aa) Fencing. Notwithstanding anything contained herein, ALL fencing shall be approved by the ARC as provided in Section 6 of the Declaration. No fences shall be erected or built on any part of any Single-Family Lot between the rear of the dwelling unit constructed thereon and the street in front of the dwelling unit. On a corner Single-Family Lot, the section or sections of fence running with the side street shall not extend closer to said side street at any point than the dwelling unit on said Single-Family Lot. Such style and materials for fences erected on said Single-Family Lot are not permitted unless they comply with the Architectural Guidelines and procedures as adopted by the ARC. Further, invisible fences shall be permitted so long as such invisible fence is installed at least 5 feet away from any common sidewalk, public path, or walkway. Non-reflective metal fence may be installed as an integral part of a fence constructed of the aforesaid materials in order to provide a secure enclosure. All fences must meet local governmental fence codes and regulations. Entrance designations, Recreational Facilities, fences and any other Structure erected by Declarant and/or the Association are exempt from this Restriction.

(bb) Lawns. No weeds, underbrush or unsightly growths or objects of any kind shall be permitted to remain on any Single-Family Lot within the Subdivision. All lawn areas shall be maintained in a neat and orderly manner and shall be mowed on a regular basis.

**SECTION 9**  
**COMMON ELEMENTS AND EASEMENTS**

9.1 Common Private Driveway Easements

(a) Maintenance expense of the Common Private Driveway shall also include snow plowing if a majority of Single-Family Lot Owners served by a Common Private Driveway agree to incur expenses for snow plowing services.

**EXHIBIT E**

**ADDITIONAL COVENANTS, CONDITIONS AND RESTRICTIONS, AND  
RESERVATION OF EASEMENTS FOR BLUEGRASS MEADOWS PAIRED LOTS  
(NEIGHBORHOOD "B")**

**SECTION 1  
DEFINITIONS**

1.28(a) "Limited Common Elements" shall mean and refer to that real property, together with the Improvements located thereon, owned by the Association for the benefit, use and enjoyment of the Owner of a certain Dwelling Unit or Dwelling Units constructed on Paired Lots with such Improvements located thereon, to the exclusion of the other Owners, as well as areas which have been specifically designated by the Declarant on the recorded plat as "Limited Common Elements".

**SECTION 7  
COVENANTS AND RESTRICTIONS OF USE AND OCCUPANCY**

7.2        Covenants and Restrictions.

(y)        Swimming Pools. No in-ground swimming pools or above-ground swimming pools shall be erected, constructed or permitted to remain on any Patio Home Lots or Paired Lot. Portable or inflatable swimming pools designed for use by small children shall be permitted so long as they are stored out of view when not in use.

(z)        Basketball Goals, Play Areas, etc. No permanent or portable basketball goals shall be erected, constructed, or permitted to remain on any Paired Lot. No playground equipment, play apparatuses, swing sets, tree houses, trampolines, playhouses, or other similar structures or apparatuses shall be erected, constructed, or permitted to remain on any Paired Lot.

(aa)       Fences. No fences shall be erected or built on any part of a Paired Lot except that an invisible fence shall be permitted so long as such invisible fence is installed at least 5 feet away from any common sidewalk, public path, or walkway. In no case shall the installation of an invisible fence destroy or otherwise disturb any landscaping area on any Paired Lot.

**SECTION 8  
MAINTENANCE STANDARDS**

8.1        Adoption and Amendment.

(g)        The reference to Common Elements as described in Section 9 shall also include the Limited Common Elements, so that wherever the term Common Element(s) is used, it shall also include Limited Common Element(s).

8.5        Right of Entry.

(a) The reference to Common Elements as described in Section 9 shall also include the Limited Common Elements, so that wherever the term Common Element(s) is used, it shall also include Limited Common Element(s).

**SECTION 9**  
**COMMON ELEMENTS AND EASEMENTS**

9.7 Easements.

(e) There is hereby established and reserved by the Declarant a blanket easement over all of each and every Paired Lot for the benefit of the Association for express purpose of providing landscaping maintenance services, snow pushing services, and any other services or special services established by the Board or set forth in the Declaration as amended. The Declarant reserves the right within said easement to establish common landscape areas or common streetscape areas for the benefit of Paired Lot Owners. The Association shall be responsible for the maintenance of any such common landscape areas or common streetscape areas so established.

**SECTION 11**  
**ASSOCIATION AND OWNER MAINTENANCE RESPONSIBILITY**

11.1.1 Additional Association Responsibilities. It is the intention of the Declarant and Builder that the Paired Lots be provided with the following additional maintenance services and insurance:

(a) Required Lawn and Landscape Maintenance Services. The Association shall manage and provide lawn and landscaping maintenance services for each Paired Lot and all Common Elements located on the Property. Such services may include but shall not be limited to: mowing, fertilizing and treatments of all established turf areas; pruning and treatment of shrubs and trees located in the front, side, and rear yards; and weeding, trimming, edging, and annual mulching of landscape beds located in the front, side, and rear yards. The Declarant and/or Builder may install additional landscaping on a Paired Lot outside of the front and side yard perimeter which the Association is responsible for maintaining, provided such additional landscaping is noted on the Record Plat as a "Landscape Easement Area". Any Landscape Easement Area located on a Paired Lot shall be maintained by the Association. The delineation of areas to be mowed and otherwise maintained and areas to be left in a natural state shall be at the discretion of the Board.

