

THOROUGHbred RUN
DECLARATIONS OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS AND LIENS

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THOROUGHBRED RUN
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, EASEMENTS AND LIENS

THIS DECLARATION, made this ____ day of _____, 2006 by BATON ROUGE LAND CO., LLC, a Kentucky Limited Liability Company, hereinafter called "Declarant", WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Exhibit "A" and "B" hereof and desires to create thereon a residential community with Common Areas for the benefit of said community; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of the Common Areas within said community; and to this end, desires to subject the real property described in Exhibit "A" hereof to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the subsequent owners thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an association to which should be delegated and assigned the powers and duties of maintaining and administering the Common Areas and administering and enforcing the within covenants and restrictions and disbursing the charges and assessments hereinafter created; and

WHEREAS, the Declarant has formed Thoroughbred Run Homeowners' Association, Inc. as a non-profit Kentucky Corporation for the purposes of carrying out the powers and duties aforesaid;

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions The following terms when used in this Declaration have the following meanings:

A. "Articles" and "Articles of Incorporation" shall mean those articles, filed with the Secretary of State of Kentucky, incorporating the Thoroughbred Run Homeowners' Association, Inc., as a corporation not-for-profit under the provisions of the Kentucky Revised Statutes, as the same may be amended from time to time. A true copy of the Articles as shown in Exhibit "D" attached hereto and made a part hereof.

B. "Association" shall mean and refer to Thoroughbred Run Homeowners' Association, Inc., and its successors and assigns.

C. "Board" and "Board of Trustees" mean the Board of Trustees of the Association as provided in the Articles of Incorporation and By-Laws of the Association.

D. "Builders" shall mean any person/s or entity/s that may acquire one or more Lots from the Declarant for the purpose of constructing improvements thereon for resale, but only to the extent of such Lots acquired.

E. "By-Laws" means the By-Laws of the Association, the same may be amended from time to time. A true copy of the By-Laws as shown in Exhibit "C" is attached hereto and made a part hereof.

F. "Common Areas" shall mean and refer to all Common Area Parcels and other real property, including structures and improvements thereon, owned by the Association for the benefit, use and enjoyment of its Members. "Common Areas" shall also mean and refer to all Mound and Landscape Easements granted in favor of the Association, including structures and improvements located thereon for the benefit, use and enjoyment of its Members.

G. "Community-Wide Standards" shall mean standards of conduct, maintenance, or other activity generally prevailing throughout the Property. Such standards may be more specifically determined by the Board of Trustees and by the Declarant so long as the Declarant owns one or more Lots within the Property. Community-Wide Standards shall be a part of the rules and regulations of the Association.

H. "Declarant" shall mean and refer to Baton Rouge Land Co., LLC, a Kentucky limited liability company, its successors and assigns.

I. "Developer" shall mean and refer to Baton Rouge Land Co., LLC, and such other persons and entities as may acquire one or more Lots from the Declarant for the purpose of constructing improvements thereon for resale, but only to the extent of such Lots acquired.

J. "Living Unit" shall mean and refer to any building or any portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single family.

K. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Property with the exception of any parcel of land designated by Declarant to be conveyed to the Association as a Common Area.

L. "Member" shall mean any one of those Owners who are members of the Association as provided in its Articles of Incorporation.

M. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, including contract sellers or other forms of executory contracts for the sale of a Lot, but excluding those having such interest merely as security for the performance of an obligation.

N. "Property" shall mean and refer to all of the Lots of Thoroughbred Run Subdivision, as described herein, and such additions thereto as may hereafter be annexed pursuant to Article II.

ARTICLE II

ANNEXATION

Section 2.1. Planned Development. Declarant reserves the right to subject any part of the real estate described in Exhibit "B" to the provisions of this Declaration, so as to create a residential development consisting of up to 222 single family residences with permanent Common Areas for the benefit of said development. Such additional property shall be annexed to the real estate described in Exhibit "A" as provided in Section 2.2 hereof. Notwithstanding the above, nothing contained in this Declaration, in the By-Laws or in any map, picture, drawing, brochure or other representation of a scheme of development shall obligate the Declarant to annex any additional property to the property described in Exhibit "A" and the real estate described in Exhibit "B" shall remain wholly free from any covenant or restriction herein contained until so annexed as hereinafter provided.

