

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SPRINGHURST PATIO HOMES INNOVATIVE
SPRINGHURST SUBDIVISION, PHASE IV A
VILLAGE OF SPRINGMONT

JEFFERSON COUNTY, KENTUCKY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SPRINGHURST SUBDIVISION, PHASE IV A, VILLAGE OF SPRINGMONT is made on June 10th, 1992, by HFH, INC., a Kentucky corporation, 101 Bullitt Lane, Suite 450, Louisville, Kentucky 40222 ("Developer").

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

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

ARTICLE I -- PROPERTY SUBJECT TO THIS
DECLARATION; ADDITIONS

Section 1. Existing Property. The real property which is subject to this Declaration is located in Jefferson County, Kentucky and is more particularly described as follows:

BEING Lots 1 through 8 inclusive as shown on the plat of Springhurst Subdivision, Phase IV A of record in Plat and Subdivision Book 39, Page 34, in the office of the Clerk of Jefferson County, Kentucky.

BEING part of the same property acquired by Developer by Deed dated April 24, 1991, of record in Deed Book 6058, Page 140, in the office of the Clerk of Jefferson County, Kentucky.

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in any of the following manners:

(a) Additions in Accordance with a General Plan of Development. Developer intends to make this section, Springhurst Phase IV A, containing 8 lots a part of a larger community to be developed in accordance with current plans and known as Springhurst. Additional land may (but is not required to) be included by Developer as other sections of Springhurst within 20 years from January 1, 1990, and may include multi-family and retail commercial developments and certain common properties. Developer reserves the right to create cross easements and to restrict all the properties according to the terms of this Declaration. The common areas initially covered by this Declaration shall inure to the benefit of the owners of any new lots which may become subjected to this Declaration and the common areas allocable to the owners of any new lots shall inure to the benefit of the owners of lots recorded earlier, each to enjoy the common areas of the other and to have and to hold the same as if each new lot had been developed and subjected to this Declaration simultaneously.

The additional land which may be included is the land described in the following instruments recorded in the Jefferson County Clerk's office: Deed Book 6058, Page 140.

All additions shall be made by filing with the Office of the Clerk of Jefferson County, Kentucky, a Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. The Supplementary Declaration may contain additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

(b) Other Additions. Additional residential property and common areas which are not presently a part of the general plan of development may be annexed to Springhurst by Developer.

ARTICLE II -- USE RESTRICTIONS

Section 1. Primary Use Restrictions. No lot shall be used except for private single-family residential purposes. No structure shall be erected, placed or altered or permitted to remain on any lot except one single family dwelling designed for the occupancy of one family. Said single family dwellings shall be attached to and separated from adjoining residences by party walls on two sides of the structure. The structures are designed for the occupancy of one family (including a domestic servant

living on the premises), not to exceed one and one-half stories in height and having a single kitchen. All residents of the dwelling, except one resident, must be related by blood, marriage or adoption; it being provided however, that nothing herein contained shall prevent two or three persons from joining together to purchase and share a dwelling unit.

For purposes of this Declaration, there shall be specifically excluded from the meaning of the phrase "private single-family residential purposes", and shall not be permitted on any lot within Springhurst, Phase IV A, Village of Springmont, regardless of whether any of the same would otherwise be permitted by any applicable zoning regulations or other governmental laws, rules or regulations, any uses which constitute or relate to (a) boarding houses, (b) lodging houses, (c) fraternities or sororities, (d) clubs, (e) hotels, (f) residences or homes for social rehabilitation, (g) nursing homes, (h) residences or homes for the aged or infirm, (i) programs with respect to which admission to residency in or occupancy of the premises is limited to or intended in whole or in part for persons in the custody of the criminal justice system or the juvenile justice system and/or persons engaged in the care, custody, nurturance or supervision of such persons, (j) any Exceptional Residential Use (as presently defined in Article 2 of the Regulations of the Louisville and Jefferson County Planning Commission), and (k) any "group home" or other similar use as determined by Developer and/or the Board.

Section 2. Nuisances. No noxious or offensive trade or activity shall be conducted on any lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section 3. Use of Other Structures and Vehicles.

(a) No structure of a temporary character shall be permitted on any lot except temporary tool sheds or field offices used by a builder or Developer, which shall be removed when construction or development is completed.

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

(c) No trailer, truck, motorcycle, commercial vehicle, camper trailer, camping vehicle or boat shall be parked or kept on any lot at any time unless housed in a garage or basement. No automobile which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in the garage) or on any street

in the subdivision. No trailer, boat, truck, or other vehicle, except an automobile, shall be parked on any street in the subdivision for a period in excess of twenty-four hours in any one, calendar year.

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

(e) All garage doors shall remain closed at all times except when required to be open for the entrance or exit of a vehicle housed therein.

Section 4. Animals. No animals, including reptiles, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept, provided they are not kept, bred or maintained for any commercial or breeding purposes. All household pets, including dogs and cats, shall at all times be confined to the lot occupied by the owner of such pet or shall be restrained by a leash.

Section 5. Mail and Paper Boxes; Clothes Lines; Fences and Walls; Tennis Courts; Swimming Pools; Antennae and Receivers/Transmitters; Yard Ornaments.

(a) A mailbox and paper holder selected by the Developer will be placed at a central location and no other mail box or paper holder shall be permitted.

(b) No outside clothes lines shall be erected or placed on any lot.

(c) No hedge or fence shall be placed or planted on any lot unless its design and placement of planting are approved in writing by Developer or by any person or association to whom it may assign the right. In only remote circumstances, will fencing be considered. Fence height, if approved, may only be 48" maximum. Fence material to be of wood, brick, or possibly wrought iron, and landscaped. Only a portion of the rear yard shall be fenced. Chain link fences will not be approved. Privacy screens for patios shall not be considered fences, as defined in this paragraph; however, no patio privacy screen shall be placed or erected on any lot unless its design and placement are approved in writing by Developer or by any person or association to whom it may assign the right.

(d) No tennis court shall be erected or placed on any lot.

(e) No inground or aboveground swimming pools shall be erected or placed on any lot.

(f) No antennae (except for standard small television antennae) or microwave and other receivers and transmitters (including those currently called "satellite dishes") shall be erected or placed on any lot unless (i) the Lot owner can show special circumstances requiring the use of extraordinary receivers or transmitters; (ii) the device is adequately screened or buffered by mature shrubbery or trees, by terrain or by fences or other structures; and (iii) its design and placement are approved by Developer or by any person or association to whom it may assign the right. By granting permission to a Lot owner to erect receivers or transmitters, Developer shall not be deemed to have waived this restriction as it may apply to other lots in Springhurst.

