SADDLER'S RIDGE AT KEENE

DECLARATION

Covenants, Conditions, Easements and *Restrictions*

For Saddler's Ridge

Sharkey Farm Subdivision — Jessamine County, Kentucky

DECLARANT

IVD Sharkey LLC

ASSOCIATION

Saddler's Ridge Property Owners Association, Inc.

PROPERTY

5364 Keene–South Elkhorn Road
Nicholasville, Kentucky 40356

STATUS

As of November 19, 2026
Subject to future revisions

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This document is posted for information and review. It is current as of November 19, 2026 and remains subject to future revisions; the final executed or recorded version controls.

RETURN TO PREPARER:

DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR SADDLER'S RIDGE

This **DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS** (the "***Declaration***") is made this ___ day of _____, 202__ by IVD SHARKEY LLC, a Kentucky limited liability company ("***Declarant***").

Declarant is the owner of the real property described in **EXHIBIT A** attached hereto and incorporated herein by reference, which includes certain residential Lots (individually, a "***Lot***", and collectively, the "***Lots***") owned by Declarant in the subdivision which shall be known and referred to as "Saddler's Ridge" (the "***Community***"), which is a "planned community" under the Kentucky Planned Community Act, KRS 381.785 et seq. The real property subject to this Declaration, and the owners of the real property, shall be subject to Saddler's Ridge Property Owners Association, Inc. (the "***Association***"), which shall administer and enforce the terms of this Declaration and other governing documents adopted or established by the Association from time to time.

Declarant intends to sell the Lots to third parties, including Builders, for the construction of single-family residences, which shall be subject to this Declaration. The Community is being developed in phases, and Declarant intends to submit additional phases and property to this Declaration by Supplemental Declaration as provided in Article VIII.

Declarant intends to subject and impose upon the Lots and Community certain rights, privileges, covenants, conditions and restrictions, and to reserve and/or dedicate certain easements, and to impose certain assessments, charges and liens, under a general and common plan and scheme of subdivision, development and improvement for the benefit of such real property, and for the benefit of Declarant, its heirs, successors and assigns, the Association, and purchasers of the Lots, and it is further intended that said rights, privileges, covenants, conditions, restrictions, easements, assessments, charges and liens, as applicable, and the other provisions of this Declaration, bind and benefit not only said persons and entities, but also their respective heirs, personal representatives, successors and assigns, as applicable, and that all of the Lots and the Community should be owned, held, used, leased, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, assessments, charges and liens set forth in, and the other provisions of, this Declaration.

Pursuant to such general and common plan and scheme of subdivision, development and improvement for the Lots and the Community, Declarant desires to ensure the best use and improvement of the Community subject hereto and each residential Lot in an attempt to guard against erection of poorly designed or built structures, to provide further maintenance of various improvements and common areas, and generally to enhance and protect the value, desirability and attractiveness of the real property made subject hereto and all portions thereof conveyed to others to their mutual benefit by subjecting such real property to the rights, privileges, covenants, conditions, restrictions, easements, assessments, charges and liens set forth in, and other provisions of, this Declaration.

In accordance with the foregoing preambles, which are hereby incorporated herein subject to the following terms hereof, Declarant hereby declares that the Community, and such additional real property as may hereafter be made subject to this Declaration pursuant to the terms hereof, shall be owned, held, used, leased, sold, conveyed and occupied subject to the rights, privileges, covenants, conditions, restrictions, easements, assessments, charges and liens set forth in, and other provisions of this Declaration, all of which are declared and agreed to be in furtherance of Declarant's common plan and scheme for the Community, and the development, sale and improvement of the real property made subject hereto, and which are for the purpose of protecting the value, desirability and attractiveness of such real property and portions thereof hereafter conveyed to others. The rights, privileges, covenants, conditions, restrictions, easements, assessments, charges and liens set forth in, and other provisions of, this Declaration shall run with the land (being the Lots and Community) made subject hereto, and shall be binding upon and inure to the benefit of all parties having any right, title or interest therein, their respective heirs, personal representatives, successors and assigns.

Declarant intends by this Declaration to impose upon the Lots and the Community mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of all Lots and property within the Community. Declarant desires to provide a flexible and reasonable procedure for the overall development and completion of construction of residences on the Lots, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Lots and properties as are now or hereafter subjected to the Declaration.

Declarant hereby declares that all of the real property described in **EXHIBIT A** and any additional real property as is hereafter subjected to this Declaration by Supplemental Declaration, as defined herein, is conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Community or any part thereof, and shall inure to the benefit of each owner thereof. *This Declaration does not and is not intended to create a condominium within the meaning of the Kentucky Horizontal Property Law, Kentucky Revised Statutes Section 381.805, et seq., or the Kentucky Condominium Act, Kentucky Revised Statutes Section 381.9101, et seq.*

Article I
Definitions

Section 1. "***Amenities***" shall mean and refer to the improvements within the Community which provide comfort, convenience, enjoyment, and/or recreation for the Owners and their guests, including without limitation the primary community entrance feature (including entrance monumentation and signage, landscaping, irrigation, lighting, and decorative fencing), any cluster box unit (CBU) mail facilities, and any community seasonal decorations and lighting installed within the Common Areas or at the entrance to the Community.

Section 2. "***Approved Colors***" shall mean the earth-tone color palette expressly approved by the ACC. Yellow, green, orange, red, blue, pink, and purple are not Approved Colors regardless of shade or tint.

Section 3. "***Architectural Control Committee***" or "***ACC***" shall mean the committee established under Article XI to administer the Design Review Guidelines and the architectural standards set forth in this Declaration.

Section 4. "***Areas of Common Responsibility***" shall mean and refer to the Common Areas and the Open Space (if applicable), together with those areas, if any, which by the terms of this Declaration become the responsibility of the Association, including without limitation the Amenities and all stormwater, water quality, drainage, and detention or retention basin facilities serving the Community (whether located on the Common Areas, on the Open Space, or within stormwater, drainage, or detention easement areas located on Lot 18), together with the easement areas in which such facilities are located and the rights of access to and from such facilities. The office of any property manager employed by or contracting with Association, if located within the Community, purchased or leased by the Association, or on any public rights-of-way within or adjacent to the Community, may be part of the Areas of Common Responsibility. The initial Areas of Common Responsibility are depicted on **EXHIBIT B**.

Section 5. "***Articles of Incorporation***" or "***Articles***" shall mean and refer to the Articles of Incorporation of the Association, as shall be filed with the Secretary of State of the Commonwealth of Kentucky, contemporaneously herewith or as soon as practicable following execution hereof.

Section 6. "***Assessments***" shall mean and refer to assessments levied by the Association against the Lots to fund Common Expenses such as General Assessments, Special Assessments, Individual Assessments, and any other charge to an Owner or Lot pursuant to the Governing Documents.

Section 7. "***Association***" shall mean and refer to Saddler's Ridge Property Owners Association, Inc., a Kentucky nonprofit corporation, its successors or assigns. The "***Board of Directors***" or "***Board***" shall be the elected body having its normal meaning under Kentucky corporate law.

Section 8. "***Builder***" shall mean any Person who purchases one or more Lots for the

purpose of constructing a residence for resale and who is approved in writing by Declarant.

Section 9. "***Bylaws***" shall mean and refer to the Bylaws of the Association, as may be amended from time to time. In the event of a conflict between this Declaration and the Bylaws, the terms and provisions of this Declaration shall prevail and control over the Bylaws.

Section 10. "***Class B Control Period***" shall mean and refer to the period of time during which Declarant, or its assignee, as the Class B Member, is entitled to appoint at least a majority of the members of the Board of Directors, as provided for in Article III, Section 2(b), of the Declaration, and in the Bylaws.

Section 11. "***Common Areas***" (if applicable) shall mean all real and personal property**,** which the Association now or hereafter owns, leases, or otherwise holds for the common use and enjoyment of all Lot Owners and Members of the Association. The initial Common Areas are depicted on **EXHIBIT B**.

Section 12. "***Common Expenses***" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Lot Owners, including any reasonable reserves, as set by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association.

Section 13. "***Community***" shall mean and refer to the real property described in **EXHIBIT A** attached hereto and incorporated herein by reference, which shall be known and referred to as "Saddler's Ridge."

Section 14. "***Community-Wide Standard***" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Community. Such standard may be more specifically determined by the Board of Directors and the ACC, and as set forth in the Design Review Guidelines.

Section 15. "***Construction Deposit***" shall mean the non-refundable deposit described in Article X, Section 11.

Section 16. "***Declarant***" shall mean and refer to IVD SHARKEY LLC and its successors, successors-in-title or assigns who take title to any portion of the property comprising the Community, if said successors, successors-in-title or assigns are designated as a successor Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 17. "***Design Review Guidelines***" shall mean the architectural and design standards, specifications, and review procedures set forth in Article XI of this Declaration, as the same may be supplemented or amended by the ACC from time to time in accordance with Article XI. The Design Review Guidelines are a part of this Declaration.

Section 18. "***Individual Assessments***" means any charge against an Owner or Lot which is established by the Governing Documents, including (without limitation) for violation of the Governing Documents, or incurred by the Association in enforcing the Governing Documents.

Section 19. "***Governing Documents***" shall mean this Declaration (including any amendment thereto), any Supplemental Declaration, the Articles of Incorporation, the Bylaws, and the Rules as may be adopted from time to time, as those terms are defined herein.

Section 20. "***Lot***" shall mean every numbered parcel of the real property within the Community, whether developed or undeveloped, intended for a single-family residence, and shall, unless otherwise specified, include within its meaning single-family detached residence on separately platted parcels of land, as well as vacant land intended for development that may be submitted into this Declaration, all as may be developed or used; and as defined herein or as provided in Supplemental Declarations covering all or a part of the Community. The term shall include all portions of the Lot owned including any structure thereon. The term "Lot" shall not include the Open Space or any Common Areas.

Section 21. "***Member***" shall mean and refer to a Person entitled to or required to have membership in the Association, as provided herein and in the Bylaws. References to the Member shall include the "Owner" and vice versa unless such interpretation would destroy the clear meaning of this Declaration.

Section 22. "***Mortgage***" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 23. "***Mortgagee***" shall mean and refer to a beneficiary or holder of a mortgage.

Section 24. "***Mortgagor***" shall mean and refer to any person who gives a mortgage.

Section 25. "***Open Space***" (if applicable) shall mean and refer to Lot 18 as shown on the Plat, which is not a buildable Lot and is to be deeded to and to be maintained by the Association, together with any other unnumbered or non-buildable parcel of real property identified on a Plat as open space. The initial Open Space is depicted on **EXHIBIT B**. Open Space shall also include Lot 47 until such time as Declarant may determine to develop Lot 48, at which time, Lot 47 shall cease to be Open Space and may become part of a Lot.