Section 2.2. Annexation of Additional Property. For a period of ten (10) years after the date this Declaration is filed for record, additional property, not limited to the Property described in Exhibit "B", may be annexed to the above-described Property by the Declarant without the assent of the Members of the Association, if any. Thereafter, such additional property may be annexed only with the consent of fifty-one (51%) percent of each class of Members of the Association. Any additional property so annexed, however, must be adjacent to or in the immediate vicinity of the above-described Property. The scheme of the within Covenants and Restrictions shall not, however, be extended to include any such additional property unless and until the same is annexed to the real property described on Exhibit "A" as hereinafter provided.

Any annexations made pursuant to this Article, or otherwise shall be made by recording a supplement to this Declaration with the Clerk of Grant County, Kentucky, which supplementary Declaration shall extend the scheme of some or all of the within covenants and restrictions to such annexed property. Such supplementary Declaration may contain such additional covenants, conditions, restrictions, easements, assessments, charges and liens as the Declarant shall deem appropriate for the purpose of completing the development of the Property.

ARTICLE III

PROPERTY RIGHTS

Section 3.1. Owner's Right of Enjoyment. Every Lot Owner and, in the case of rented Living Units, such Owner's tenants, shall have a non-exclusive right to and easement for the enjoyment of, in and to the Common Areas, and such right and easement shall be appurtenant to and shall pass with the title to every lot, subject to the following:

A. The right of the Association, in accordance with its Articles of Incorporation and Regulations, to borrow money for the purpose of improving the Common Areas, and in aid thereof to mortgage said property. The Association shall not mortgage the Common Areas except by resolution approved by two-thirds (66-2/3%) of the total number of votes held by the Owners of each class;

B. The right of the Association to levy annual and special assessments;

C. The right of the Association to grant easements over or to dedicate or transfer all or any part of the Common Areas to any public agency, authority, utility, or other person or entities for such purposes and subject to such conditions as may be agreed upon by the Members. No such grant, dedication or transfer shall be effective unless an instrument approved by two-thirds (2/3) of each class of Members agreeing to such grant, dedication or transfer at a meeting called for such purpose has been recorded upon the public records of Grant County, Kentucky;

D. The right of the Declarant, its successors and assigns, or any successor Developer, to make any improvements they deem proper upon the Common Areas, even after their conveyance to the Association;

E. The right of the Declarant, its successors and assigns, and the Association, to erect and maintain signs and landscaping within Landscape Easements upon lots, and within Common Areas as shown upon any plat of subdivision of the Property.

Section 3.2. Title to Common Areas. Title to the Common Areas shall be conveyed to the Association free and clear of all liens and encumbrances; provided, however, that the Declarant shall have the right from time to time to reserve for the purpose of development of the Property all or any portion of the Property for various easements and rights-of-way, together with the right to dedicate same where applicable and customary and right of ingress and egress across the Common Areas in connection with the development of the Property. The Declarant's rights hereunder shall not unreasonably interfere with the Owner's easement of enjoyment.

The Association shall accept "as is" the conveyance of Common Areas without any representation or warranty, express or implied, in fact or by law, with respect thereto, or with respect to the improvements and repairs to be completed after the conveyance including, without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and without any representations or warranties regarding future repairs or regarding the conditions, construction, accuracy, completeness, design, adequacy of the size or capacity in relation to the utilization, date of completion or the future economic performance or operations of, or the utilities, materials or furniture which have been or will be used in such Common Areas or repairs, except as set forth herein. By acceptance of an interest in any such Common Area or the deed to any Lot, the Association and all Owners release Declarant and the Developer from any claims and warrant that no claim shall be made by the Association or any Owner relating to the condition, or completeness of such property or repairs of for incidental or consequential damages arising therefrom.

ARTICLE IV

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 4.1. Members. Every Lot Owner shall be a Member of the Association, and such membership shall be appurtenant to and may not be separated from ownership of any Lot. The Declarant shall be a Member of the Association so long as it qualifies as a Class A or Class B Member as defined below.