Each Owner of a Paired Lot shall remain responsible for the remaining lawn and/or landscaping services including the establishment of all turf areas and the irrigation of watering of all turf and landscaping areas located in the front, side and rear yards.

As determined by the Board, the Association will replace dead or dying landscaping and turf, which are under maintenance of the Association, unless the Owner of the Paired Lot, through action or inaction, causes the death or damage of plant material and/or turf, (e.g. does not adequately water the landscaping). Owner damaged landscaping and turf will be replaced at the expense of the respective Owner and may be assessed as an Individual Assessment under Section 5 of the Declaration.

(b) Required Snow Pushing Services. The Association shall manage and provide snow pushing services for driveways and sidewalks for Paired Lots. Such snow pushing services for sidewalks shall be limited to the private streets, if any, and the sidewalk leading from the driveway to the front door of the Dwelling Unit and shall not include sidewalks along streets. Snow pushing shall be provided in accordance with requirements and rules established by the Board of Directors. Deicers and deicing service is not part of this service. Paired Lot Owners bear all risks and are responsible for any damage to pavement surfaces caused by their use of deicers on their own driveways and sidewalks.

(c) Special Services. The Association on its own initiative or at the request of Paired Lot Owners may, upon Board approval, provide special services to Paired Lot Owners. Such services may include, but are not limited to: exterior painting, concrete cleaning and sealing, deck cleaning and sealing, exterior building maintenance, gutter cleaning or similar services. These services would not be required or provided to all Paired Lot Owners, but would only be provided to such Paired Lot Owners who desire to participate in such special services. These services would be provided at an additional cost to the participating Paired Lot Owners. Any expenses incurred by the Association for the provision of special services shall be billed to the participating Paired Lot Owner as an Individual Assessment and shall be paid by said Owner within thirty (30) days thereafter.

(d) Discontinuance of Required Services. During the Development Period the required services set forth in Paragraphs 11.1.1(a) and 11.1.1(b) shall be mandatory and shall be provided by the Association unless the Declarant consents to the discontinuance of any such service and seventy-five percent (75%) of the Paired Lot Owners vote to discontinue any such service. After the termination of the Development Period, the aforesaid required services may be discontinued as set forth above, but without requiring the consent of the Declarant. Furthermore, after termination of the Development Period, additional services may be added if seventy-five percent (75%) of the Paired Lot Owners vote to add such services.

(e) Exterior Maintenance shall include the following: paint, caulk, repair and replace roofs, roof vents, chimneys, gutters, downspouts, and exterior wall surfaces; paint and make surface repairs on the exterior surfaces of the doors; repair and replace common area sidewalks; general treatment for pest control; perform other exterior maintenance as from time to time is determined by the Board of Directors of the Association to be reasonably necessary to maintain such Paired Homes consistent with the funds available to the Association, such additional maintenance to be exercised uniformly for the benefit of all such Paired Homes.

Unless otherwise determined by the Board of Directors, exterior maintenance shall NOT include structural and/or waterproofing, repair, replacement or care of foundations, basement walls and floors; repair, replacement or care of wood balconies, decks, railings and patios; repair, replacement or care of mechanical equipment and/or its pads and foundations, light bulbs, exterior light fixtures attached to such Paired Homes, electric outlets, water sillcock, window and/or door glass or screen; repair, replacement or care of doorjamb, thresholds, window frames or operating parts of doors and windows; maintenance, repair and replacement of driveways, lead-walks and door stoops; cleaning, weather stripping or replacement of doors and windows; general cleaning or debris removal; and any care whatsoever to improvements or additions made other than by the original Builder in constructing the respective Paired Lots.

**SECTION 14**  
**INSURANCE**

14.8 Fire, Extended Coverage and Standard "All Risks" Insurance. Notwithstanding anything contained to the contrary in Section 15 of the Declaration, the Association shall insure all buildings ,excluding insurance on improvements as that term is defined below, structures and all Common elements which are located on the Property against any loss or damage by such hazards as are ordinarily insured by a comprehensive, extended coverage and "all risks" policies issued in the amounts at all times sufficient to prevent the Association from becoming co-insurers under the terms of any applicable coinsurance clause or provision and in no event less than the actual replacement costs of such improvements, as determined from time to time by the insurer.

14.9 Individual Insurance.

(a) The Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Dwelling Unit nor the liability of any Paired Lot Owner for injuries therein not cause by or connected with the Association's operation, maintenance, or use of the Common Elements or other property located in the Subdivision. Each Paired Lot Owner shall, at his or her own expense, obtain public liability insurance for personal injuries or damage arising out of the use or occupancy or occurring within his or her Dwelling Unit or on his or her Lot. In addition, each Paired Lot Owner shall maintain fire and extended coverage insurance on the contents of his/her Dwelling Unit, including any partitions, trim, drywall, flooring, built-in fixtures, equipment and appliances, and on the improvements and betterments which are located in his/her Dwelling Unit (collectively the "Patio Improvements"). The Association may request the Paired Lot Owner to provide a copy of the policy(s) to the Association evidencing this insurance coverage at any time.