Section 26. "***Owner***" shall mean and refer to one (1) or more Persons who hold the record title to any Lot subject to this Declaration, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the seller) will be considered the Owner. Otherwise, the seller shall remain the Owner until legal and equitable title to the Lot transfers. References to the Member shall include the "Owner" and vice versa unless such interpretation would destroy the clear meaning of this Declaration.

Section 27. "***Person***" shall mean a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 28. "***Plat***" shall mean the map(s) of the Community which are lodged of record in the Jessamine County Clerk's Office, including the final record plat of Saddler's Ridge creating

Lots 1 through 48, recorded in Plat Cabinet _____, Slide _____, and any plat of property hereafter annexed to the Community.

Section 29. "***Rules***" shall mean and refer to any rules and regulations adopted by the Board of Directors from time to time in furtherance of the purposes set forth in the Governing Documents.

Section 30. "***Special Assessment***" shall mean and refer to the Assessment levied in accordance with Article X, Section 3 of this Declaration.

Section 31. "***Supplemental Declaration***" shall mean an amendment or supplement to this Declaration which subjects additional real property to this Declaration or imposes, expressly or by reference, additional restrictions and obligations on the real property described therein, or both.

Article II
Property Rights

Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas and Areas of Common Responsibility subject to this Declaration, as it may be amended from time to time, and subject to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of enjoyment to the members of his or her family, tenants and social invites, as applicable, subject to reasonable rules by the Board and in accordance with Rules it may adopt. An Owner who leases his or her Lot shall be deemed to have delegated all such rights to the lessee of the Lot, but not to have delegated said Owner's obligations to comply with this Declaration or to pay Assessments as set forth herein.

So long as Declarant has an option to annex additional real property under Article VIII, Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Community then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community.

Article III
Membership and Voting Rights

Section 1. Membership. By acceptance of a Deed to a Lot, every Owner, as defined in Article I, shall automatically be deemed to accept membership in and be a Member of the Association, and to comply with the terms of this Declaration, the Governing Documents. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the Bylaws.

The membership rights of a Lot owned by a corporation or partnership shall be exercised by the individual designated by the Owner in a written instrument provided to the Secretary.

Section 2. Voting. The Association shall have two (2) classes of membership, Class A and Class B as follows:

a. Class A. Class A Members shall be all Owners, with the exception of the Class B Member if any. Class A Members shall be entitled to one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Lot. In any situation where a member is entitled personally to exercise the vote for his Lot and more than one (1) Person holds the interest in such Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

b. Class B. The Class B Member shall be the Declarant. The rights of the Class B Member, including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in the Declaration and the Bylaws. The Class B Member shall be exclusively entitled but not required, in its sole discretion, to appoint members of the Board of Directors during the Class B Control Period, as may be more particularly set forth in the Bylaws. For a period of one (1) year after the date of termination of the Class B Control Period, the Class B Member shall have the right to disapprove all actions of the Board of Directors and any Committee thereof, as may be provided for in the Bylaws, so long as Declarant owns at least one (1) Lot subject to this Declaration. The Class B Control Period shall terminate, and the Class B membership shall terminate and become converted to Class A membership, upon the earlier of:

i. when eighty-five percent (85%) of the Lots in the total planned development of the Community (including the Lots described in **EXHIBIT A**, the Lots in any phase annexed pursuant to Article VIII, and the Lots planned by Declarant for future phases) (A) have certificates of occupancy issued thereon and (B) have been conveyed to Persons other than Declarant or Builders;

ii. January 1, 2037; or

iii. when, in its absolute and sole discretion, the Class B Member so determines.

Notwithstanding any provision to the contrary contained in this Declaration or the Bylaws, during the Class B Control Period, any amendment to the Bylaws or any Rule requiring approval by the vote of the Members of the Association shall not be taken or adopted until also approved in writing by the Class B Member.

Section 3. Professional Management. The Declarant shall retain and compensate a

professional homeowners association management company to manage the operations of the Association and the Community. The cost of such professional management shall be included in the annual Common Expenses of the Association and funded through the General Assessment.

Article IV
Easements, Property Rights, and Maintenance

Section 1. Members' Easements of Use and Enjoyment. Every Member shall have a right and easement for the reasonable use and enjoyment of any private streets, easements, and access points (which includes the right of ingress and egress), and the Common Areas and Areas of Common Responsibility, subject to any Rules promulgated by the Association governing the exercise of such rights and easements; and, such easements shall be appurtenant to and pass with the title to every Lot. Every Member shall have the right to extend the rights and easements of enjoyment vested in it under this Article to each member of his/her family who resides with said Member, its tenants, non-commercial guests and invitees, and such other persons as may be permitted by the Declarant and/or Association. The rights and easements of use and enjoyment created by this section shall be subject to:

a. The right of the Declarant (or the Association, at such time as the Association shall be the record Owner of the same) to borrow money for the purpose of acquiring, improving, and maintaining the designated streets, rights of way, and the Common Areas, to maintain and/or execute a mortgage or mortgages on each of the said areas as security for such loan(s);

b. The right of the Declarant and/or Association to take such steps as are reasonably necessary to protect any such areas against foreclosure;

c. The right of the Declarant (so long as it shall retain legal title thereto) to transfer any part or all of the Common Areas to any public or governmental entity which is authorized by law and willing to assume the responsibilities for the ownership, care and maintenance of the same;

d. The right of the Association to dedicate or transfer such part or all of the Common Areas to which it may have received legal title to any public or governmental entity or other entity authorized by law and willing to assume the duties and responsibilities of the Association with regard thereto, subject, however, to such conditions as may be imposed by the member; provided, however, that no such dedication or transfer shall be effective unless a recordable instrument signed by Members entitled to cast more than fifty percent (50%) of the votes of the Membership has been executed, agreeing to the terms of the dedication or transfer, and provided further that written notice of the proposed dedication or transfer is mailed to every member at least thirty (30) days in advance of obtaining any Member's signature to such an instrument; and

e. All other provisions of this Declaration, as the same may be hereafter amended and/or supplemented.

The grant of rights to use of the Common Areas, as set forth herein, shall not be construed to grant any rights with regard to, any undeveloped or developed land owned by Declarant or its successors, and any unauthorized presence on such land shall be deemed a trespass thereon.

Any provisions of this Declaration to the contrary notwithstanding, neither the Declarant nor the Association shall enter into any agreement or effect any conveyance or mortgage, which shall prevent the reasonable use of the streets, or impede the use of any designated Common Areas by the Members, or other authorized persons, except for such temporary periods as may be necessary for utility or road installation, paving, repair or maintenance, and then in such a manner as to minimize disruption of the reasonable use thereof by all authorized persons.

Section 2. Association's Responsibilities. The Association shall maintain and keep in good repair the Areas of Common Responsibility, Common Areas, and Open Space, such maintenance to be funded as hereinafter provided, subject to any insurance then in effect. This maintenance shall include, but need not be limited to, repair and replacement of all landscaping and other flora, structures, and improvements situated upon the Common Areas, including any private roads and walkway paths; landscaping and maintenance of medians, utility strips and gutters of any public roads within or adjacent to the Community; entry features, the Stormwater Facilities, any cluster box unit (CBU) mail facilities, irrigation/drainage system for the Community, whether or not located on Common Areas; and any utility lines or facilities owned by the Association or for the benefit of the Areas of Common Responsibility. Maintenance may also include such portions of any additional property included by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

The Association may, but is not required to, maintain property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Section 3. Owner's Responsibility. Each Owner shall maintain his or her Lot, all structures on the Lot, lawns, yards, landscaping, utility lines, equipment, parking areas, sidewalks, driveways, fences and other improvements comprising the Lot in a manner consistent with the Community-Wide Standard and all applicable covenants and Rules, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform it and assess all costs incurred by the Association against the Lot and the Owner thereof in accordance with this Declaration and the Bylaws; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, as may be more particularly set forth in the Bylaws.

Section 4. Stormwater Facilities. The stormwater control, detention and retention basins, water quality features, ponds, swales, outlet structures, and other stormwater management facilities serving the Community, including those located within stormwater, drainage, or detention easement areas on Lot 18 (collectively, the "***Stormwater Facilities***"), are Areas of Common Responsibility. The Association shall be responsible for the maintenance, repair, and

replacement of the Stormwater Facilities, shall keep the same free of obstruction and debris, and the Association's resulting costs shall be Common Expenses. The Association, the Declarant, and their respective agents, contractors, and designees shall have a perpetual, non-exclusive easement and right of entry upon, over, across, and under each Lot to the extent reasonably necessary to access, inspect, maintain, repair, and replace the Stormwater Facilities, including the right of ingress and egress to and from the Stormwater Facilities across the Lot. No Owner shall alter, fill, obstruct, re-grade, or construct any structure, fence, or other improvement within any stormwater, drainage, or detention easement area, or otherwise interfere with the function of the Stormwater Facilities, without the prior written approval of the ACC and the Association. Any damage to the Stormwater Facilities caused by an Owner or the Owner's contractors, invitees, or occupants shall be repaired at the Owner's expense, and the Association may assess the cost of repair against the Owner and the Lot as an Individual Assessment.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Areas of Common Responsibility and/or the Common Areas. If blanket all-risk insurance is not reasonably available, then at a minimum, an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Areas of Common Responsibility and/or the Common Areas, the Association, its Officers and Directors, and its Members for all damage or injury caused by the negligence of the Association, its Officers and Directors, and its Members or agents. The public liability policy shall have at least a One Million ($1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Two Million ($2,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand ($500,000.00) Dollar minimum property damage limit.

Premiums for such insurance shall be a Common Expense of the Association and shall be included in the Assessment. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be payable by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. In addition:

a. All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

b. All policies shall be written with a company licensed to do business in Kentucky

which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

c. All policies on the Areas of Common Responsibility and/or the Common Areas shall be for the benefit of the Association, its Officers and Directors, and its Members.

d. Exclusive authority to adjust losses under policies obtained by the Association upon the Community shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

e. In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

f. All casualty insurance policies shall have an inflation guard endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in Jessamine County, Kentucky, area.

g. The Association's Board of Directors shall make every reasonable effort to secure insurance policies that will provide for the following:

i. a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

ii. a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

iii. a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of the actions of any one or more individual Owners;

iv. a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any owner, or Mortgagee;

v. that any "other insurance" clause in any policy exclude individual Owner's policies from consideration; and

vi. that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

Section 2. 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 carry blanket all-risk casualty insurance on his Lot(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction**,** which is not covered by insurance proceeds. In the event that the structure is totally destroyed 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 and attractive condition consistent with the Community-Wide Standard.