(g) No garden of any nature shall be planted, grown, maintained, placed or allowed to remain on any lot except that small flower gardens may be permitted provided the size, placement and design are approved in writing by Developer or by any person or association to whom it may assign the right.

(h) No ornamental garden material or decoration of a non-growing variety shall be permitted unless its design and placement are approved in writing by the Developer or by any person or association to whom it may assign the right.

(i) No ornamental yard objects, statuary or sculpture, etc. shall be placed on any lot unless its design and placement are approved in writing by Developer or by any person or association to whom it may assign the right.

Section 6. Business; Home Occupations. No trade or business of any kind (and no practice of medicine, dentistry, chiropody, osteopathy and other like endeavors) shall be conducted on any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Notwithstanding the provisions hereof or of Section 1, a new house may be used by a builder thereof or Developer as a model home for display or for the builder's own office provided said use terminates within eighteen months from completion of the house or upon such additional period of time as may be expressly agreed to in writing by Developer.

Section 7. Signs. No sign for advertising or for any other purpose shall be displayed on any lot or on a building or a structure on any lot, except one sign by the builder and one sign by a real estate agent or Lot owner advertising the sale or rent thereof, which shall not be greater in area than nine square feet each; provided, however, Developer shall have the right to (i) erect larger signs when advertising the subdivision (ii) place signs on lots designating the lot numbers, and (iii) following the sale of a lot, place signs on such lot indicating the name of

the purchaser. This restriction shall not prohibit placement of occupant name signs and lot numbers as allowed by applicable zoning regulations.

Section 8. Drainage. Drainage of each lot shall conform to the general drainage plans of Developer for the subdivision. No storm water drains, roof downspouts or ground water shall be introduced into the sanitary sewage system. Connections on each lot shall be made with watertight joints in accordance with all applicable plumbing code requirements.

Section 9. Disposal of Trash. No lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other waste shall not be kept except in sanitary containers.

Section 10. Underground Utility Service.

(a) Each Lot owner's electric and telephone utility service lines shall be underground throughout the length of service line from Louisville Gas & Electric's (LG&E) and South Central Bell Telephone Company's ("SC Bell"), respective points of delivery to the customer's building. Title to the service lines shall remain in, and the cost of installation and maintenance thereof shall be borne by, the Lot owner upon whose lot the service line is located.

Appropriate easements as shall be acceptable to Developer, are hereby dedicated and reserved to LG&E and SC Bell, together with the right of ingress and egress over abutting lots or properties to install, operate and maintain electric and telephone service lines from each lot to LG&E's and SC Bell's respective termination points. Electric and telephone service lines, as installed, shall determine the exact location of said easements.

The electric and telephone easements shown on the plat shall be maintained and preserved in their present condition and no encroachment thereon and no change in the grade or elevation thereof shall be made by any person or Lot owner without the express written consent of LG&E and SC Bell.

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

Aboveground electric transformers and pedestals may be installed at appropriate points in any electric or other easement.

In consideration of bringing service to the property shown on this plat, LG&E and SC Bell are granted the right to make further extensions of their lines from all overhead and underground distribution lines.

(c) The electric and telephone easements dedicated and reserved in this Section 10, and those as shown on a plat for any phase of Springhurst, including, without limitation, the Phase IV A, Village of Springmont, shall include easements for the installation, operation and maintenance of cable television service to the lots, common areas, clubhouse and recreational facilities, including the underground installation and service of coaxial cables, cable drop wires, converters, home terminal units and other necessary or appropriate equipment, as well as easements for the installation, operation and maintenance of future communications, telecommunications and energy transmission mediums.

Section 11. Rules for Common Areas. The Community Association is authorized to adopt rules for the use of common areas and such rules shall be furnished in writing to the Lot owners.

Section 12. Insurance Required. The owner of each lot shall insure all improvements, existing or hereafter placed upon his lot against loss by fire, tornado, and such other hazards, casualties, and contingencies, and at a minimum in such amounts, as Developer or any person or association to whom it may assign the right, shall from time to time require. Such insurance shall be made payable to the owner, or his nominee (which may be any mortgage holder) and to the Village of Springmont Residents Association, Inc., hereinafter sometimes referred to as the "Residents Association", jointly and copies of such policies issued pursuant to this provision shall be delivered by the Lot owner to the Residents Association at the time of the closing of the sale of any lot. The owner, shall, at least fifteen days before the expiration of any policy for any insurance hereinabove required, deliver to the Residents Association evidence of a proper renewal policy.

Section 13. Obligation to Reconstruct or Repair. If all or any portion of a residence is damaged or destroyed by fire, or other casualty, then owner shall, with all due diligence, promptly rebuild, repair, or reconstruct such residence in a manner which shall substantially restore it to its apparent condition immediately prior to the casualty. Such repair or replacement shall conform to this Declaration of Covenants, Conditions and Restrictions and shall be treated as an addition, alteration, or improvement under paragraph 15 below. Any proceeds from insurance received in payment for the damage or

destruction of the improvements on any lot shall be disbursed only to cover the expense of repair or replacement until such time as the repair or replacement is completed and paid for, at which time any balance remaining shall be paid to the Lot owner or his nominee.

Section 14. Approval of Construction Plans. No building, fence, wall, structure, addition, alteration or other improvement shall be erected, placed or altered on any lot nor shall the original exterior architecture, design or color of the structure on any lot, be altered, modified or changed in any manner until the construction plans, specifications and a plan showing the grade elevation (including front, rear and side elevation) and location of the structure, fence, wall, addition, alteration or improvement and the type and color of exterior material shall have been approved in writing by Developer or by any person or association to whom it may assign the right. All additions, alterations or improvements approved by Developer or its assignee shall be completed as promptly as circumstances will permit and a required completion date may be made as a condition of approval. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations.

Section 15. Window Treatments. No drapes, blinds or window treatment of any kind shall be placed on or at any window unless such drapes, blinds or window treatments are white or lined in such a manner so that the window treatments appear to be white from the exterior of the dwelling.

ARTICLE III -- COMMUNITY ASSOCIATION

Section 1. Community Association. The Springhurst Community Association, Inc. ("Community Association") has been created to maintain common areas (which includes open spaces, lakes and certain other recreational and community facilities) and to provide other functions set forth herein. Every owner of a lot in this Phase of Springhurst Subdivision (and such other sections which Developer has by previous deed restrictions so provided or shall by future deed restrictions so provide) shall be a member of the Community Association and subject to the membership obligations established in this instrument, including association rules adopted under Article II Section 11.