Section 4.2. Classes and Voting Rights. The Association shall have two (2) classes of voting membership:

A. Class A — Except as provided below, Class A Members shall be all Lot Owners except the Declarant, and Class A Members shall be entitled to one (1) vote for each such Lot owned. When more than (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Owners determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

B. Class B – Class B Member shall be the Declarant (as defined in the Declaration), and such Member shall be entitled to such number of votes as will constitute seventy-five percent (75%) of the total voting power of the Association, so long as the Class B membership continues to exist. The Class B membership shall cease to the extent permitted by Kentucky Law and shall be converted to Class A membership with one vote for each Lot owned, on the happening of either the following events, whichever occurs earlier:

(a) When all of the real property described in Exhibit "B" has been annexed to this Declaration by the Declarant and seventy-five percent (75%) of the Lots therein (up to a total of 222 Lots) have been sold by the Declarant and conveyed to individual Lot Owners;

(b) Ten (10) years from and after the date this Declaration is filed for record.

Provided, further, that nothing herein shall be construed to prohibit the Class B Member from converting all or part of its Class B membership to Class A membership with the results set forth above at any time earlier than the latter of the alternative events referred to above, by written statement executed by the Declarant and delivered to the Association.

ARTICLE V

ASSESSMENTS

Section 5.1. Covenant for Assessments. The Parties hereto, and each person, group of persons or entity which becomes an Owner of a Lot, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to pay the Association: (1) annual assessments; (2) special assessments for capital improvements or other services provided by the Association; (3) individual assessments; and such assessments to be fixed, established and collected from time to time as hereinafter provided. All assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, including, but not limited to, reasonable attorneys' fees, shall be a charge on and shall be a continuing lien upon the Lot and improvements against which such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person, group of persons or entity who was the Owner of such property and Lot at the time when the assessment fell due.

Section 5.2. Purpose of Assessments. The assessment levied by the Association shall be used to maintain, promote, protect and enhance the value of the Common Areas.

Section 5.3. Capital Contribution and Assessment at Closing. At the time of a closing on the purchase of a Living Unit on a Lot, the purchaser of such Living Unit on a Lot shall be required to pay the sum of One Hundred Dollars (\$100.00) as such purchaser's initial capital contribution to the working capital of the Association. This capital contribution shall be used by the Association for its operating expenses. Such capital contribution is not an advance payment of assessments, and it will not be held in any sort of trust or reserve account. Additionally, at the time of such closing, each purchaser of a Living Unit on a Lot shall be required to pay a pro-rata share of the annual general assessment, for the balance of the current year to the extent that such assessment is not otherwise being collected by the Association. The Declarant and each Builder shall be exempt from the capital contribution collected pursuant to this Section 5.3. The amount of the capital contribution pursuant to this section may be adjusted by the Declarant at any time.

Section 5.4. Annual General Assessments. An annual general assessment shall be levied on the Lots and Members owning Lots in such amount as determined by the Association to provide and be used for the purpose of: (a) providing grass cutting, fertilizing, weed and insect treatments and maintenance of trees, shrubbery and flowers located on or within Common Areas; (b) providing maintenance and operation of all improvements and structures erected or placed on the Common Areas, including but not limited to the clubhouse, pool, pool deck, playground area, parking lots, arbors, walls, fences, signage, monuments, head stones, paths, sidewalks, lighting, irrigation,

private drainage improvements, or other structures and facilities located on or within any of the Common Areas; (c) providing grass cutting, fertilization, weed and insect treatments and maintenance of trees, shrubbery, flowers and sidewalks within the public street right-of-way where it is adjacent to Common Areas; (d) providing maintenance of all types to any lakes in the Common Area; (e) providing fire and extended coverage insurance, and vandalism and malicious mischief coverage wherever possible (or such other varieties of insurance as may be agreed to by the Association and the Lot Owners, including the contents thereof), all of such insurance policies shall be payable to the Association as Trustee for the Lot Owners, the Association, and their mortgagees, as their interests may appear, the proceeds of which shall be used to restore or replace any improvements damaged or destroyed by any peril covered by said insurance; (f) real estate taxes and assessments on Common Areas; (g) service charges for sewer, water, electric and other utility facilities serving Common Areas and areas within the public street right-of-way where it is adjacent to Common Areas; (h) management, supervision, legal and accounting expenses; (i) providing reasonable reserves for contingencies, replacements, maintenance, repairs, other costs incurred by the Association, and working capital of at least two (2) months' estimated charges for each Lot; and (j) other maintenance and repair of Common Areas as further detailed in of this Declaration.