Section 3. Damage and Destruction.

a. Immediately after damage or destruction by fire or other casualty to all or part of the Community covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Community. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Community to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

b. Any damage or destruction to Areas of Common Responsibility and/or the Common Areas shall be repaired or reconstructed unless Members representing at least seventy-five percent (75%) of the total vote of the Association decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Areas shall be repaired or reconstructed.

c. In the event that it should be determined in the manner described above that the damage or destruction to the Areas of Common Responsibility and/or the Common Areas shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Community shall be restored to their natural state and maintained by the Association in a neat and

attractive condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purposes, shall be disbursed in payment of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Areas of Common Responsibility and/or the Common Areas shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Lot and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Areas of Common Responsibility and/or the Common Areas for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall levy a Special Assessment against all Owners allocated on the same basis as provided for Assessments in accordance with Article X, Section 3. Additional Assessments may be made in like manner at any time during or following completion of any repair or reconstruction. Assessments levied pursuant to this Section shall be due upon thirty (30) days' written notice to the Owners, unless the Association permits a longer time. After the termination of the Class B Control Period, the Association shall hold a meeting to allow the Owners an opportunity to rescind or reduce the Assessments levied pursuant to this Section, but only upon the affirmative vote of a majority of all Owners as set forth in KRS 381.797(4).

Article VI
No Partition

Except as is permitted in the Declaration or amendments hereto, there shall be no physical partition of the Areas of Common Responsibility and/or the Common Areas or any part thereof, nor shall any Person acquiring any interest in the Community or any part thereof seek any judicial partition unless the Community has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property**,** which may or may not be subject to this Declaration.

Article VII
Condemnation

Whenever all or any part of the Areas of Common Responsibility and/or the Common Areas is sought to be taken by Condemnation by any authority having the power of condemnation or eminent domain, or conveyed in lieu of and under threat of Condemnation by the Board and the Declarant, each Owner shall be entitled to notice thereof. The award made for such taking, whether by judicial award or agreement by the Board, shall be payable to the Association as follows:

If the taking involves a portion of the Areas of Common Responsibility and Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any part of the Community, and Members representing at least seventy-five percent (75%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Areas of Common Responsibility and Common Areas to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction**,** which is to be repaired shall apply. If the taking does not involve any improvements on the Areas of Common Responsibility and Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation Without Approval of Class A Membership. As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant, or its assign who obtains successor declarant rights as provided for herein, shall have the unilateral right, privilege, and option, until all Lots owned by Declarant, or such successor, have been sold to third parties having no declarant rights, to submit and to subject to the provisions of this Declaration and the jurisdiction of the Association additional real property. Such annexation shall be accomplished by filing in the public records of Jessamine County, Kentucky, a Supplemental Declaration annexing such real property. Such Supplemental Declaration shall not require the consent of Members. Any such annexation shall be effective upon the filing of record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other Person said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee is granted the right to be the successor Declarant hereunder, and that such transfer is memorialized in a written, recorded instrument executed by the Declarant, and filed in the public records of Jessamine County, Kentucky. Declarant presently anticipates that additional phases of the Community will be developed on adjoining property owned or controlled by Declarant (Lot 47, Lot 48, and any other "Future Development" areas as shown by a final record plat), but Declarant shall have no obligation to submit any additional property to this Declaration.

Section 2. Annexation With Approval of Class A Membership. Subject to the consent of the owner thereof, following the expiration of the right in Article VIII, Section 1 the Association may annex real property other than that described on **EXHIBIT A** to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the written consent of a majority of all Members, but so long as the Declarant owns property subject to this Declaration, the Declarant may unilaterally veto such attempted Annexation. Annexation shall be accomplished by filing of record in the public records of Jessamine County, Kentucky a Supplemental Declaration describing the property being annexed. Any such Supplemental

Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

Section 3. Acquisition of Additional Common Areas. Declarant may convey to the Association additional real property, improved or unimproved, as Common Areas, which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. Supplemental Standards. A Supplemental Declaration may impose additional or different covenants, conditions, and restrictions applicable only to the phase or property it describes, provided that such covenants are not inconsistent with the Community-Wide Standard.

Section 5. Amendment. This Article VIII shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any part of the Community.

Article IX
Rights, Obligations, and Duties of the Association

Section 1. Control of Areas of Common Responsibility, Common Areas, and Amenities. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Renting of Common Areas by the Association. The Association, through action of its Board of Directors, may permit portions of the Common Areas owned by the Association to be rented to non-members, but such rented property shall only be used for short-term social or recreational purposes. All income derived from leasing the Common Areas shall be used to defray the cost of maintaining the Common Areas and operating the Association.

Section 3. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Community conveyed to it by the Declarant.

Section 4. Rules, Regulations, Policies, and Procedures. The Association, through the Board of Directors, may make and enforce reasonable rules, regulations, policies, and procedures governing the use of the Community, which Rules shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote, the right to use the Common Areas, or other rights as Members of the Association. The Board shall, in addition, have the power to seek relief in any court for violations

or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances and may permit any agency of the state or local subdivision of Jessamine County, Kentucky to enforce ordinances within the Community for the benefit of the Association and its Members.

Section 5. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege to maintain Community-Wide Standard and promote the harmonious use of the Community between Owners, Declarant, and neighbors.

Section 6. Duties. The Association shall in all reasonable ways act to promote the health, safety and welfare of the Members, and their invitees and guests, which duties shall include, without limitation:

a. Enforcement of the provisions of this Declaration;

b. Procurement, maintenance, repair or replacement of the Areas of Common Responsibility and Common Areas, or other real or common property used in common by the Owners;

c. Maintenance of the Amenities, including any cluster box unit (CBU) mail facilities and the entrance features;

d. Installation and maintenance of community seasonal decorations and lighting for fall and Christmas themes within the Common Areas and at the entrance to the Community, the cost of which shall be a Common Expense funded from a portion of the annual Assessments;

e. Payment of all taxes and special assessments levied by any governmental taxing authority on the Areas of Common Responsibility and Common Areas; and

f. Procurement of liability insurance policies covering use of the Areas of Common Responsibility and Common Areas.

Article X
Assessments

Section 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 commence at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of Assessments: (a) General Assessments to fund Common Expenses for the benefit of all Members of the Association; (b) Special Assessments as described in Section 3 below; and (c) Individual Assessments.

a. Each Owner, by acceptance of his or her deed or recorded contract of sale, is deemed to covenant and agree to pay all Assessments. All Assessments, except for Special Assessments as provided in Section 3 below and any Individual Assessments, shall be levied equally on all Lots.

b. *Notice of Assessments.* The Association shall give each Owner written notice of each General Assessment and Special Assessment, which may be provided by mail or electronically, such as by email or by posting on the official Association website, if any, not less than sixty (60) days before the due date, except for a Special Assessment levied under Section 3(e). The notice shall state the amount of the Assessment, the due date, and, if the Board allows payment in installments, the amount and due date of each installment. Individual Assessments shall be due on the date stated in the Association's written notice thereof, which shall be not less than thirty (30) days after the notice is given.

c. *Delinquency; Late Charge; Interest.* Any Assessment, or installment thereof, that is not paid in full on or before its due date shall be delinquent immediately after the due date, without further notice or demand. Upon becoming delinquent, (i) the delinquent amount shall immediately incur a one-time late charge of ten percent (10%) of the delinquent amount, and (ii) interest shall immediately begin to accrue on the delinquent amount at the rate of eighteen percent (18%) per annum, or the highest rate allowed by Kentucky law, from the due date until paid. In any action or proceeding to collect delinquent Assessments, the Board may, for good cause shown, waive all or part of the accrued interest.

d. *Personal Obligation; Lien.* All Assessments, together with late charges, interest, and costs and expenses of collection, including attorney's fees, shall be a charge on the land and shall be secured by the continuing lien described in Section 5 of this Article upon the Lot against which each Assessment is made. Each such Assessment, together with such late charges, interest, costs and expenses, and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time the Assessment was levied, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

e. *Remedies.* Upon delinquency, the Association, without notice or demand, may take any and all action authorized herein to collect the delinquency. If the Board allows Assessments to be paid in installments and any installment is delinquent, the Board may accelerate the entire unpaid balance of the Assessments for the fiscal year. The failure of the Association to exercise any rights in the event of a delinquency shall not be deemed a waiver of its rights to take any action authorized herein in the event of other or future delinquency.

f. *Certificates.* The Association shall, within five (5) days of receiving a written request therefor, furnish to any Owner liable for any type of Assessment a certificate in writing signed by an officer of the Association setting forth whether such Assessment has been paid as to any particular Lot. Such certificate shall be

conclusive evidence of payment to the Association of such Assessment therein stated to have been paid. The Association, or its management company, may require the advance payment of a processing fee to compensate for the time and effort required to administer each certificate.

g. *No Waiver of Liability.* No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including, by way of illustration and not limitation, by non-use of Areas of Common Responsibility or Common Areas or abandonment of the Lot. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessment 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.