Section 2. Lot Owners' Easements of Enjoyment. Every Lot owner shall have a right and easement of enjoyment in and to the common areas which shall be appurtenant to and shall pass with the title to every lot. "Common area(s)" means and refers to all non-residential lots and areas, which are shown on any recorded

final subdivision plat within any portion of Springhurst made subject to the Community Association, together with all other improvements owned or to be owned by the Community Association. Developer releases and quitclaims to the Community Association its right and title to the common areas. The right of enjoyment is subject to the following provisions:

(a) The right of the Community Association to borrow money for the purpose of improving the common areas or for constructing, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage conveying all or a part of the common areas;

(b) The right of the Community Association to suspend the voting rights and the right to use common areas for any period during which any assessment against a lot remains unpaid, and for a period of time for any infraction of its published rules and regulations; and

(c) The right of the Community Association to dedicate or transfer all or any part of the common areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Community Association and such agency, authority or utility. Developer may dedicate utility or service easements at its sole discretion so long as there is in existence the Class B membership in accordance with Section 14, and so long as additions are permitted under Article I, Section 2(a).

(d) Notwithstanding any provision herein contained, no common areas shall be dedicated to a unit of local government without the acceptance of the unit of local government involved and the approval of the Louisville and Jefferson County Planning Commission. The provisions contained in this Article III, paragraph number 2 (d), shall not be amended by the Community Association or the Residents Association, as hereinafter established, without approval from the Louisville and Jefferson County Planning Commission.

(e) The right of the Community Association to permit the use of and to charge an initiation fee and reasonable admission and other fees for the use of the clubhouse and any recreational facilities situated in Springhurst. The Board of Directors of the Community Association may, as part of the operation of the clubhouse and recreational facilities, permit nonresidents of Springhurst to use the clubhouse and recreational facilities for a reasonable annual fee, payable to the Community Association. Such users shall not be members of the Community Association.

Section 3. Delegation of Use. Lot owners may delegate, in accordance with the Bylaws, their right of enjoyment to the common areas to the members of their families or to their tenants or contract purchasers who reside on the property. Membership in the Community Association may not be conveyed separately from ownership in the lot.

Section 4. Community Association's Right of Entry. The authorized representative of the Community Association or the Board shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of property on an individual lot or in the event of an emergency or in connection with the maintenance of, repairs or replacements within the common areas, or any equipment, facilities or fixtures affecting or serving other lots or the common areas or to make any alteration required by any governmental authority.

Section 5. Assessments: Creation of the Lien and Personal Obligation. Each Lot owner, except Developer, by acceptance of a deed for a lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Community Association (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as provided in this Article III. Developer shall be responsible for the maintenance costs of the Community Association, incurred over and above assessed amounts payable to the Community Association by the Lot owners, until Developer transfers control of the Community Association. Maintenance cost overruns funded by Developer are an obligation of the Community Association, which shall be repaid to Developer from future surpluses. The annual and special assessments, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 6. Purpose of Assessments.

(a) The assessments levied by the Community Association shall be used exclusively to promote the health, safety and welfare of the residents and in particular for the acquisition, improvement and maintenance of properties and services devoted to this purpose, or for the use and enjoyment of the common areas, including but not limited to, the cost of labor, equipment, materials, management and supervision, payment of taxes assessed against the common areas, the procurement and maintenance of insurance in accordance with the Bylaws, the

employment of attorneys to represent the Community Association when necessary, and such other needs as may arise. The Community Association shall maintain, operate and repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the common areas, open spaces, gatehouse, entranceways, streets, cross-walks, medians, berms, storm drains, basins, lakes and other improvements.

(b) In addition to the above obligations, the Community Association shall be responsible for the maintenance of the landscape easement along Hurstbourne parkway shown on the plat of Springhurst Subdivision, Phase I of record in Plat and Subdivision Book 37, Pages 83 and 84 in the office of the Clerk of Jefferson County, Kentucky. The landscaping shall include shrubs, trees, flowers and ground cover which shall be regularly maintained by the cutting of grass, trimming and where necessary, replacement of shrubs and trees. The Kentucky Department of Highways and the Jefferson County Public Works and Transportation Department shall have the right to make changes in the maintenance or in the embankment and slopes where necessary to maintain the integrity of the Hurstbourne Parkway right-of-way.

(c) Developer may construct certain recreational facilities in Springhurst as a part of the common area owned or to be owned by the Community Association. In order to finance this construction, Developer reserves the right to subject that particular common area and the improvements thereon to a mortgage which, for the initial construction, furnishings and similar improvements, shall not exceed \$600,000.00, If the mortgage is made after transfer of ownership of that particular common area to the Community Association, the Community Association shall be the mortgagor. If the mortgage is made before transfer of ownership of that particular common area, the Community Association shall assume the mortgage upon the transfer of ownership. In either event, the loan secured by the mortgage shall be used solely for the purpose of constructing, furnishing and improving the recreational facilities. The assessments described in this Article III shall be used in part to make principal and interest payments on the mortgage.

(d) Until Class B membership ceases and is converted to Class A membership pursuant to Section 14, Developer or its nominee shall administer the assessments and receipts therefrom, which may only be used for purposes generally benefiting the Springhurst Community as permitted in this Declaration.

Section 7. Maximum Annual Assessment.

(a) Until the earlier of January 1, 1993 or the date the clubhouse facility is completed and open for use, the maximum annual assessment shall be set at a rate not to exceed \$30.00 per

month per lot. From and after January 1, 1993 or the completion of the clubhouse facility until the later of January 1, 1994, or one year after the completion of the clubhouse facility, the maximum annual assessment shall be set at a rate not to exceed \$49.00 per month per lot. Thereafter, the maximum annual assessment may be increased each year not more than 20% above the maximum assessment for the previous year without a vote of two-thirds of each class of members pursuant to the Bylaws.

(b) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum. The Board of Directors shall determine when the assessments shall be paid.

Section 8. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Community Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon a common area, including fixtures and personal property related thereto. Any such assessment shall have the assent of the members of the Community Association in accordance with the Bylaws.

Section 9. Uniform Rate of Assessment; Exception. Except as otherwise provided herein, both annual and special assessments shall be fixed at a uniform rate for all lots except those unimproved and unoccupied lots owned by Developer or a builder. The Board of Directors may at its discretion waive the assessment for any year or part of a year for any lot not occupied as a residence. Those Lot owners holding lot reservations prior to the recordation of these restrictions who have elected not to participate in the support and use of the recreational facilities to be constructed in Springhurst shall, until January 1, 1993, pay annual assessments at a rate not to exceed \$30.00 per month and shall have no right to use these facilities. This exception applies only to lots conveyed by Developer and when any interest to any of these lots is transferred to a new owner, then the next (and the succeeding) owners of the lots will pay the full normal assessment and have corresponding rights to use the facilities.

Section 10. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall begin as to any lot subject to the assessment at the time the lot is occupied as a residence. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the lot is first occupied as a residence.