Section 5.5. Special Assessments. In addition to the annual and individual assessments authorized by this Article, the Association may levy special assessments, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement, of a capital improvement located upon the Common Areas or within the public street right-of-way where it is adjacent to Common Areas, or any other special or unanticipated purpose as approved by the Association, provided (except in the case of insufficient insurance as set forth in Article VII, Section 7.5 of this Declaration) such special assessments shall have the assent of 66-2/3% of the total number of votes held by the Members of each class. A meeting of the Members shall be duly called for this purpose, written notices of which shall be sent to all Members at least fifteen (15) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 5.6. Individual Assessments. In the event that any damage is caused to any of the Common Areas or within the public street right-of-way, where it is adjacent to Common Areas through the willful or negligent act of a Lot Owner, his family, tenants, guests or apportionment, the Board shall have the obligation to correct or repair any such damage, and the costs thereof shall be added to and become a part of the assessment against the individual Lot owned by the Lot Owner, or his family, tenants, guests or apportionment causing such damages.

Section 5.7. Basis and Apportionment of Assessments. The annual general assessments and special assessments, as provided for in Sections 5.4 and 5.5 of this Declaration, shall be apportioned equally upon all of the Lots except as otherwise provided in Article V, Section 5.8 of this Declaration.

Section 5.8. Commencement of Assessments. The annual assessment for each Lot shall commence on the first day of the month following the conveyance of the first Lot by the Declarant. The first annual assessment shall be pro-rated for the calendar year beginning January 1, 2006. The annual general assessment for Lots which are conveyed by the Declarant during calendar years after 2006 shall be pro-rated for that year, beginning on January 1st of that same year. A Lot assessment equal to ten percent (10%) of the allocated assessment shall be allocated to unsold Lots owned by the Declarant. In the event the Declarant elects to subsidize the Association, those amounts paid by the Declarant to subsidize the Association shall be credited against annual assessments owed by the Declarant. The Declarant's subsidy to the Association may be in the form of a cash subsidy or by "in kind" contributions of services or materials or a combination of these. All assessments shall be payable in advance in equal installments as determined by the Board of Trustees. Failure to mail notices by the dates required shall not affect the rights of the Association to assess Lots as provided herein. This paragraph shall not be subject to amendment once Declarant becomes a Class A member without the affirmative vote of 100% of all Lot Owners including the Declarant.

It shall be the duty of the Board of the Association to fix the amount of the general assessments applicable to each Lot annually. The Board shall make reasonable efforts to fix such amounts, in advance, by the first day of December of each year, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Lot Owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the Owners of any Lot subject thereto. Annual assessments shall become a lien on each Lot on January 1 of each year. Failure to mail notices by the dates required shall not affect the right of the Association to assess Lots as provided herein.

Individual and special assessments shall be fixed by the Board as provided in this Article, which assessments shall become a lien on the Lots on the date that the Board mails written notice of any such assessment to the Owners of any Lot subject thereto.

Section 5.9. Assessments Certificates. The Association shall, upon demand, at any reasonable time, furnish to any Lot Owner liable for assessments or to his designee a certificate in writing signed by an officer or other authorized agent of the Association, setting forth the status of said assessments, i.e., whether the same are paid or unpaid and the amount outstanding. Such certificate shall be conclusive evidence of the payments of any assessments therein stated to have been paid. A charge not to exceed Fifteen Dollars (\$15.00) may be levied in advance by the Association for each Certificate so delivered.

Section 5.10. Non-Payment of Assessment. Any assessment levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest thereon and cost of collection thereof, as hereinafter

provided, including reasonable attorney's fees, thereupon become a continuing lien which shall bind such Lot in the hand of the then Owner, his heirs, devisees, personal representative and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. Interest on delinquent assessments shall be charged at the lessor of one and one-half percent (1.5%) per month or the highest rate permitted by law.

If any assessment is not paid within thirty (30) days after the due date, the assessment shall include a penalty of Five Dollars (\$5.00) per month, said penalty increasing at a rate of Five Dollars (\$5.00) per month thereafter up to a maximum of Fifty Dollars (\$50.00) per month or the highest amount permitted by law, whichever is less, and the Association may bring an action at law against the Owner personally obligated to pay the same, or to foreclose the lien against the Lot, in either of which events, interest, costs and reasonable attorneys' fees shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessment herein provided by abandonment of his Lot. To the extent any assessment lien is not paid out of the proceeds of a foreclosure sale, and is discharged, the amount thus unpaid shall be deemed to be common expenses and shall be levied against all of the Lots.