Section 2. Budget; Computation of Assessment. It shall be the duty of the Board, prior to the beginning of each fiscal year, to prepare and adopt a budget to meet the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund. The Assessment to be levied against each Lot shall be computed by dividing the budgeted Common Expenses by the total number of Lots subject to the Declaration. The Board shall cause a copy of the budget and notice of the amount of Assessment to be provided to each Owner (which may be provided by mail, or electronically, such as by email or by posting on the official Association website, if any) within sixty (60) days of adopting the budget.

a. If the adopted budget contains an increase of more than fifteen percent (15%) from the previous year's budget, the Board shall provide notice to the Owners of a special meeting to consider ratification of the budget. The special meeting shall be held within forty-five (45) days after the budget has been provided to the Owners. The budget shall be deemed ratified—whether or not a quorum is present—unless at the meeting two-thirds (2/3) of all Owners reject the budget. If the budget is successfully rejected, the prior year's budget shall continue until such time as a subsequent budget is adopted by the Board pursuant to this section.

b. Notwithstanding the foregoing, however, in the event the Board fails for any reason so to determine and adopt the budget for any year, then and until such time as a new budget shall have been adopted as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Special Assessments. In addition to the Assessments authorized in Section 1 of this Article X, the Board may levy a Special Assessment or Special Assessments from time to time on each Lot, as provided in this Section and KRS 381.797.

a. *Findings; Purpose.* The Board may levy a Special Assessment only if it finds that the Special Assessment is in the best interests of the Association. Special Assessment funds shall be used primarily for the maintenance, repair, replacement, and improvement of the Common Areas and the Areas of Common Responsibility, including capital expenditures, and for such other purposes as are permitted by KRS 381.797.

b. *Board Approval.* A Special Assessment shall be effective only upon approval by a majority of the full Board of Directors. Special Assessments shall be allocated equally among all Lots, unless the Special Assessment is an Individual Assessment, and shall be payable in such manner and at such times as the Board determines, including in installments extending beyond the fiscal year in which the Special Assessment is approved.

c. *Owner Meeting; Right to Rescind or Reduce.* After the expiration of the Class B Control Period, the Association shall, within thirty (30) days after the Board approves a Special Assessment, hold a meeting of the Owners at which the Owners may rescind or reduce the Special Assessment. A Special Assessment shall be rescinded or reduced if the Owners of a majority of all Lots in the Community, present in person or by proxy at the meeting, vote to rescind or reduce it. The Board shall give written notice of the meeting, including the amount and purpose of the Special Assessment, in the manner required by the Bylaws for meetings of the Members. No quorum other than the foregoing vote is required.

d. *Class B Control Period.* During the Class B Control Period, the Board may levy a Special Assessment without a meeting of the Owners under subsection (c).

e. *Notice and Due Date.* The Association shall give written notice of each Special Assessment as provided in Section 1(b) of this Article. No portion of a Special Assessment shall be due before the later of (i) the sixty (60) day notice period in Section 1(b) and (ii) the expiration of the thirty (30) day period for the Owner meeting under subsection (c), or, if the Owners rescind or reduce the Special Assessment, the date of the vote. The Board may shorten these periods for a Special Assessment to address an emergency threatening the health or safety of the Owners, or to preserve the Common Areas, but the Owners' right to rescind or reduce under subsection (c) shall still apply.

f. *Lien; Collection.* The Association shall have the same lien rights and powers of collection for Special Assessments as for General Assessments.

g. *Limitation of Liability.* As provided in KRS 381.797 and Article 12 of the Articles of Incorporation, no director or officer of the Association shall be liable for failure to perform a fiduciary duty if a Special Assessment for the funds necessary to perform that duty is rescinded or reduced by the Owners.

Section 4. Individual Assessments. Charges against an Owner and/or Lot which are established by the Governing Documents, including (without limitation) for violation of the

Governing Documents, or incurred by the Association in enforcing the Governing Documents, shall be Individual Assessments. Individual Assessments shall include reimbursement of the Association for costs incurred in bringing a Member or his Lot into compliance with the provisions of the Governing Documents, which Individual Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association shall have the same lien rights and powers of collection for Individual Assessments as for General Assessments.

Section 5. Lien for Assessments.

a. *Creation and Attachment.* The Association shall have a continuing lien on each Lot to secure payment of all Assessments, Special Assessments, and Individual Assessments levied against the Lot, together with interest, fines, late charges, administrative fees, enforcement assessments, costs of collection, and reasonable attorney's fees chargeable against the Lot (collectively, the "Lien Amounts"), which continuing lien attaches automatically and takes priority subject to Section 5(c) herein. As provided in KRS 381.799, the lien attaches only to Lien Amounts that remain unpaid thirty (30) days after any portion of them becomes due and payable. For purposes of clarity, this Declaration creates the continuing lien and no Notice of Lien is required to be recorded, although, such Notice may be filed pursuant to Section 5(b) below.

b. *Notice of Lien.* The Association, acting through the Board or its manager, may record in the office of the County Clerk a notice of lien that identifies the Lot, the record Owner, and the Lien Amounts then due, and states that it is recorded pursuant to this Declaration and KRS 381.799. The notice may be amended or supplemented as additional Lien Amounts accrue. Upon payment in full, the Association shall record a release in the manner provided by law for the release of mortgages.

c. *Priority*. A properly recorded lien shall be prior and superior to all other liens and encumbrances upon the Lot, except (1) taxes, bonds, assessments, and other levies, including liens under KRS 65.8835, which by law are superior; and (2) any mortgage, lien, or encumbrance recorded before the notice of lien was recorded.

d. Any lien may be enforced by suit, judgment, and foreclosure.

e. The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be assessed or levied on it; and (c) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged to such Lot had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 6. Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget to take into account the number and nature of replacement assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by Assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the budget and notice of Annual Assessments, as provided in this Article.

Section 7. Date of Commencement of Assessments. The Assessments provided for herein shall commence as to each Lot on the date of the closing of the conveyance of the Lot (a) by Declarant to an Owner other than a Builder, or (b) by a Builder to an Owner other than a Builder, whichever first occurs, and as to Lots owned by Declarant or a Builder, as provided in Section 8 of this Article, and shall continue in perpetuity. Each Owner shall pay at the closing of such conveyance all Assessments then applicable to the Lot, including the initial General Assessment, the capital contribution described in Section 10 of this Article, and, upon the initial conveyance by Declarant, the Construction Deposit described in Section 11 of this Article. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The initial General Assessment shall be ONE THOUSAND TWO HUNDRED AND 00/100 DOLLARS ($1,200.00) per Lot per year, payable annually, and shall be adjusted according to the number of days remaining in the fiscal year at the time of conveyance to an Owner.

Section 8. Declarant and Builder Exemption. Notwithstanding the foregoing, the Declarant and Builders shall not be obligated to pay Assessments on any Lot owned by them until the issuance of a certificate of occupancy for such Lot. The exemption in this Section does not excuse payment of the working-capital contribution under Section 10 or the non-refundable Construction Deposit under Section 11 when otherwise due, or reimbursement for damage caused by Declarant or a Builder or its contractors. Those payment obligations are separate from the exemption for holding an unoccupied Lot.

a. Further, so long as the Declarant has a unilateral option to subject additional property to this Declaration as set forth in Article VIII, the Declarant shall have the option of paying General Assessments on its Lots following the issuance of a certificate of occupancy or of paying to the Association the difference between the amount of Assessments levied on its Lots that are subject to Assessments and the amount of actual expenditures required to operate the Association during the fiscal year.

b. This Declarant obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of service or materials, or a combination of these. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

Section 9. Subordination of the Lien to First Mortgages.

a. *Subordination.* The lien for Lien Amounts shall be subordinate to the lien of any first, valid Mortgage (but not equitable mortgages) recorded before the notice of lien for such Lien Amounts was recorded, and to the other liens and encumbrances described in Section 5(c)(1) and (2). The lien shall be prior and superior to any Mortgage or other lien recorded after the notice of lien was recorded.

b. *Recording Policy.* The Association may record a notice of lien as provided for herein or in the Bylaws.

c. *Certificates.* Within five (5) days after written request from any Owner, prospective purchaser, Mortgagee, or title insurer, the Association shall furnish a certificate signed by an officer or its management company stating the Lien Amounts then due on the Lot and whether a notice of lien has been recorded. The Association may charge a reasonable fee. Any person who in good faith relies on a certificate, including a Mortgagee that records its Mortgage after receiving it, shall be entitled to rely on it, and the Association shall be estopped from asserting any Lien Amounts not stated in the certificate as to that person.

Section 10. Capitalization of Association. Upon the acquisition of record title to a Lot by each purchaser thereof (including the first purchaser from the Declarant or a Builder and each subsequent purchaser upon resale), a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in the amount of FIVE HUNDRED AND 00/100 DOLLARS ($500.00). This amount shall be deposited into the regular account (common expenses) and disbursed therefrom by the Association for use to cover operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws.

Section 11. Construction Deposit. Upon the initial conveyance of each Lot by Declarant, the purchaser shall pay to the Association, at the closing of such conveyance, a non-refundable Construction Deposit in the amount of FIVE THOUSAND AND 00/100 DOLLARS ($5,000.00). The Construction Deposit may instead be paid before closing under a written pre-closing plan review agreement between Declarant and the prospective purchaser, in which case it shall be paid to the Association or, if the Association has not been formed or has no account, to Declarant as agent for the Association; shall be non-refundable even if the conveyance does not occur; and, if the conveyance does occur, shall be treated as the Construction Deposit paid at closing, and no additional Construction Deposit shall be due. The Construction Deposit shall be applied to (a) the ACC's architectural/plan review of the Owner's plans (in lieu of any separate plan review fee); (b) the installation by or on behalf of Declarant or the Association of front-yard trees in the front yard of the Lot, outside the utility strip, spaced approximately fifty (50) feet apart, of a uniform species and caliper selected by the ACC; and (c) the Lot's mailbox (whether the funding of community cluster box units (CBU) or the curbside mailbox for the Lot, as applicable) as set forth in Article XI, Section 19, if required, and related improvements. The Construction Deposit is not refundable, and the Association may reimburse Declarant from the Construction Deposit for any such costs advanced by Declarant. The Construction Deposit is not a refundable damage-security deposit. The Owner remains responsible for obtaining required governmental approvals before commencing construction as provided in Article XII.

Section 12. Exempt Property. Notwithstanding anything to the contrary herein, all Areas of Common Responsibility shall be exempt from payment of the Assessments.

Article XI
Architectural Standards; Design Review Guidelines

Section 1. Architectural Control Committee. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the Architectural Control Committee ("***ACC***") established in this Article XI. This Article may not be amended without the Declarant's written consent, so long as the Declarant owns any Lots or property subject to this Declaration.

a. No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs (other than bushes or undergrowth an Owner may remove under Article XII, Section 17), or the building, or placement of outbuildings shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the ACC has been obtained.

b. Except for Lots owned by the Declarant, the ACC shall have exclusive jurisdiction over all original construction on the Lots and any portion of the Community. The ACC may, on behalf of the Board of Directors, promulgate supplemental design and development guidelines and application and review procedures, which shall supplement and shall not conflict with the standards set forth in this Article XI and shall be deemed part of the Design Review Guidelines. Copies shall be available from the ACC for review. The guidelines and procedures shall be those of the Association, and the ACC shall have sole and full authority to prepare and to amend the guidelines and procedures. It shall make the guidelines and procedures available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Community and such Owners, builders and developers shall conduct their operation strictly in accordance therewith.

c. The ACC shall also have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Lots or structures on Lots. The ACC shall promulgate detailed standards and procedures governing its areas of responsibility and practice, consistent with the Design Review Guidelines. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the ACC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally approved color scheme, or to rebuild in accordance with an originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his home, or to paint the interior of his home any color desired. If the ACC fails to

approve or disapprove a complete submission within forty-five (45) days after submission, the submission shall be deemed denied, as provided in Section 2 of this Article.

d. *Notwithstanding the foregoing*, until one hundred percent (100%) of the Community has been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the ACC, which shall consist of at least three (3) but no more than five (5) persons. Declarant intends to engage a licensed architect to lead the ACC. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the ACC.