Section 11. Effect of Nonpayment of Assessments; Remedies of the Community Association. Any assessment not paid by the due date shall bear interest from the due date at the rate of 10% per

annum or the maximum rate of interest then allowable by Kentucky law, whichever is greater. The Community Association may bring an action at law against the Lot owner personally obligated to pay the assessment, or foreclose the lien against the property, and interest, costs and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessments. No Lot owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas or abandonment of a Lot.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any then existing first mortgage. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any lot pursuant to a first mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien.

Section 13. Membership. Developer and every owner of a lot which is subject to an assessment shall be a member of the Community Association. Such owner and member shall abide by the Community Association's Bylaws, Articles of Incorporation recorded in Corporation Book 416, Page 659 in the office of the Clerk of Jefferson County, Kentucky, rules and regulations, and shall pay the assessments provided for in this Declaration, when due, and shall comply with decisions of the Community Association's Board of Directors. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 14. Classes of Membership. The Community Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Lot owners, with the exception of Developer.

(b) Class B. The Class B member shall be Developer. The Class B membership shall cease and be converted to Class A membership on the happening of any of the events specified in paragraph (c) below whichever occurs earlier.

(c) Each member shall have one vote with respect to each lot owned by such member, but Class A members shall not be entitled to exercise any vote until the earlier of:

(i) When, in its discretion, Developer so determines;

(ii) When 100% of the lots which may be developed as described in Article I Sections 1 and 2 have been sold by Developer and improvements have been constructed thereon; or

(iii) January 1, 2010.

ARTICLE IV -- RESIDENTS ASSOCIATION

Developer has incorporated the Village of Springmont Residents Association, Inc., a nonprofit Kentucky Corporation, and has filed and recorded Articles of Incorporation and Bylaws which establish a Board of Directors and officers therefore and the duties for which they are responsible. Every owner of a lot in the Village of Springmont shall be a Class A member of the Village of Springmont Residents Association, Inc. and by acceptance of a deed for any lot agrees to accept membership in, and does hereby become a Class A member of the Residents Association. Such Owner and member shall abide by the Residents Association's Bylaws, rules and regulations, and shall pay the assessments provided for, when due, and shall comply with all decisions of the Residents Association's Board of Directors.

The objects and purposes of the Association shall be set forth in its Articles of Incorporation and shall otherwise be to promote the social welfare and serve the common good and general welfare of its members, and shall include maintenance, painting and repair of the building exteriors, roofs, streets and walkways, of the property and the Residents Association shall also be responsible for all lawn and grass mowing. Additionally the Residents Association shall be responsible for maintenance of all sanitary sewers from the Lot line of any Lot to the Louisville and Jefferson County Metropolitan Sewer District's Sanitary Sewer and Drainage Easement line. It shall be the responsibility and right of the Residents Association to maintain the building exteriors, roofs, private streets, walkways, and lawns of the property located in the Village of Springmont, and no Lot owner shall paint, repair or replace any of the property for which the Residents Association is responsible nor shall any Lot owner mow or cut any grass on the property at any time; this being a function of the Residents Association to maintain the uniform appearance of the Village of Springmont. Every Lot owner, by acceptance of a deed for any lot acknowledges the need and purpose for the common maintenance of the Village of SPRINGMONT, grants the Residents Association an easement for ingress, egress and access for the purposes set out herein, in the Articles of Incorporation and the Bylaws of the Residents Association, and covenants and agrees to accept and abide by the terms, conditions and provisions of this paragraph.

Each Owner of a Building Site shall pay to the Residents Association monthly maintenance assessments and, when levied, special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as provided herein and in the Association's Bylaws. The monthly and special assessments, together with such interest thereon as provided, shall be a charge on the land and shall be a continuing lien upon the lot against which each such assessment is made. Each such assessment, together with such interest thereupon as provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due.

The assessments levied by the Association shall be made and used for the purpose of promoting the health, safety and welfare of the residents of the Village of Springmont and in particular for the improvement and maintenance of the Property, for services and facilities for the Property, and for the persons residing therein; and improving and maintaining the Property including but not limited to, repair, replacement painting and making additions to the property and the maintenance of utility services, and other comparable services and benefits; and for the cost of labor, equipment, materials, management and supervision thereof.

Every Lot owner, except Developer, shall pay a monthly maintenance fee on the first day of each month, which fee shall be \$70.00 per lot for 1992. This same amount shall automatically be charged monthly until the Residents Association gives notice of an increase or decrease.

In addition to the monthly assessments authorized above, the Association may levy in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement, provided that any such assessment shall have the assent of two-thirds of the votes of the Residents Association's voting members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be set forth the purpose of the meeting.

The Association's Board of Directors shall fix the due date and the amount of each assessment against each lot, which assessment period shall be at least 30 days in advance of such due date. At that time the Board of Directors shall prepare a roster of the Lot owners and assessments applicable thereto and which it, upon demand, shall furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether his particular assessment has been paid. Each certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with interest thereon, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. An officer of the Residents Association shall have the power to file or record a notice of lien, or lis pendens, in the office of the Clerk of the County Court of Jefferson County, Kentucky. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and shall be enforceable against him.

If an assessment is not paid within 30 days after the delinquency date, the assessment shall bear interest from the date of the delinquency at the statutory rate of interest applicable to judgements, and the association may bring legal action against the Owner personally obligated to pay the same, or foreclose the lien against the property in the manner provided by law, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided to be fixed by the Court, together with the cost of the action.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon any lot subject to assessment; provided, that such subordination shall apply only to the assessments which have become due and payable prior to a sale, or transfer of such property pursuant to a judicial enforcement of the mortgage, or any proceeding in lieu of foreclosure and not to any assessments which became due thereafter, and provided further that a purchaser for value without notice shall not be bound by delinquent assessments unless due notice is filed as provided hereinabove.

The Common Properties shall be exempt from the assessments and the charge and lien created hereby.

ARTICLE V -- DEDICATION OF ROADS

No road shall be dedicated to a unit of local government without the consent of the owners of all lots abutting said road and without the acceptance by the unit of local government involved and the approval of the Louisville and Jefferson County Planning Commission. The provisions contained in this ARTICLE V shall not be amended by the Community Association or the Residents Association without approval from the Louisville and Jefferson County Planning Commission.

ARTICLE VI -- PARTY WALLS

Walls between adjoining residential structures shall be party walls. With respect to a party wall adjoining a residence the owner of the residence shall have the following rights against the other owner adjoining the party wall and shall be subject to the corresponding duties to the other owner adjoining the party wall.

(a) The right to have the other owner adjoining the party wall bear half of the expenses of maintaining the party wall.

(b) The right to have the other owner adjoining a party wall bear one-half the expense of repairing or rebuilding a party wall damaged or destroyed by any cause whatsoever, except that when such damage or destruction results from the negligence of either owner adjoining the party wall, the entire expense of repair or replacement shall be borne by the negligent party.