Section 5.11. Subordination of Lien to First Mortgage. Any lien for delinquent assessments, as provided in Section 5.10, shall be subordinate to a first mortgage on the Lot, if said first mortgage was recorded before the delinquent assessment came due.

When the mortgagee of a first mortgage of record, or other purchaser of a Lot as a result of judicial execution, acquires title to the Lot as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure of the first mortgage, such acquirer of title, his or its heirs, successors and assigns, shall not be solely liable for the share of the assessment by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer and any lien against such Lot shall be canceled and voided, and shall become unenforceable. Such unpaid share of assessment shall be deemed to be common expenses collectible from all of the Lots, including that of such acquirer, his or its heirs, successors and assigns.

ARTICLE VI

MAINTENANCE

Section 6.1. Maintenance of Common Areas. The Association shall be responsible for the following: (a) providing grass cutting, fertilizing, weed and insect treatments and maintenance of trees, shrubbery and flowers located on or within Common Areas; (b) providing maintenance and operation of all improvements and structures erected or placed on the Common Areas, including but not limited to the clubhouse, pool, pool deck, playground area, parking lots, arbors, walls, fences, signage, monuments, head stones, paths, sidewalks, lighting, irrigation, private drainage improvements, or other structures and facilities located on or within any of the Common Areas; (c) providing grass cutting, fertilization, weed and insect treatments and maintenance of trees, shrubbery, flowers and sidewalks within the public street right-of-way where it is adjacent to Common Areas; (d) providing maintenance of all types to any lakes in the Common Area; (e) providing fire and extended coverage insurance, and vandalism and malicious mischief coverage wherever possible (or such other varieties of insurance as may be agreed to by the Association and the Lot Owners, including the contents thereof), all of such insurance policies shall be payable to the Association as Trustee for the Lot Owners, the Association, and their mortgagees, as their interests may appear, the proceeds of which shall be used to restore or replace any improvements damaged or destroyed by any peril covered by said insurance; (f) real estate taxes and assessments on Common Areas; (g) service charges for sewer, water, electric and other utility facilities serving Common Areas and areas within the public street right-of-way where it is adjacent to Common Areas; (h) management, supervision, legal and accounting expenses; (i) providing reasonable reserves for contingencies, replacements, maintenance, repairs, other costs incurred by the Association, and working capital of at least two (2) months' estimated charges for each Lot; and (j) other maintenance and repair of Common Areas as further detailed in Article VI, Section 6.4 of this Declaration.

Section 6.2. Reserves. The Association shall establish and maintain a reserve account containing such amounts as the Board shall annually determine to be necessary to adequately meet the cost of all anticipated repairs, replacements and maintenance activities required of it under this Declaration. Such account shall be funded from the annual general assessments provided for in Article V, Section 5.4 of this Declaration.

Section 6.3. Professional Management Contracts. The Association may delegate all or any portion of its authority to discharge its responsibilities herein to a manager or managing agent. Any management agreement shall not exceed three (3) years.

Section 6.4. Private Storm Sewer Improvements/Detention Basins/Retention Basins. It shall be the responsibility of the Association to maintain the property and

improvements within "private storm drainage easements", "private storm sewer easements", "drainage facility easements" and "100 year permanent drainage easements" located on Common Areas unless the local political jurisdiction assumes the maintenance responsibility. No structure, planting, fencing, culvert, grading, topsoil or other materials shall be placed or permitted to remain in any of these easement areas which may obstruct, retard or divert the flow through the water course.

Section 6.5. Owner's Maintenance Responsibility. Each Lot Owner shall maintain the owned Lot and all structures, parking areas and other improvements thereon. Owners of Lots fronting on public streets within the Property shall maintain driveways serving their respective Lots and shall maintain the ground cover, sidewalks and private mailboxes located within the public street right-of-way between the Lot boundary line and the nearest pavement edge. Owners shall maintain street trees within the public street right-of-way in the event street trees are installed by the Declarant or by Builders. Owners shall have no right to remove street trees, or other existing vegetation from the Lot or the public street right-of-way adjacent to the Lot or from a Mound and Landscape Easement without prior approval of the Association.