Section 2. Plan Approval Process; Review Fee. Complete plans and specifications for all improvements, including the site plan, floor plans, elevations, exterior materials and colors, landscaping plan, irrigation plan, and driveway location, shall be submitted to the ACC in the form required by the ACC. The ACC shall act on each complete submission within forty-five (45) days of receiving it. If the ACC fails to approve or disapprove a complete submission within such forty-five (45) day period, the submission shall be deemed DENIED. The ACC's review of each complete submission is funded by the Construction Deposit paid at or, as provided in Article X, Section 11, before closing; no separate plan review fee shall be charged to the Owner. The compensation of the licensed architect and any other consultants engaged by the ACC shall be funded from the Construction Deposit as provided in Article X, Section 11. The ACC may review plans submitted before closing by a purchaser who is under contract with Declarant for a Lot, has paid the Construction Deposit, and has consented in writing to this Declaration for that purpose; any such approval is conditioned upon the conveyance of the Lot to the purchaser.

Section 3. Design Review Guidelines. The standards set forth in this Article XI constitute the Design Review Guidelines and are a part of this Declaration. Every residence and other improvement constructed on any Lot shall comply with the Design Review Guidelines, which the ACC shall apply and enforce. The ACC may adopt supplemental guidelines, specifications, and procedures not inconsistent with this Declaration and may authorize variances as provided in Section 29 of this Article.

Section 4. Approved Architectural Styles. Residences shall be designed in one of the following styles, consistent with the Design Review Guidelines: Federal, Georgian, Greek Revival, Southern Farmhouse, French Country, Transitional, and Modern Farmhouse. The location of the residence upon any Lot shall be approved by the ACC. There shall be no modular or mobile homes built or located upon any Lot. All construction material used will meet or exceed the applicable building codes and regulations of Jessamine County, Kentucky.

Section 5. Minimum Finished Floor Areas. The following shall be the minimum finished and habitable floor areas for residences to be constructed within the Community (exclusive of garages, finished basements, and open porches), unless greater minimum floor areas are specified with respect to any Lot in any Supplemental Declaration or on the Plat:

a. One-Story. A one-story residence shall contain a minimum of 2,800 finished and habitable square feet.

b. One-and-One-Half-Story. A one-and-one-half-story residence shall contain a minimum of 3,200 finished and habitable square feet, of which not less than 2,200 finished and habitable square feet shall be on the main (first) floor.

c. Two-Story. A two-story residence shall contain a minimum of 4,400 finished and habitable square feet, of which not less than 2,200 finished and habitable square feet shall be on the main (first) floor. A residence of more than two stories shall meet the Two-Story minimums.

Section 6. Height and Stories. No residence shall exceed two-and-one-half (2.5) stories or forty-five (45) feet in height.

Section 7. Setbacks. No structure shall be located on any Lot nearer to the front lot line, the side street line or other side lot lines, or to rear lot lines, than the following minimum building setbacks: front, fifty (50) feet measured from the back of curb; side, twelve (12) feet; and rear, fifty (50) feet; and corner Lots must meet the minimum front yard setback on both street frontages; or, in each case, the minimum building setback line shown on the Plat or required by the applicable zoning regulation, whichever is greater. Reasonable (as determined by Declarant) bay windows, chimneys, roof overhangs and steps may project into said areas, and open porches may project into said areas not more than six feet, if permitted by applicable law and as shall be acceptable to Declarant. Declarant may, from time to time, vary the established building setback lines, and/or grant variances therefrom, in its sole discretion, where not in conflict with applicable zoning regulations or other applicable law.

Section 8. Approved Exterior Wall Materials. Permitted exterior wall materials are: full-bed-depth brick, whether painted or natural (premium architectural face standard brick, as approved by the ACC), natural stone, smooth-lap fiber-cement siding (James Hardie or equivalent), cedar shake, board-and-batten, and true three-coat stucco.

Section 9. Prohibited Exterior Wall Materials. The following are prohibited: all vinyl siding; aluminum siding; T1-11; exposed concrete masonry units (CMU) on visible elevations; EIFS/Dryvit on street-facing elevations; and thin brick veneer on street-facing elevations.

Section 10. Roofing. The primary roof pitch shall be a minimum of eight/twelve (8/12) unless otherwise approved by the ACC. Architectural-grade asphalt shingles (30-year minimum) are required; standing-seam metal is permitted as an accent; slate and synthetic slate are permitted. Three-tab shingles, rolled roofing, and exposed-fastener corrugated roofing are prohibited.

Section 11. Windows. Windows shall be of high quality and consistent with the home's architectural style; no specific manufacturer or brand is required, and custom-made windows are permitted, provided they meet the Association's quality and appearance standards. Bare (unclad) vinyl windows are prohibited on street-facing elevations. Window frame color shall be black, dark bronze, white, or color-matched to the approved exterior palette.

Section 12. Grilles/Muntins. Simulated divided lites (SDL) with interior and exterior muntins and spacer bar are required on street-facing windows. Grilles-between-glass (GBG) only are not acceptable on street-facing elevations; true divided lites (TDL) are always acceptable. Muntin patterns shall conform to the chosen architectural style per the Design Review Guidelines (e.g., Federal/Georgian 6/6, 9/9, 12/12; Greek Revival 6/6, 2/2; Farmhouse 2/2, 6/1, 4/4; French Country 6/6 with arched transoms).

Section 13. Front Doors. Front entry doors shall be finished in neutral colors only (e.g., black, charcoal, bronze, natural-stained wood, or other earth-tone neutral approved by the ACC). High-chroma or accent door colors are not permitted.

Section 14. Approved Colors. Exterior body, trim and accent colors shall be limited to the earth-tone Approved Colors, together with white and black/charcoal neutrals for Farmhouse, Transitional and Modern Farmhouse styles. Yellow, green, orange, red, blue, pink and purple are prohibited regardless of shade. No residence shall be finished in an all-black exterior body color; black is permitted for trim, accents and approved two-tone schemes (e.g., black-and-white farmhouse), subject to ACC approval.

Section 15. Garages. Each residence shall have a garage of not fewer than three (3) car bays (3-car minimum). Side-entry garages are required on all Lots, including corner lots, unless approved in writing by the Declarant. Garages shall be attached to the residence, except that, with the prior written approval of the ACC or Declarant, an Owner may construct a detached garage, or a garage connected to the residence by a covered breezeway, located entirely behind the rear wall of the residence and within the area bounded by lines drawn perpendicular to the street on which the residence fronts, from each side wall of the residence to the rear Lot line, unless the Declarant, in its sole discretion, waives or approves a different location in writing. Any such garage, which may include a room, shall: (a) conform to and match the principal dwelling in style, materials, finish, scale, height, and color, and remain clearly subordinate to the principal dwelling in size and massing; (b) have a footprint not exceeding thirty percent (30%) of the finished and habitable floor area of the residence, calculated as provided under "Minimum Finished Floor Areas" in this Article (exclusive of garages, finished basements, and open porches); (c) not exceed one and one-half (1-1/2) stories, with a roof ridge no higher than the roof ridge of the principal dwelling; (d) have no more than four (4) car bays, with no garage door more than eight (8) feet in height and no commercial-style overhead, roll-up, or equipment doors; and (e) be used only for the parking of vehicles, storage, and uses customary to and part of the single-family residence, and not as a separate dwelling unit or for any business, commercial, contractor, or industrial use. Garages, as structures, are subject to prior plan approval under this Article. Notwithstanding the foregoing, on corner Lots no garage door shall face either street, and the garage shall be side- or rear-loaded (for example, an L-shaped configuration).

Section 16. Garage Doors. All garage doors visible from any street shall be of an upgraded, architectural style complementary to the dwelling. Plain, flush, or single-flat-panel doors of unfinished or mill-finish aluminum or steel are prohibited. Each door shall incorporate a raised-panel, recessed-panel, or carriage-house design and shall include a decorative top row of windows (or comparable glazing) unless the ACC approves an alternative in writing. Doors shall

be insulated steel, wood, composite, or fiberglass, and shall be painted or factory-finished in a color harmonious with the dwelling's exterior. The ACC shall have final approval over garage door style, material, color, and configuration.

Section 17. Driveways. Driveways shall be constructed of concrete, brick, or pavers. Asphalt driveways are prohibited. The driveway width at the point of connection to the street shall be at least twelve (12) feet and shall not exceed fourteen (14) feet, which may be expanded to a maximum of sixteen (16) feet upon ACC approval based on lot configuration. Each Owner shall construct, and thereafter maintain in good repair and condition, the driveway from the abutting street to the Lot, regardless of whether located on the Lot or within a right-of-way and/or easement adjacent to the Lot, and the driveway shall be completed prior to the occupancy of any residence on the Lot. All driveways shall be on the side of the Lot as may be designated by Declarant for each Lot. Circular driveways are permitted and may have two (2) curb cuts. A corner Lot may have up to three (3) curb cuts (for example, two on one street frontage and one on the other). All driveway configurations and curb cuts remain subject to ACC approval and applicable governmental requirements.

Section 18. Sidewalks. Declarant shall, at Declarant's sole cost and expense, design, permit, install, and complete the sidewalks along each Lot in accordance with the approved subdivision improvement plans and applicable governmental requirements before issuance of a certificate of occupancy for the residence on the Lot, which may include before the recording of the final record plat for such Lot. The Owner shall, at the Owner's sole cost and expense, repair all damage to such sidewalks occurring after the initial closing of the conveyance of the Lot by Declarant and before issuance of the certificate of occupancy, including damage caused by construction activities. All such repairs shall be completed before issuance of the certificate of occupancy and shall comply with applicable governmental requirements. Following the later of Declarant's installation of the sidewalk or Owner's purchase of a Lot, the Owner shall maintain the sidewalks in good repair as provided in Article IV. Declarant and its contractors shall have a non-exclusive easement over the Lot to the extent reasonably necessary to perform the sidewalk installation, upon reasonable notice to the Owner. Declarant's installation obligation and the Owner's repair and maintenance obligations shall survive conveyance of the Lot. The Owner's repair obligation does not shift Declarant's initial installation cost to the Owner.