(c) The right at reasonable times to enter upon the premises of the other owner adjoining a party wall or to break through the party wall, or both, for the purpose of repairing or restoring sewer, water, or other utilities, subject to the obligations to restore the wall to its previous structural condition, to pay for such restoration, and to pay the other owner the amount of any damages negligently caused by such repairing or restoring.

(d) The right to have the other owner adjoining the party wall refrain from altering or changing the party wall in any manner, interior decorations excepted.

(e) The right to an easement for party wall purposes in that part of the premises of the other owner on which the party wall is located.

ARTICLE VII -- GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of these restrictions shall be by proceedings at law or in equity, brought by any Lot owner or by Developer against any party violating or attempting to violate any covenant or restriction, either to restrain violation, to direct restoration and/or to recover damages. If any Lot owner, the Community Association, the Residents Association or Developer is required to employ legal counsel to enforce any of the provisions or restrictions of this Declaration or exercise any of the remedies provided for herein, the party violating a provision or restriction of this Declaration shall pay all legal expenses, including court costs and attorney fees,

incurred by the party enforcing these restrictions. The party enforcing these restrictions shall have a lien on the lot of the party violating these restrictions to secure payment of all such legal expenses, which lien may be enforced in the same manner as the liens provided in Article II, Section 5, Article III, Section 11, and Article IV of this Declaration. Failure of any Lot owner or Developer to demand or insist upon observance of any of these restrictions, or to proceed for restraint of violations, shall not be deemed a waiver of the violation or the right to seek enforcement of these restrictions and the exercise of any remedy provided for herein or, at law or in equity shall not preclude the exercise of any other remedy available at law or in equity.

Section 2. Severability. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

Section 3. Restrictions Run with Land. Unless cancelled, altered or amended under the provisions of this paragraph, the provisions of this Declaration shall run with the land and shall be binding on the lots, the owners of each lot and all parties claiming under them, for a period of thirty (30) years from the date this Declaration is recorded. After such thirty (30) years, this Declaration shall be deemed extended automatically for successive periods of ten (10) years, unless and until an instrument signed by at least seventy-five percent (75%) of the Lot owners of the lots subject to this Declaration has been recorded in the aforesaid Clerk's office, agreeing to change this Declaration in whole or in part and the term hereof; provided, however, that if Developer, its designated successors or assigns, as applicable, then owns any lot, or any portion of Springhurst, or if any portion of Springhurst remains unplatted as a phase, this Declaration may not be so changed in whole or in part without the prior written consent of Developer in its sole discretion. From the date of this Declaration and for so long hereafter as Developer, its designated successors or assigns, as applicable, owns any lot or any portion of Springhurst (i) this Declaration may hereafter be unilaterally amended by Developer to bring the terms and provisions hereof in compliance with any applicable governmental law, rule, regulation, order, decree, judgment or ordinance, and (ii) Developer may otherwise unilaterally amend this Declaration as Developer may elect in its sole discretion, provided, that any such amendment under this subpart (ii) shall not materially adversely affect the then existing private single-family residential nature of the developed residential sections of Springhurst. At such time as neither Developer, its designated successors or assigns, as applicable, owns any lot or any portion of Springhurst, or upon such earlier date as Developer may elect in its sole discretion

by written notice given to the board of directors of the Community Association, this Declaration may thereafter be cancelled, altered or amended by the recordation of a document in the aforesaid Clerk's Office in which the board of directors of the Community Association certifies that such cancelation, alteration or amendment was executed by the owners of seventy-five percent (75%) of the lots subject to this Declaration.

Section 4. Amendments to Articles and Bylaws. Nothing in this declaration shall limit the right of the Community Association or the Residents Association to amend, from time to time, its Articles of Incorporation and Bylaws.

Section 5. Non-Liability of the Directors and Officers. Neither Developer nor the directors or officers of the Community Association shall be personally liable to the Lot owners for any mistake or judgment or for any other acts or omissions of any nature whatsoever while acting in their official capacity, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The Lot owners shall indemnify and hold harmless each of the director and officers and their respective heirs, executors, administrators, successors and assigns in accordance with the Bylaws.

Section 6. Board's Determination Binding. In the event of any dispute or disagreement between any Lot owners relating to the property, or any questions of interpretation or application of the provisions of this Declaration of the Bylaws, the determination thereof by the Board shall be final and binding on each and all such Lot owners.

WITNESS the signature of Developer by its duly authorized officer on this 10th day of June, 1992.

H F H, INC.
a Kentucky corporation

By: William T. Ginter

Title: President


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me on June
10th, 1992, by William T. Hinton as President
of H F H, INC., a Kentucky corporation, on behalf of the
corporation.

Brenda E. Fisher
NOTARY PUBLIC

My Commission expires: Nov. 24, 1994

THIS INSTRUMENT PREPARED BY:



CHARLES W. STINSON
NABER, JOYNER, SCHARDEIN & STINSON
Suite 1551, Starks Building
455 South Fourth Avenue
Louisville, KY 40202
(502) 583-3081

ARTICLES OF INCORPORATION

OF

VILLAGE OF SPRINGMONT RESIDENTS ASSOCIATION, INC.

The undersigned incorporator, hereby forms a nonprofit corporation without capital stock or stockholders under and by virtue of the laws of the Commonwealth of Kentucky, and for that purpose adopts the following Articles of Incorporation:

ARTICLE I

1. Name. The name of the Corporation shall be VILLAGE OF SPRINGMONT RESIDENTS ASSOCIATION, INC. hereinafter referred to as the "Corporation".

ARTICLE II

2. Duration. The duration of the Corporation shall be perpetual.

ARTICLE III

3. DEFINITIONS. The following terms as used in these Articles of Incorporation shall have the following meanings:

(a) "Development" shall mean any and all lots, open space, common area and any and all other property contained within Springhurst Subdivision, Phase IV A, commonly known as the VILLAGE OF SPRINGMONT.

(b) "Declaration" shall mean any declaration of covenants, conditions and restrictions as amended from time-to-time, affecting the VILLAGE OF SPRINGMONT, Springhurst Subdivision, Phase IV A.

(c) "Developer" shall mean H F H, INC., a Kentucky Corporation, its successors or assigns, which shall include, but shall not be limited to any person, corporation, association or other entity to which it may expressly assign its rights, or any of them, from time-to-time, under these Articles of Incorporation.

(d) "Lot" shall mean any subdivided lot or similar property which comprises a part of the VILLAGE OF SPRINGMONT, Springhurst Subdivision, Phase IV A.

(e) "Lot owner" or "Lot-owners-members" shall mean the owner or owners of any Lot in Springhurst Subdivision, Phase IV A.