The Owner of a Lot where no Living Unit has been constructed and occupied shall keep the Lot free of any loose debris and other non-indigenous materials and shall maintain the vegetation on the Lot including the removal of dead trees or shrubs which may be a nuisance to adjacent Lot Owners or the Association and including the upkeep and mowing of ground cover on the Lot so that the ground cover does not exceed 8" in height.

All maintenance required by this Section 6.5 shall be performed in a manner consistent with the Declaration, By-Laws, Community-Wide Standards and all other applicable regulations. If any Lot Owner fails to properly perform his or her maintenance responsibility or removes street trees or other vegetation without Association approval, the Association shall have the right, but not the obligation to maintain such property and assess all costs incurred by the Association against the Lot and the Owner thereof as a Special Assessment.

ARTICLE VII

INSURANCE

Section 7.1. Fire, Extended Coverage and Standard "All Risks" Insurance.

The Association shall maintain insurance for all buildings, structures and improvements constructed on the Common Areas, against any loss or damage by fire, lightning and such other hazards as are ordinarily insured by a comprehensive fire, extended coverage and "all-risks" policies issued in the amounts at all times sufficient to prevent the Lot Owners from becoming coinsurers under the terms of any applicable coinsurance clause or provision and in no event less than the actual replacement cost of such buildings and structures, as determined from time to time by the insurer.

The insurance required hereby shall be obtained from a fire and casualty insurance company authorized to write such insurance in the State of Kentucky which has a general policy holder rating of no less than A, as determined by the then latest edition of the Best's Insurance Reports or its successor guide, and shall be written in the name of the Association for the use and benefit of the Lot Owners and their mortgagees as their interests may appear. The Board and/or its authorized representatives shall have the exclusive right to negotiate and adjust all losses to the Common Areas. Unless the Board determines otherwise, all such insurance shall contain a waiver of subrogation of rights by the carrier as to the Association, its officers or Trustees, and all Lot Owners and Occupants.

Section 7.2. Use of Fire Insurance Proceeds. Unless at least two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than the Declarant or Developer) of the individual Lots have given their prior written approval, the Association shall not be entitled to use hazard insurance proceeds for losses to the Common Areas for other than the repair, replacement or reconstruction of such Common Property.

Section 7.3. Liability Insurance. The Association shall obtain and maintain a comprehensive policy of public liability insurance covering all of the Common Areas insuring the Association, the Trustees, and the Lot Owners and Members of their respective families, tenants and occupants, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for personal injury and/or property. This insurance shall include protection against such risks as are customarily covered with respect to developments similar in construction, location and use, as determined by the Board. This insurance shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim for a Lot Owner, tenant or occupant because of negligent acts of the Association, the Board, or other Lot Owners, tenants, or occupants.

Section 7.4. Other Insurance. In addition, the Board may purchase and maintain contractual liability insurance, trustees' and officers' liability insurance, errors

and omissions, and such other insurance as the Board may deem desirable from time to time.

Section 7.5. Insufficient Insurance. In the event the improvements forming a part of the Common Areas or any portion thereof shall suffer damage or destruction from any cause or peril which is not insured against, or, if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, the Association shall advance such costs in excess of available insurance proceeds. The amount so advanced by the Association shall become a special assessment against all of the Lots, and such assessments shall have the same force and effect, and, if not paid, may be enforced in the same manner as herein provided for the non-payment of assessments. The action required to be taken by the Association under this Section shall not require any vote of the members of the Association.

Section 7.6. Fidelity Bonds. The Board shall obtain fidelity bond coverage with respect to any person who either handles or is responsible for funds held or administered by the Association, in an amount no less than the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. Provided, however, the fidelity bond coverage must at least equal the sum of three months' assessments on all Lots in the project, plus the Association's reserve funds. A management agent handling funds for the Association shall also be covered by its own fidelity bond, naming the Association as an additional obligee, at the sole cost of said agent.

ARTICLE VIII

USE RESTRICTIONS

Section 8.1. Covenants and Restrictions. The covenants and restrictions set forth in this Article VIII are for the benefit of the Declarant and all Lot Owners of Thoroughbred Run Subdivision and are to run with the land and shall be binding on all parties and all persons claiming ownership under them. These covenants and restrictions are not applicable to any real property other than the property submitted to this Declaration.