Section 19. Mailboxes. Except as otherwise approved in writing by Declarant and by the U.S. Postal Service, mail delivery shall be by individual curbside mailboxes if approved by the U.S. Postal Service, in which event the Declarant shall select a single uniform mailbox (type, size, materials, design, and color) and one (1) such mailbox shall be installed for each Lot so that all mailboxes in the Community are uniform; if the U.S. Postal Service does not approve curbside delivery, mail delivery shall instead be by cluster box units (CBU). The type, size, location, materials, design, and appearance of the CBU facilities and any approved alternative mailboxes or paper holders shall be subject to prior written approval by Declarant and/or the ACC, as applicable, and shall comply with applicable postal requirements. The Association shall maintain any CBU structures, but, if permitted, the Owner shall maintain any individual mailbox on such Owner's Lot. Individual post-mounted mailboxes and paper holders shall not be permitted without the foregoing approvals.

Section 20. Landscaping; Sod; Trees; Irrigation. Each Lot shall be landscaped and maintained in accordance with the following requirements, each of which is subject to the approval of the ACC:

a. Front and Street-Facing Landscaping; Sodding. Prior to issuance of a certificate of occupancy, each Lot shall be fully landscaped, together with foundation plantings and landscape beds as approved by the ACC. All front yards, side yards, and any other yard area facing a street shall be sodded (not seeded). Rear-yard areas that do not face a street may be established by seed in lieu of sod. The ACC may grant extensions of time for legitimate weather or seasonal reasons. All landscaping shall thereafter be maintained by the Owner in a healthy, living, and well-kept condition, and any dead or diseased material shall be promptly replaced.

b. Trees. Front-yard trees shall be installed in the front yard of each Lot, outside the utility strip, by or on behalf of the Declarant or the Association, spaced approximately fifty (50) feet apart, of a uniform species and caliper selected by the ACC, the cost of which shall be paid from the Construction Deposit as provided in Article X, Section 11. The Owner shall maintain all trees on the Lot, including the front-yard trees, in a healthy, living condition and shall promptly replace any that are dead or diseased.

c. Permanent Irrigation Required. Each Lot shall be served by a permanent, in-ground automatic irrigation system that provides complete coverage of all front-yard and street-facing yard areas and all associated landscaping and landscape beds. For purposes of this Section, "permanent irrigation system" means a professionally installed, underground, automatically controlled (timer- or controller-operated) sprinkler and/or drip system; hoses, above-ground sprinklers, and other temporary or portable watering devices do not satisfy this requirement. The irrigation system shall be installed and fully operational prior to issuance of a certificate of occupancy, and the Owner shall thereafter maintain it in continuous good working order. At a minimum, all yard and landscaped areas visible from any street shall be covered by the system; coverage of side and rear yards is encouraged but not required unless otherwise directed by the ACC. The design, coverage, and water source of the irrigation system are subject to ACC approval.

d. Screening of Utility and Service Equipment. Any above-ground utility or service equipment located on a Lot and visible from a street — including, without limitation, backflow preventers, electrical transformer boxes, junction boxes, pull boxes and pull stations, cable boxes, telephone and telecommunication boxes, meters, and similar appurtenances — shall be screened from view from the street by living landscaping (such as shrubs or ornamental plantings) installed and maintained by the Owner. Such screening shall be installed prior to issuance of a certificate of occupancy, shall be of sufficient height and density to substantially screen the equipment at maturity, and shall be maintained in a healthy, living condition and promptly replaced if dead or diseased. No screening shall be installed in a manner that obstructs required access to, or the safe operation of, any utility

equipment, and all screening shall comply with any clearance requirements of the applicable utility provider. The plant species, placement, and extent of screening are subject to ACC approval.

Section 21. Fences. Perimeter fencing on Lots shall be black four-plank (4-board) wooden fence. For purposes of this Section, perimeter Lots are those Lots located along the exterior boundary of the Community, as identified by the ACC. Interior fencing, including fencing around a pool, may be black aluminum or wrought iron. Chain-link and privacy fencing are prohibited. On perimeter Lots, the required fence shall be installed within one hundred twenty (120) days of issuance of the certificate of occupancy. Pool fencing is not required by the Association; however, if a pool fence is installed, it shall be black aluminum or wrought iron and is subject to ACC approval. No paddocks, dog runs, animal pens, or other similar type of fencing of any kind shall be permitted on any Lot except as approved by the ACC. Fences may be permitted as part of any pre-designed and approved construction plan for Lots and, thereafter, as may be permitted by the ACC in accordance with this Article.

Section 22. Temporary Window Treatments. Any temporary window treatments, including, without limitation, sheets, canvas, plywood, or other opaque or security coverings, shall not be permitted to remain more than thirty (30) days following occupancy except as may be permitted in writing by Declarant, in its sole discretion.

Section 23. Construction Commencement and Completion. Each Owner shall commence construction of a principal residence on the Lot within twenty-four (24) months after the initial closing of the conveyance of the Lot by Declarant and shall complete construction of the residence within eighteen (18) months after the commencement of construction. Time is of the essence with respect to the foregoing obligations.

Section 24. Construction Deadlines; No Sidewalk Installation Security. Declarant's responsibility for initial sidewalk installation does not extend or excuse the Owner's obligations to commence and complete construction within the periods stated in the preceding Section. An Owner shall not be required to install the sidewalks or provide cash or a letter of credit to secure Declarant's initial sidewalk installation obligation merely because construction has not commenced within twenty-four (24) months after the initial conveyance. Nothing in this Section limits enforcement of the Owner's construction deadlines, sidewalk repair or maintenance obligations, or liability for construction damage under this Declaration.

Section 25. Declarant's Right of First Refusal. Prior to the issuance of a certificate of occupancy for the residence on a Lot, no Owner shall sell or contract to sell the Lot to a third party for a price less than the purchase price paid by the Owner at the closing of the Owner's purchase of the Lot (the "Original Price") without first offering the Lot to Declarant as provided in this Section. The Owner shall give Declarant written notice of the proposed sale, with a copy of the proposed contract, and Declarant shall have thirty (30) days after receipt within which to elect, by written notice to the Owner, to purchase the Lot for a price equal to (a) the Original Price, plus (b) the actual, documented, out-of-pocket costs of improvements installed on the Lot as of the date of the Owner's notice. If Declarant does not so elect, the Owner may sell the Lot to the third party on the terms stated in the notice, within ninety (90) days after the expiration of Declarant's election

period; any change that lowers the price or any later sale must again be offered to Declarant. This Section does not apply to a sale at or above the Original Price, a transfer to a Mortgagee by foreclosure or deed in lieu of foreclosure, or a transfer to a spouse, family member, or entity controlled by the Owner. This right shall terminate as to a Lot upon the issuance of a certificate of occupancy for the residence thereon. Declarant may assign this right and may record a notice of it in the Jessamine County Clerk's office.

Section 26. Default. Upon a Lot Owner's failure to comply with the provisions of this Article, the ACC may take or cause to be taken such action as may be necessary in ACC's opinion to cause compliance therewith, without liability of the Declarant, the Association, the ACC or any of their respective successors, assigns, officers, employees, stockholders, directors, partners, agents, servants or contractors, or affiliated or related persons or entities to the Lot owner or others for trespass or for any other reason, and the Lot Owner shall immediately, upon demand, reimburse Declarant or other performing party for all costs and expenses incurred in so doing, including, without limitation, third party costs and attorney's fees, which shall be considered an Individual Assessment against said Owner and Lot in accordance with this Declaration, and Declarant or Association, as the case may be, shall have a lien on that Lot and the improvements thereon to secure the repayment of such amounts, which lien shall be of equal priority as the lien for Assessments as provided for herein.

Section 27. Maintenance of Roads and Curbs; Deposit. Any Builder performing construction services within the Community, and any Lot Owner purchasing such services, shall be jointly and severally liable for any damage caused by either party, or any subcontractors, material suppliers or other parties claiming by, under, or through such parties, to any portion of the Community including, without limitation, the Areas of Common Responsibility, sidewalks, curbs, roadways, signage, and Stormwater Facilities. All Builders and Lot Owners shall take such measures as are necessary to avoid the deposit of any mud or dirt on roads within the Community. Lot Owners or Builders may, at the discretion of Declarant, be required to place a security deposit with Declarant at the time of purchase of a lot to secure this obligation.

Section 28. No Waiver of Future Approvals. The approval of either the ACC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, 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.

Section 29. Variance. The ACC may authorize variances from compliance with any of the provisions of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, aesthetic, governmental requirements, or environmental considerations require, but only in accordance with duly adopted Rules. 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 ACC from denying a variance in other circumstances. For purposes of this Section, the inability to comply with the terms of any financing shall not be considered a hardship warranting a variance.

Article XII
Use Restrictions

The Community shall be used only for single-family residential purposes.

The Association, acting through its Board of Directors, shall have authority to make and to enforce Rules governing the use of the Community, in addition to those contained herein, and to impose reasonable user fees for use of Areas of Common Responsibility and Common Areas. These use regulations and any Rules shall be binding upon all Owners, occupants, invitees, and guests until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Members representing a Majority of the total Class A votes in the Association and by the consent of the Class B Member, so long as such membership shall exist.

Section 1. Signs. No sign of any kind shall be erected within the Community (including, without limitation, hanging or displaying signs within a structure or window which are visible across the boundaries of the Lot) without the written consent of the ACC. The Board of Directors shall have the right to erect signs as it, in its discretion, deems appropriate to fulfill the purposes of the Governing Documents. No sign may be placed within the Areas of Common Responsibility without the prior consent of the Board of Directors. The Board of Directors may adopt Rules governing the manner of display, placement, size, and duration of display of signs. Provided, however, that this Section shall not prohibit:

a. Political yard signs may be displayed no earlier than thirty (30) days before any special, primary, or regular election and no later than seven (7) days after that election, unless a longer time period is provided by local ordinance or applicable law. The Board of Directors may adopt reasonable Rules regarding the placement, size, and manner of display of political yard signs, but shall not discriminate against any particular candidate, party, issue, or other political view expressed by the sign;

b. Signs advertising Lots for sale; provided, however, that such sign shall not exceed the lesser of the size customary for Jessamine County, Kentucky or three feet by three feet; and

c. Signs erected for no more than twenty-four (24) hours for the purpose of celebrating a graduation, birthday, birth, retirement, marriage, or other significant life event.

Notwithstanding the foregoing, no sign which is permitted under this Section may be placed in a location or manner which is distracting, annoying, or unsafe to drivers or pedestrians, nor shall any sign be permitted which is vulgar, obscene, or intended to harass or intimidate others.

Section 2. Parking and Garages. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Lots or in appropriate spaces or designated areas in which parking may or may not be assigned and then subject to such reasonable Rules as the Board of Directors may adopt. Routine overnight on-street parking is prohibited, except temporarily for social gatherings or other functions held on a Lot as may be approved by the Board. Commercial vehicles (including without limitation vehicles with logos, "wraps," or other advertising features), tractors,

motor homes, recreational vehicles, trailers (either with or without wheels), camper trailers, horse trailers, boats and other watercraft, boat trailers, and inoperable vehicles shall not be parked or stored on any Lot or street except within an enclosed garage. No semi-tractor or semi-tractor and trailer shall be parked on any street except with the express permission of the Board or its designate.