ARTICLE IV

4. Purposes. The Corporation is organized under the Kentucky Nonprofit Corporation Act and the purposes for which the Corporation is organized are as follows:

(a) To transact any and all lawful business for which nonprofit corporations may be incorporated under the Kentucky Nonprofit Corporation Act, and to exercise any and all powers that nonprofit corporations may now exercise or which may be exercised in the future under the Kentucky Nonprofit Corporation Act.

(b) To acquire, take title to, own, hold in its own name, sell, transfer and convey any property which the Corporation's Board of Directors shall deem necessary or advisable to promote the purposes of the Corporation.

(c) To promote the social welfare and serve the common good and general welfare of the members of the Corporation.

(d) To construct, operate, manage, maintain, repair and control any common area or areas, located within the Development, whether owned by the Corporation or not, as contemplated by the Declaration.

(e) To provide for the maintenance, painting and repair of the building exteriors, roofs, streets and walkways, of the property, all lawn and grass mowing and maintenance of all sanitary sewers from the Lot line of any Lot to the Louisville and Jefferson County Metropolitan Sewer District's Sanitary Sewer and Drainage Easement line.

(f) To exercise and enforce, any and all rights, privileges, duties and obligations assigned to or imposed upon, the Corporation under the Declaration as may be amended from time-to-time or under any future declaration or declarations that affect all, or part of, the Development, it being acknowledged that the Corporation constitutes an association established by the Developer for the purposes set forth in these Articles of Incorporation and in the Declaration.

(g) To assess, levy and collect the assessments as provided in the Declaration.

(h) Notwithstanding any other provision herein contained, the Corporation shall not have any purpose or object, engage in any activity, or exercise any power which is in conflict with any provision contained herein; nor shall the Corporation (i) devote a substantial portion of its activities to attempting to influence legislation by propaganda or otherwise, or (ii) directly or indirectly participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE V

5. Powers. The Corporation shall have all of the powers conferred by the Kentucky Nonprofit Corporation Act as enumerated in Chapter 273 of Kentucky Revised Statutes or as enumerated in any successor codification of the laws governing Kentucky Nonprofit Corporations not inconsistent with the applicable provisions of the Internal Revenue Code; and further the Corporation shall have: (i) any and all powers necessary or appropriate to exercise and enforce any right, privilege or obligation granted to or imposed upon the Corporation by the Declaration; (ii) the power to do any and all things which the Board of Directors of the Corporation may deem consistent with the provisions hereof or the Declaration; and (iii) all other powers required for or incidental to the purposes for which the Corporation is organized not inconsistent with Chapter 273 of Kentucky Revised Statutes or applicable provisions of Internal Revenue Code.

ARTICLE VI

6. Registered and Principal Office and Agent. The address of the registered and principal office of the Corporation is 101 Bullitt Lane, Suite 450, Louisville, Kentucky 40222, and the name and address of its registered agent is Donald R. Henson at 101 Bullitt Lane, Suite 450, Louisville, Kentucky 40222.

ARTICLE VII

7. Directors. The number of directors constituting the initial Board of Directors shall be three (3) and the names and addresses of the persons who are to serve as the initial directors are:

William T. Hinton
101 Bullitt Lane
Suite 450
Louisville, Kentucky 40222

Harry S. Frazier, Jr.
101 Bullitt Lane
Suite 450
Louisville, Kentucky 40222

Donald R. Henson
101 Bullitt Lane
Suite 450
Louisville, Kentucky 40222

ARTICLE VIII

8. Members. Membership of the Corporation shall consist of two (2) classes of members, which shall be classified as follows:

(a) Class A members shall be all Lot owners, other than the Developer, and such members shall be entitled to one (1) vote for each lot owned in the VILLAGE OF SPRINGMONT, Springhurst Subdivision, Phase IV A subject to the provisions of Article IX below.

(b) Class B members shall be the Developer which shall be entitled to one (1) vote for each lot owned by it in the VILLAGE OF SPRINGMONT, Springhurst Subdivision, Phase IV A.

ARTICLE IX

9. **Internal Affairs.** The internal affairs of the Corporation shall be governed by the provisions contained in these articles not inconsistent with Chapter 273 of the Kentucky Revised Statute or applicable provisions of the Internal Revenue Code. Specific provisions for the regulation of the Internal Affairs of the Corporation, include but shall not be limited to, the following:

(a) Each member of the Corporation shall be entitled to one (1) vote for each lot owned in the Development; it being provided that if more than one person shall hold an interest in any lot, all such persons collectively shall be members of the Corporation and collectively shall be entitled to one vote for each lot owned in the Development as such owners may determine among themselves. In the event that such joint Lot owners fail to agree as to how their vote shall be cast, the vote for that lot shall not be recorded or counted.

(b) Class A members shall not be entitled to any vote until the happening of one of the following, whichever shall first occur:

(i) When the Developer, in its sole discretion, shall determine;

(ii) When the Developer, in its sole discretion, shall transfer control of the Corporation to the Class A members;

(iii) When 100% of the lots contained in Springhurst Subdivision, Phase IV A shall have been sold by the Developer; or,

(iv) January 1, 2010.

(c) The By-Laws of the Corporation shall be adopted by its Board of Directors and the power to alter, amend, repeal said By-Laws, or adopt new by-laws shall be vested in the Board of Directors.

(d) The affairs of the Corporation shall be managed and conducted by the Board of Directors and such officers as shall be provided by the By-Laws.

(e) Nothing contained in these Articles of Incorporation shall limit the right of Developer to alter in any way its plan for the development of the VILLAGE OF SPRINGMONT, Springhurst Subdivision, Phase IV A at any time and from time-to-time.

(f) Upon the final dissolution and liquidation of the Corporation, after payment of all liabilities and obligations of the Corporation shall have been paid and discharged or adequate reserve shall have been set aside for the payment thereof, any remaining assets of the Corporation shall be transferred, distributed or conveyed to one or more organizations to be used in such manner as in the judgment of the Board of Directors will best accomplish the general purposes for which the Corporation was organized and which organizations are exempt under Section 501(c)(3), Section 501(c)(4) or Section 501(c)(7) of the Internal Revenue Code or the provisions of any successor codification of the Federal Tax Laws.

(g) The Corporation shall have neither capital stock nor stockholders and no part of the Corporation's net earnings shall inure to the benefit of the incorporator, any officer, director, individual or member of the Corporation and any gain, profit, net earning or benefit derived by the Corporation shall be devoted exclusively for the purposes set out in these Articles of Incorporation.