Each Paired Lot Owner agrees that if any Owners(s) damages a building or other improvements now or at any time hereafter constituting a part of the Subdivision which is covered under the Association's insurance policy, the Owner or Owners causing such damage shall be responsible for paying the lesser of: (a) the insurance deductible due under the Association's insurance policy; or (b) the cost to repair and/or replace any damage to a building or other Improvements, which amount shall be due within ten (10) days after the delivery of written notice of such deductible due or replacement/repair costs by the responsible Paired Lot Owner(s) or twenty (20) days after mailing of such notice by certified mail, whichever occurs first. In the event a Paired Lot Owner refuses or fails to pay the insurance deductible or replacement/repair costs in the time period provided in the preceding sentence, the amount thereof may be advanced by the Association and the amount so advanced by the Association shall be assessed to such owner as an Individual Assessment.

**SECTION 18**  
**PARTY WALLS**

18.1 Party Walls. Each wall which is built as part of the original construction of a Dwelling Unit and is placed on the dividing line between Paired Lots or dwellings shall constitute

a party wall, and to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

18.2 Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared 50/50 by the Owners who make use of the wall.

18.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution for the others under any rule of law regarding liability for negligent or willful acts or omissions. Unless otherwise agreed by the Association and the Owners of all Dwelling Units damaged or destroyed by fire or other casualty, such structure shall be rebuilt and all proceeds of insurance available therefor shall be used to restore the structure.

18.4 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

18.5 Right of Entry. For purposes of making inspections and repairs under this Section 18, an Owner, his/her agents or contractors shall have the right to enter upon the premises of the other Owners of a party wall upon the giving of notice.

18.6 Easements. In the event that a Dwelling Unit is erected on more than one Paired Lot, each such Paired Lot shall have the benefit of mutual easements across the other Paired Lots upon which said structure is located and through the structure, and each such Paired Lot shall be subject to easements across it and through the structure erected thereon for the benefit of the other Paired Lots upon which said structure is located, for the maintenance, continuation and upkeep of utility wires and lines serving the individual Paired Lots and Dwelling Units located thereon. The Owner of each Paired Lot shall maintain, repair and replace all wires and lines serving such Paired Lots and Dwelling Units, and for such purpose may enter upon the other Paired Lots or Dwelling Units, but shall at all times be responsible for repairing and restoring to its former condition any Paired Lot or Dwelling Unit which is damaged or disturbed by reason of the performance of any maintenance, repair or replacement of such wires and lines, or by reason of the exercise of any right of easement, ingress and egress herein provided. The cost of repair and maintenance of wires and lines used jointly for the benefit of two or more Paired Lots shall be shared by the Owners who make use of the same in equal amounts, unless such repair and maintenance is provided by the Association through Assessment. "Wires" and "Lines" shall be construed broadly to include energy, communications, water and or sanitary sewer wires and lines.

18.7 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

18.8 Control of Utility Lines. Notwithstanding provisions otherwise contained herein, all of the following utility lines designed to serve a Dwelling Unit shall be under the exclusive control of and shall be maintained by the Association (subject to the rights and duties of the utility company providing the service):



Electric supply lines extending from the entrance of such line upon a Paired Lot and extending through the last Dwelling Unit serviced by such line, shall be the responsibility of the Owner(s).

Sanitary sewer lines from the main sewer line serving a Paired Lot and extending through the last Dwelling Unit serviced by such line, shall be the responsibility of the Owner(s).

Water service lines from the entrance of such line upon a Paired Lot and extending through the last Dwelling Unit serviced by such line shall be the responsibility of the Owner(s).

Electric supply lines, sanitary sewer lines, water service lines, and similar improvements collectively referred to herein as "Utility Lines".

(a) Repair of Utility Lines. It shall be the responsibility of the Owner(s) to replace, repair, and/or otherwise maintain the Utility Lines from the origin of said Utility Line(s) at the street, through the last Dwelling Unit serviced by the Utility Line(s). Should the need arise for a Utility Line to be repaired, replaced, and/or otherwise maintained, the cost of such repair, replacement, and/or maintenance, shall be paid for equally by the Owner(s). If the Owner(s) disagree as to the repair, replacement, and/or maintenance of said Utility Line(s), or the cost thereof, the Association shall issue a binding determination as to the necessity for said repair, replacement, and/or maintenance. The Association may pay for the cost of the repair, replacement, and/or maintenance, and levy an additional Individual Assessment against such Owner(s).

(b) Utility Service Providers. It shall not be the responsibility of any utility company providing such services to resolve any dispute involving such services that may arise between Owners. Rather, such Owners shall follow the dispute resolution procedure in Section 15 herein. Further, the Association may serve as the main point of contact between the utility service providers and Owner(s).

18.9 Rights Not Subject to Suspension. The rights and easements created in Section 9 shall not be suspended by the Association for any reason.

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