Section 3. Occupants and Guests Bound. All provisions of the Governing Documents or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests, vendors, and invitees of any Lot.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind (including without limitation chickens), and no beehives, shall be raised, bred, or kept on any Lot except that dogs, cats, other usual and common household pets, not to exceed a total of two (2) may be kept by each Lot Owner. Those animals which are permitted to roam free, or in the sole discretion of the Association endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board. No animals shall be kept, bred, or maintained for any commercial purpose. Dogs shall at all times whenever they are outside a Lot be confined on a leash, held by and under the physical control of a responsible person.

Section 5. Nuisance. No portion of the Community shall be used, in whole or part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any portion of the Community that will emit foul or obnoxious odors or that will cause, any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any portion of the Community, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Community. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Community.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of a lot which is not enclosed in an approved structure. This section shall require each Lot owner to keep their Lot mowed and clear of weeds and debris. Grass, weeds, and other vegetation on any Lot (whether or not a residence has been constructed) shall not be permitted to exceed twelve (12) inches in height. If an Owner fails to maintain the Lot in a reasonably neat and orderly condition, including mowing and weed eating, the Declarant or the Association may perform such maintenance, and all costs incurred shall be reimbursed by the Owner upon demand and may be assessed against the Owner and the Lot as an Individual Assessment.

Section 7. Antennas. No antenna shall be constructed upon any portion of a lot other than for the purpose of television signal reception. No television antenna shall be constructed or allowed to remain on any lot which is not connected to the primary residence thereon nor shall said antenna extend above the roof line. No satellite dish larger than eighteen (18) inches shall be permitted or located upon any Lot, and shall not be permitted in the front yard of any Lot.

Section 8. Clothes Lines, Garbage Cans, Tanks, Etc. No clotheslines, above-ground tanks, chain link enclosures, or other similar items shall be placed, allowed or maintained upon any portion of the Community, including any Lot, without prior written approval of the Board of Directors of the Association. All garbage cans shall be located or screened so as to be concealed from view of other Lots, streets, and property located adjacent to the Lot, except that garbage cans may be placed at curbside on days designated for trash pick-up for that particular Lot (but no earlier than the evening before scheduled collection). All rubbish, trash, and garbage shall be regularly removed from the Community and shall not be allowed to accumulate thereon.

Section 9. Subdivision of Lots. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of the Declarant or Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to re-plat any Lot or Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 10. Zone Change. No Owner shall apply for or consent to any zoning change, variance, or conditional use affecting a Lot without the prior written approval of the Declarant (during the Class B Control Period) or the Association.

Section 11. Firearms/Weapons. The discharge of firearms or other weapons in the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size, and this section also applies to bows, cross-bows, and other projectile weapons.

Section 12. Pools. No above-ground pools or above-ground hot tubs shall be erected, constructed, or installed on any Lot. In-ground pools and spas shall require the prior written approval of the ACC. Pool fencing is addressed in Section 21 of Article XI.

Section 13. Tents, Trailers, and Temporary Structures. Except as may be permitted by the ACC during initial construction within the Community, no tent, utility shed, shack, trailer, mobile home or other structure shall be placed upon a Lot or any part of the Community. This restriction does not apply to permanent outbuildings constructed on Lots with the approval of either the ACC or Declarant pursuant to Section 14.

Section 14. Permanent Outbuildings, Utility Sheds, Shacks; Pool Houses. Except as may be permitted by the ACC or Declarant, no permanent outbuildings, utility shed, shack, or other free-standing structure shall be allowed without written permission from the ACC or Declarant. An Owner may construct a pool house, provided it conforms to the architectural standards, style, and color scheme of the principal dwelling, does not exceed twenty percent (20%)

of the main-level floor area of the home, and receives the prior written approval of the ACC or Declarant.

Section 15. Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Community for the purpose of altering drainage and water flow, so long as it meets good engineering standards and does not materially affect the building area of any lot or any improvement thereon. The Stormwater Facilities shall be maintained as provided in Article IV, Section 4.

Section 16. Septic Systems. The Lots are not served by a public or central sanitary sewer system. Each residence shall be served by an individual on-site septic (sewage disposal) system, including leach beds, designed, permitted, installed, and maintained by the Owner, at the Owner's expense, in compliance with the requirements of the Jessamine County Health Department and all applicable laws. Percolation testing for each Lot's leach beds shall be at the Owner's expense. Each Owner shall locate the residence, driveways, and other improvements so as to preserve the area approved for the septic system and its replacement area, shall not permit vehicles or structures to be placed over the leach beds, and shall not discharge sewage, wastewater, or effluent onto the ground surface, into any Stormwater Facility, or onto any other Lot or the Common Areas. Each Owner acknowledges and agrees that the Owner must obtain the required percolation testing and applicable Health Department approval of the proposed septic disposal and replacement areas before commencing construction on the Lot. Testing and site work required to obtain such approvals may occur only with required ACC and governmental approvals.

Section 17. Tree Removal. Except as may be permitted by the ACC during initial construction within the Community, no trees shall be removed, except for diseased or dead trees and trees reasonably needing to be removed to promote the growth of other trees or for safety reasons. This Section applies to trees only. An Owner may remove invasive honeysuckle and other bushes or undergrowth from the Lot without ACC approval.

Section 18. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 19. Air Conditioning Units. No window air conditioning units may be installed on any lots without prior written consent of the Board.

Section 20. Lighting. All exterior lights, including landscape lighting, must be approved by the ACC in accordance with Article XI of this Declaration, and except for the below defined holiday seasons, no flashing or blinking lights may be displayed on any Lot, regardless of whether said lights are interior or exterior. Seasonal holiday lighting may be permitted on Lots during the following periods:

a. Halloween lights and decorations may be installed beginning October 1, and must be removed no later than November 10; and

b. Christmas lights and decorations may be installed beginning on Thanksgiving, and must be removed no later than January 10.

Section 21. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Community. Exterior sculpture, fountains, flags other than the United States flag and flagpoles/mounts displaying such flags, and similar items must be approved in accordance with Article XI of this Declaration. The Association may adopt reasonable restrictions on the time, place, and manner of displaying the United States flag in order to preserve the Community-Wide Standard and the peace and enjoyment of other Owners.

Section 22. 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 ACC pursuant to Article XI hereof. Rear-facing or otherwise non-street-visible installations are favored.

Section 23. Electric Vehicle Chargers. In-garage electric vehicle chargers are pre-approved. Exterior-mounted electric vehicle chargers require the prior written approval of the ACC.

Section 24. Trampolines; Play Equipment. Above-ground trampolines are prohibited. Playground equipment and in-ground basketball goals require the prior written approval of the ACC as to location and screening.

Section 25. Lot Leasing.

a. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot or any portion thereof by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

b. Lots may be leased only in their entirety; no fraction or portion may be leased. There shall be no subleasing of Lots or assignment of leases unless prior written approval is obtained from the Declarant during the Class B Control Period, or the Board thereafter.

c. Short-term rentals, including any rental or occupancy of a Lot for a term of fewer than thirty (30) days, any rental through Airbnb, VRBO, or similar services, and all transient tenancies, are inconsistent with the single-family residential nature of the Community and are prohibited outright.

d. All leases shall be in writing and shall be for an initial term of no less than twelve

(12) months (one (1) year) to the same tenant.

e. Notice of every lease, together with such additional information as may be required by the Declarant or Board, as the case may be, shall be given by the Lot Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Governing Documents.

Section 26. Compliance with Governing Documents. Every Owner shall cause all occupants of his or her Lot to comply with the Governing Documents, 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 Governing Documents.

Section 27. No Solicitation. No Owner or occupant of a Lot shall conduct or permit door-to-door or other open commercial solicitation within the Community, except as required by applicable law. The Board of Directors may adopt reasonable Rules regarding solicitation.

Section 28. Business Use. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities on the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Community; (c) the business activity does not involve persons coming onto the Community who do not reside in the Community or door-to-door solicitation of residents of the Community; (d) the business activity requires no employee parking and displays no exterior signage; and (e) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous, offensive or illegal use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board.

a. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, general accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves 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 therefor. Notwithstanding the above, the leasing of a Lot in accordance with Section 25 of this Article shall not be considered a trade or business within the meaning of this section.

Section 29. Dumping. There shall be no dumping on any Lot, nor any dumping or discharge of any type or nature whatsoever from any Lot, or Areas of Common Responsibility, with the exception of runoff rainwater only.

Section 30. Non-Licensed Vehicle Operation. No go-carts, recreational vehicles, sports vehicles, all-terrain vehicles, "three-wheelers", or "off-road" vehicles of any type shall be driven or operated upon the streets or rights of way or within the designated Areas of Common

Responsibility.

Article XIII
General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with the land and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of thirty (30) years, unless an instrument in writing, signed by a majority of the then-current Owners, has been recorded within the year preceding the beginning of each successive period of thirty (30) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein. This section shall not be construed so as to preclude prior amendment of this Declaration, but shall operate so as to preclude cancelation hereof.

Section 2. Enforcement. Each Owner and tenant, occupant, invitee, vendor, contractor, and agent thereof shall comply with the Governing Documents of the Association. The Governing Documents may be enforced by the Association, acting through the Board, by the Declarant, or by any Owner. Enforcement shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any Governing Document, either to restrain violation or to recover damages, and against the land to enforce any lien created by law or the Governing Documents. The Board may also enforce the Governing Documents by imposing fines and other sanctions or, in the Board's sole discretion, by self-help to cure the violation at issue. The Board may also restrict or prohibit access to the Common Areas, Areas of Common Responsibility, and Amenities; provided that access to the Owner's Lot for ingress and egress shall not be restricted. In all cases, the Association shall be entitled to recover its costs and expenses of enforcement, including its reasonable attorneys' fees, costs, and expenses and the costs of self-help. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter or of a waiver to enforce any other covenant or restriction.

Section 3. Fines; Cure Period and Hearing. In addition to all other remedies, the Association may, after notice and an opportunity to be heard, levy a fine of Two Hundred Fifty and 00/100 Dollars ($250.00) per day for each continuing violation of the Governing Documents, which fine shall be an Individual Assessment and shall constitute a lien on the Lot enforceable as provided in Article X. Before any fine becomes final, the Owner shall have a period of thirty (30) days after written notice of the violation, or such other period as the Board may establish by rule, by resolution, or in the notice of violation (the "Cure Period"), in which to cure the violation, and the right to an appeal hearing before the Board, which must be requested within fifteen (15) days after written notice of the violation. No fine shall begin to accrue until the Cure Period has expired without the violation having been cured, except as provided in Section 4 below.