ARTICLE X

10. Limitation of Director Liability. Personal liability of all Directors of the Corporation shall be eliminated or limited pursuant to the provisions of KRS 273.248 and no Director of the Corporation shall be personally liable for any monetary damages for breach of his duties as a director, except that nothing herein contained shall eliminate or limit the liability of the Director for:

(a) Any transaction in which the Director's personal financial interest is in conflict with the financial interest of the Corporation;

(b) Acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; or,

(c) Any transaction from which the Director derived an improper personal benefit.

ARTICLE XI

11. Incorporator. The name and address of the sole incorporator of the Corporation is William T. Hinton, 101 Bullitt Lane, Suite 450, Louisville, Kentucky 40222.

IN WITNESS WHEREOF, Witness the signature of the undersigned Incorporator, this 10th day of June, 1992.

William T. Hinton
WILLIAM T. HINTON
Incorporator

STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing was acknowledged, subscribed and sworn to, before me, this 10th day of June, 1992, by William T. Hinton.

Brenda E. Fisher
NOTARY PUBLIC
KENTUCKY - STATE AT LARGE

My commission expires: 11/24/94

THIS INSTRUMENT PREPARED BY:

[Signature]
NABER, JOYNER, SCHARDEIN & STINSON
455 South Fourth Avenue
Suite 1551 Starks Building
Louisville, Kentucky 40202
502/583-3081

BYLAWS
OF
VILLAGE OF SPRINGMONT RESIDENTS ASSOCIATION, INC.
A CORPORATION NOT-FOR-PROFIT

I. IDENTITY

These are the Bylaws of VILLAGE OF SPRINGMONT RESIDENTS ASSOCIATION, INC., hereinafter sometimes referred as the "Corporation" or the "Association" which term may be used interchangeably, a corporation not for profit under the laws of the State of Kentucky. The Association has been organized for the purpose of administering the Patio Home Community with commonly owned property and common maintenance, repair and upkeep of such property as provided in the Declaration and as described in the Articles of Incorporation.

All terms as used herein shall have the same definitions as in the Articles of Incorporation.

A. Office

The office of the Corporation shall be at 101 Bullitt Lane, Suite 450, Louisville, Kentucky 40222.

B. Fiscal Year

The fiscal year of the Corporation shall be the calendar year.

C. Seal

The seal of the Corporation shall bear the name of the Corporation, the word "Kentucky," the words "Corporation Not-For-Profit" and the year of incorporation.

II. MEMBER'S MEETINGS

A. Annual Meeting

The annual members' meeting shall be held on the first Monday in October of each year beginning in 1992, at 10:00 a.m. local time, at the office of the Corporation or at such other place in Jefferson County, Kentucky, as the majority or the President shall determine. If such date is a legal holiday, the meeting shall be held at the same hour on the next day which is not such a legal holiday. At each annual meeting, the Lot-owners shall elect members of the Board and transact any other business authorized to be transacted. If the date for the first annual

meeting of Lot-owners-members subsequent to the relinquishment of control by the Developer of the Development is less than six months after the election of Board members, such first annual meeting shall not be held. Board members shall serve until the date for the next following annual meeting.

B. Special Members' Meetings

Special members' meetings, to be held at the place provided for annual meetings, may be called by the President or by a majority of the Board. A special meeting must be called by those Officers upon receipt of a written request from a majority of the Lot-owners-members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

C. Notice

Written notice of a meeting of Lot-owners-members stating the time and place and purposes for which the meeting is called shall be given by the Officer calling the meeting. A copy of the notice shall be posted at a conspicuous place at the Development and a copy shall be mailed by regular mail, postage prepaid, to each Lot-owner-member entitled to attend the meeting except Lot-owners-members who waive the notice in writing. The mailing shall be to the address of the Lot-owner-member as it appears on the roster of Lot-owners-members. The posting and mailing of the notice shall be effected not less than fourteen (14) days prior to the date of the meeting. Proof of posting and mailing of the notice shall be given by the affidavit of the person serving the notice. Notice of a meeting may be waived before or after the meeting. Lot-owners-members of the Association may take action by written agreement, signed by a majority of the Lot-owners-members of the Association without meeting.

D. Quorum

The owners of a majority of the Lots constitute a quorum. Decisions shall be made by owners of a majority of the Lots represented at a meeting at which a quorum is present. The acts approved by a majority of the votes cast at a meeting, at which a quorum is present, shall constitute the acts of the Lot-owners-members, except when approval by a greater number of Lot-owners-members is required by the Declaration, the Articles of Incorporation, or these Bylaws.

E. Voting

At any meeting of Lot-owners-members, the owners of Lots shall be entitled to cast one vote for each Lot owned. Voting rights shall be as provided in the Declaration.

F. Proxies

Lot owners may vote by written proxy. A proxy expires 90 days from the date thereof and may be used only for the purpose for which it is given. To be effective for a meeting, a proxy must be filed with the Secretary-Treasurer before the meeting is adjourned. All proxies are to be entered into the record of the minutes of the meeting.

G. Adjourned Meetings

Any meeting of Lot-owners-members that cannot be organized because of lack of a quorum may be adjourned from time to time until a quorum is present. Any any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

H. Voter's List

The Secretary-Treasurer shall furnish and certify a list of the Lot-owners-members entitled to vote at each meeting and the list shall indicate the number of votes of each member. Only those persons whose names appear on such certified list shall be entitled to vote a such meeting.

I. Order of Business

The order of business at Lot-owners-members' meetings shall be:

1. Call to order by President;
2. Calling of the roll and certifying of proxies;
3. Proof of notice of meeting or waiver of notice;
4. Reading and disposal of minutes;
5. Reports of Officers;
6. Reports of committees;
7. Election of inspectors of elections;
8. Determination of number of Board members;
9. Election of Board members;
10. Old business;
11. New business;
12. Adjournment.

J. Proviso

No proceedings of any meeting of Lot-owners-members of the Association shall have any effect, unless approved by the Board, until such time as the Lot owners shall be entitled to vote as provided in the Articles of Incorporation.

K. Minutes

The minutes of all meetings of Lot owners and the Board shall be kept in a book available for inspection by Lot owners,

or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

III. BOARD OF DIRECTORS

A. Membership

The affairs of the Corporation shall be managed by a Board of Directors composed of seven (7) Lot owners, after control is relinquished to the Lot-owners-members.

B. Election of Board Members

Election of Board members shall be held at the annual members' meeting. Any Lot owner desiring to be a candidate for Board membership may be nominated from the floor. The Developer, however shall have sole authority to appoint or remove members of the first board, and successors thereto, until such time as the Lot owners shall be entitled to vote as provided in the Articles of Incorporation.

C. Vacancies

Vacancies on the Board shall be filled by election of new Board members.

D. Removal

Any member of the Board may be recalled and removed from office with or without cause by the affirmative vote or agreement in writing of a majority of all Lot owners entitled to vote. A special meeting of the Lot owners to recall a member or members of the Board may be called by at least ten percent of the Lot owners giving notice of the meeting as required for a meeting of Lot owners, and the notice shall state the purpose of the meeting.