Section 4. Repeat Violations. Notwithstanding Section 3 or any other provision of the Governing Documents, if the same or a substantially similar violation of the Governing Documents

occurs on or with respect to a Lot (whether by the Owner or by any tenant, occupant, invitee, vendor, contractor, or agent of the Owner) within six (6) months after the date on which written notice of a prior violation was issued to the Owner, regardless of whether the prior violation was cured, the Board may levy fines, impose other sanctions, undertake self-help, or pursue any other enforcement remedy available under the Governing Documents or applicable law without providing any Cure Period for the repeat violation. The Owner shall nevertheless be given written notice of the repeat violation and the right to an appeal hearing before the Board, which must be requested within fifteen (15) days after such notice. The Board may establish additional rules and policies regarding repeat violations, including the treatment of violations that continue or recur after the six (6) month period.

Section 5. Amendment. Prior to the conveyance of the first Lot to another party, Declarant may unilaterally amend this Declaration at any time. After such conveyance, the Declarant may unilaterally amend this Declaration so long as it owns any part of the Community and so long as the amendment has no material adverse effect upon any right of any Owner. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of Members representing at least sixty-seven percent (67%) of the total votes of the Association and the written approval of the Class B Member so long as the Class B membership exists. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until recorded in the public records of Jessamine County, Kentucky.

a. If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

b. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignees of such right or privilege.

c. Without limiting the foregoing, during the Class B Control Period the Declarant shall be authorized to amend the Bylaws and thereafter the Board of Directors shall be authorized to amend the Bylaws.

Section 6. Indemnification; Insurance.

a. The Association shall indemnify and may advance expenses to each Covered Person (as defined in the Articles) as provided in Article 12 of the Articles of Incorporation, subject to the limitations stated therein.

b. All amounts paid by the Association under this Section and Article 12 of the Articles are Common Expenses. The Association shall, as a Common Expense, maintain general liability and directors' and officers' liability insurance to fund this obligation, if such insurance is reasonably available.

c. Any repeal or modification of this Section shall not adversely affect any right or protection of a Covered Person with respect to any act or omission occurring prior to the time of such repeal or modification.

Section 7. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions of the Common Areas adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Areas or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 8. Easements for Utilities. There is hereby reserved unto Declarant, so long as the Declarant owns any part of the Community, the Association, and the designees of each (which may include, without limitation, Jessamine County, Kentucky, and any utility), blanket easements upon, across, over, and under all of the Common Areas and, to the extent shown on any Plat, over the Lots for ingress and egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, telecommunications, data, and fiber network systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, signage, and all utilities, including, but not limited to, water, sanitary sewage systems, meter boxes, telephones, gas, and electricity.

a. Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Lots within the Community for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes.

b. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated within the Community, except as may be approved by the Declarant during the Class B Control Period or the Board of Directors thereafter. Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Declarant or Board of Directors, as the case may be, shall have the right to grant such easement on said Community without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement within the Community.

c. The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Areas of Common Responsibility, Common Areas, and Open Space to Jessamine County, Kentucky or any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in this Declaration.

d. Certain Lots are subject to easements in favor of Kentucky Utilities Company (including transmission line easements) and to a water line easement, as shown on the Plat and any amendments of record thereto. Each Owner of a Lot subject to any such easement shall comply with the terms of the easement and shall not place or permit any improvement, planting, or use within the easement area that is inconsistent with the easement.

e. Declarant reserves, for itself and the Association, easements for entrance monuments, subdivision signage, irrigation, lighting, landscaping, and related improvements within the Common Areas, the Open Space, and the street frontages of Lots, as shown on the Plat or as reasonably required for the Amenities.

Section 9. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 10. Right of Entry. The Association shall have the right, but not the obligation, to enter onto any Lot for emergency, security, and safety, which right may be exercised by the Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Lot to cure any condition**,** which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request of the Board. The Association shall also have a right of entry and easement over and across the Lots to and from the Areas of Common Responsibility, including the Stormwater Facilities, as provided in Article IV, Section 4, as necessary to perform its maintenance obligations.

Section 11. Use of the Words "Saddler's Ridge". No person shall use the words "Saddler's Ridge" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms "Saddler's Ridge" in printed or promotional matter where such term is used solely to specify a particular Lot for sale within the Community.

Section 12. Interpretation; Compliance with Other Laws. The Governing Documents are intended to comply with applicable law, including without limitation the Kentucky Planned Community Act (KRS 381.785 et seq.). To the extent the Governing Documents conflict with applicable law, the Governing Documents shall yield to the minimum extent necessary to comply with the law and no other provision shall be affected. In the event the law establishes a right, remedy, or power of the Association not expressly set forth in the Governing Documents, the Governing Documents shall be interpreted to include such right, remedy, or power as if it were stated expressly herein.

Section 13. Withheld Consent. Any provision in the Governing Documents which requires the consent or approval of the Declarant or the Board of Directors shall be interpreted to

give that party the right to withhold consent for any reason and with or without explanation; provided, however, that the Board shall not unreasonably withhold consent when all requirements of the Governing Documents have otherwise been satisfied unless the Board gives a written explanation for its decision to withhold consent. Owners may request to appeal the decision to the Board of Directors to present new or additional information, or a revised request, in response to the Board's determination, however the Board shall not be required to reverse its decision except upon good cause shown.

Section 14. Exhibits. The Exhibits attached to this Declaration are incorporated herein by reference as material terms.

Article XIV
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the lot number, thereby becoming an "eligible holder"), will be entitled to timely written notice of:

a. any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

b. any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Lot of any obligation under this Declaration or Bylaws of the Association which is to occur within sixty (60) days;

c. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

d. any proposed action**,** which would require the consent of a specified percentage of eligible holders.

Section 2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

Section 3. Notice of Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 4. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Kentucky law for any of the acts set out in this Article.

Section 5. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request.

Article XV
Declarant's Rights

Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the assigning Declarant and duly recorded in the public records of Jessamine County, Kentucky.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Areas such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model Lots and houses and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots and houses owned by the Declarant and any clubhouse or community center**,** which may be owned by the Association, as models and sales offices, respectively. The Declarant shall have the right to complete construction and development of the Community.

Approved Builders. Construction of residences on the Lots shall be performed only by a Builder on Declarant's approved list or otherwise approved in writing by Declarant, in Declarant's sole and absolute discretion, consistent with the applicable lot purchase agreement.

Entrance Feature. Declarant shall design and construct a primary community entrance feature for the Community, which is anticipated to include landscaping, irrigation, decorative fencing, and entrance monumentation (such as a monument sign or similar feature), in a design and of materials determined by Declarant, to be substantially completed no later than one (1) year following the recording of the final record plat for the Community. Declarant reserves the right to modify the design, materials, and components of the entrance improvements, provided the general character and quality described above is maintained.

So long as Declarant continues to have rights under this Article, no Person shall record any

declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant. The rights contained in this Article shall terminate only upon the recording by Declarant of a written statement that all sales activity has ceased and that Declarant releases such rights by express reference thereto.

IN WITNESS WHEREOF, the undersigned Declarant executed this Declaration this ____day of ____, ____.

DECLARANT:

IVD SHARKEY LLC,
a Kentucky limited liability company

By: _____
[NAME]

Its: _____
[TITLE]

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF _____)

The foregoing Declaration was subscribed, sworn to, and acknowledged before me this _____ day of ____, ____, by _____, as the _____ of IVD SHARKEY LLC, a Kentucky limited liability company, swearing that he or she has full authority to sign on behalf of IVD SHARKEY LLC.

_____
_____
NOTARY PUBLIC

Name: _____

_____

My Commission expires: _____

_____

Notary Number (if any): _____

_____

CONSENT OF MORTGAGEE

[LENDER NAME], a _____ ("Lender"), is the holder of a Mortgage on all or part of the real property described in EXHIBIT A to the foregoing Declaration, dated _____, and recorded in Mortgage Book _____, Page _____, in the Office of the Jessamine County Clerk, Kentucky (the "Mortgage").

Lender hereby consents to the execution and recording of the foregoing Declaration of Covenants, Conditions, Easements, and Restrictions for Saddler's Ridge (the "Declaration") by IVD SHARKEY LLC, and agrees that the lien of the Mortgage is and shall be subject and subordinate to the Declaration, including the easements, covenants, conditions, and restrictions set forth therein. Lender further agrees that no foreclosure of the Mortgage, and no transfer in lieu of foreclosure, shall extinguish the Declaration or impair its enforceability against the real property or any Lot. This Consent does not alter the priority of the lien for Assessments as provided in Article X of the Declaration, and binds Lender and its successors and assigns.

LENDER:
[LENDER NAME]
By: _____
Name: _____
Its: _____

COMMONWEALTH OF KENTUCKY)
COUNTY OF _____)

The foregoing Consent of Mortgagee was subscribed, sworn to, and acknowledged before me this _____ day of ____, ____, by _____, as the _____ of [LENDER NAME], on behalf of Lender.

NOTARY PUBLIC
Name: _____
My Commission expires: _____
Notary Number (if any): _____

THIS INSTRUMENT PREPARED BY:

_____
John N. Billings, Esq.
Christopher P. Farris, Esq.
BILLINGS LAW FIRM, PLLC
145 Constitution Street
Lexington, Kentucky 40507
859-225-5240
nbillings@blfky.com
cpfarris@blfky.com
Return to PREPARER

EXHIBIT A

Description of the Real Property Initially Comprising the "Community"

Lots 1 through 48, inclusive, of SADDLER'S RIDGE, as shown on the final record plat to be recorded in Plat Cabinet _____, Slide _____, in the Office of the Jessamine County Clerk, Kentucky. [Legal description to be inserted from the final record plat upon recording.]

EXHIBIT B

Areas of Common Responsibility, Common Areas, and Open Space (if applicable)

1. Common Area: Lot 18, as shown on the Plat (a non-buildable Lot to be maintained by the Association).

2. Open Space: The HOA shall maintain Lot 47 until such time as the Declarant may seek to develop Lots 47 and 48.

3. Stormwater Facilities: the detention basin(s), water quality features, and related stormwater, drainage, and detention easement areas shown on the Plat, including those located on Lot 18.

4. Amenities: the primary community entrance feature (landscaping, irrigation, decorative fencing, and entrance monumentation) and any cluster box unit (CBU) mail facilities.

[Exhibit B to be conformed to the final record plat.]