E. Term

The term of a Board member extends until the next annual meeting and subsequently until his successor is duly elected and qualified or until he is removed.

F. Organization Meeting

The organization meeting of a newly-elected Board shall be held within (10) days of its election at such place and time as shall be fixed by the Board at the meeting at which it was elected. No further notice of the organization meeting is necessary.

G. Regular Board Meetings

All Board meetings shall be open to all Lot owners. Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Board.

H. Special Board Meetings

Special meetings of the Board may be called by the President at any time. At the written request of two members of the Board, the Secretary-Treasurer must call such special meeting. Notice of special meetings shall state the time, place and purpose of the meeting.

I. Notice of Meetings

Notice of every meeting shall be given to each member of the Board personally or by ordinary mail, postage prepaid, telephone or telegraph and shall be transmitted at least three (3) days prior to the meeting. A notice of each meeting shall be posted conspicuously on the Development at least forty-eight (48) hours in advance, except in cases of emergency, for the attention of Lot-owners-members of the Association.

J. Waiver of Notice

Any Board member may waive notice of any Board meeting before or after the meeting. Such waiver shall be deemed equivalent to the giving of notice. Such waiver shall be made in writing.

K. Action Without Meeting

The Board may take action by written agreement without meeting.

L. Quorum

A quorum at the Board meeting shall consist of a majority of the members of the Board. Acts of a majority of those present at a meeting at which a quorum is present shall constitute acts of the entire Board except when

approval by a greater number of Board members is required by the Declaration, the Articles of Incorporation, or these Bylaws.

M. Adjourned Meetings

Any meeting of the Board when there is less than a quorum present may be adjourned from time to time until a quorum is present. At any such adjourned meeting, any business that might have been transacted at the meeting originally called may be transacted without further notice.

N. Order of Business

The order of business at a Board meeting shall be:

1. Calling of roll;
2. Proof of due notice of meeting;
3. Reading and disposal of minutes;
4. Reports of Officers and committees;
5. Election of Officers;
6. Old business;
7. New business;
8. Adjournment.

O. Board Compensation

No Board member shall receive compensation for service in such capacity.

P. Powers and Duties of the Board

The Board shall have all of the powers and duties of the Association existing under the laws of the State of Kentucky, the Declaration, Articles of Incorporation and these Bylaws. All such powers shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Lot owners when that is specifically required.

Q. Officers

The Officers of the Board shall be a President, a Vice President and a Secretary-Treasurer, each of whom shall be elected annually by a majority of the Board present at a meeting at which a quorum is present. The Board may appoint other Officers and grant them the duties it deems appropriate. Officers serve at the pleasure of the Board. A person may hold more than one office except that the President may not also be the Secretary-Treasurer. No person shall sign an instrument nor perform an act in the capacity of more than one office. The

Officers shall perform the duties of such Officers customarily performed by officers of corporations. No Officer shall receive any compensation for services in such capacity.

1. President

The President shall be the chief executive Officer of the Association. He shall have all the power and duties that are usually vested in the office of the president by law, including, but not limited to, the power to appoint committees from among the Lot-owners-members from time to time to assist in the conduct of the affairs of the Association as he in his discretion may determine appropriate.

2. Vice President

The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He shall also assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board or permitted by law.

3. Secretary-Treasurer

The Secretary-Treasurer shall keep the minutes of all proceedings of the Board and the Association. He shall attend to the serving of all notices to the Lot owners and Board and other notices required by law, the Declaration, the Articles of Incorporation or these Bylaws. He shall have custody of the seal of the Corporation and shall affix it to instruments requiring a seal when duly signed. He shall keep the records of the Corporation and perform all other duties incident to the office of Secretary-Treasurer of a Corporation as may be required by the Board. He shall also have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account of the Corporation in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board or Association for examination at reasonable times.

IV. MANAGEMENT

The provisions for management of the Association set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

A. Accounts

1. Receipts and Expenditures

The Corporation shall maintain accounts of the receipts and expenditures of the Association in accordance with generally accepted accounting principles. Every Lot owner shall have the right to inspect and copy said accounts during normal business hours at the office of the Corporation upon reasonable notice.

2. Lot Owner Accounts

The Association shall maintain an account for each Lot designating the name and current mailing address of the Lot owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid upon the account and the balance due.

B. Budget

The Board shall propose a budget for each calendar year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for current operating expenses, to provide for the common maintenance, deferred maintenance, replacement of existing assets and property as provided for in the Declarations and the Articles of Incorporation.

C. Adoption

The Board will adopt a budget on an annual basis at a meeting called for that purpose. In the alternative, the Board may propose a budget to the Lot owners at a meeting of Lot-owners-members or in writing, and if the budget or proposed budget is approved by the Lot owners at the meeting by a majority of all Lot owners in writing, the budget shall be adopted.

D. Assessments

Assessments shall be paid by each Lot owner monthly. Said payments shall be due and payable automatically with further notice.

E. Past Due Assessments

If the assessments are not paid when due then such past due assessments shall bear interest at the rate of twelve percent (12%) per annum and shall become a continuing lien on the property subordinate to the lien of any mortgage

and such assessment shall be and shall remain the personal obligation of the Lot owner and shall be enforceable against him all as provided in the Declaration.

F. Reports

A report of the accounts of the Association shall be made annually and a copy of the report shall be furnished to each Lot-owner-member not later than April 1, of the year following the year for which the report is made.

IV. AMENDMENTS

A. Proposition

An amendment may be proposed by any member of the Association at any meeting of the Board or of the entire membership of the Association. Board members of the Association not present at the meeting considering the amendment may express their approval or disapproval in writing, provided that such approval or disapproval is delivered to the Secretary-Treasurer at or prior to the meeting.

B. Adoption

The Bylaws may be amended by affirmative vote or by written consent of not less than two-thirds (2/3) of the votes of the entire Lot-ownership-membership of the Association. No Bylaws shall be revised or amended by reference to its title or number only.

C. Notice

Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

I, Charles W. Simpson, Secretary of VILLAGE OF SPRINGMONT Residents Association, Inc., hereby certify that the foregoing Bylaws were adopted by the Corporation, the 11th day of June, 1992.

VILLAGE OF SPRINGMONT
RESIDENTS ASSOCIATION, INC.

73673

By: 

Date: June 11

Document No: 1992073673

Secretary: Charles W. Simpson

Issued On: Jun 15, 1992 03:16:45 P.M.

Total Fees: \$58.50

Transfer Tax: \$.00

County Clerk: Rebecca Jackson

Deputy Clerk: SHERRIE

END OF DOCUMENT