Section 8.2. Enforcement. It shall be lawful for the Declarant, the Association, or any person or persons owning real property submitted to this Declaration to prosecute any proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or restriction herein contained and either to prevent him or them from doing so or to recover damages or other dues from such violation. Before any items of construction may be altered or demolished pursuant to this Section, judicial proceedings must be had against the Owner.

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

Section 8.3. Prohibited Uses.

A. Use of Lot. No Lot in this subdivision shall be used except for residential purposes unless otherwise identified as a Common Area. Each residential Lot may contain one single family dwelling house which may include an attached garage. No Lot shall be used or occupied for the manufacture or sale of any articles. No garage may be enclosed for living purposes or for storage, or for any purpose other than the parking of automobiles and usual garage purposes without the prior written approval of the Board of Trustees, except that garages in model homes constructed by Declarant or Builders for the sale and marketing of Lots and Living Units within the Property may be temporarily enclosed for office and display space during the development of Thoroughbred Run.

B. Parking. The Owners of every Lot shall provide and maintain at all times a minimum of four (4) off-street parking spaces (including a minimum of two enclosed garage spaces) per Living Unit unless waived in writing by the Board of Trustees, except that garages in model homes constructed by Declarant or Builders for the sale and marketing of Lots and Living Units within the Property may be temporarily enclosed for office and display space during the development of Thoroughbred Run Subdivision.

C. 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 within 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 governmental requirements; (c) the business activity does not involve persons coming onto the Lot on a regular scheduled basis who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of Lot and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. This use restriction shall not apply to the sales and marketing activities of Declarant or Builders to provide the sale of Lots and Living Units within Thoroughbred Run Subdivision.

D. Subdivision of Lots. No Lot shall be subdivided to permit property lines to be altered in any manner except as may be approved in writing by the Board provided, however, that a single Lot may be combined with another Lot or portion thereof, to form a larger Lot, with the prior written approval of the Board. To the extent that any resubdivision is approved, the same shall be reflected by an appropriate document recorded with the Clerk of Grant County, which shall also state how the properties are to be assessed, as determined by the Board.

In the event that two or more Lots are combined to form a larger Lot, the Owner of the larger Lot will be responsible for the perpetual payment of Association assessments for each of the original Lots which were combined.

E. Temporary Structures. No structure or object of a temporary character, such as, but not limited to house trailers, vans, tents, animal or pet houses or shelters, shacks, or sheds shall be constructed, erected, kept or maintained on any Lot. This restriction shall not apply to temporary structures used by Declarant or with Declarant's consent, for development, construction or sale of the Lots, nor to temporary structures such as tents, canopies or awnings erected for special events, provided that such structures are removed within 72 hours following the completion of the event and otherwise comply with the Community-Wide Standards, nor to temporary sales or construction trailers used by Declarant or Builders in the course of construction of Improvements. After a period of five (5) years from the date of filing this document in the Grant County Clerk's records, the Thoroughbred Run Homeowners' Association and/or Declarant may amend these restrictions to allow temporary structures. Specific standards, design and reasonable setback requirements will be determined at that time.

F. Nuisances. No portion of the Property shall be used, in whole or in 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 Property 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, illegal or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. 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 the Property. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Property.

G. Animals and Pets. Owners may keep companion pets such as birds, domesticated cats, fish, dogs and other small mammals. Owners may not keep a number of pets which the Board, in its sole and absolute discretion, shall deem excessive. More than two (2) domesticated cats and dogs shall be considered excessive. No Owner may keep exotic cats, horses, fowl, reptiles, obnoxious, vicious or dangerous animals, farm livestock or zoo-type animals on the Property. The determination of what is or what may be an obnoxious animal, fowl or reptile shall be determined by the Board in its sole and absolute discretion. Pets must be kept under control by their Owner at all times. No animal or pet houses or shelters shall be constructed, erected, kept or maintained on any Lot. Animals and pets shall at all times, whenever they are outside of the limits of their Owner's Lots, be confined on a leash, held by a responsible person. Owners are responsible for their pets at all time. Pets shall not be permitted to make noise for extended periods of time or to rummage through refuse, such actions being deemed a nuisance. The Owner shall remove and properly dispose of its pet's waste from the Property. Failure to remove and dispose of a pet's waste material shall be deemed a nuisance. No animals or pets shall be kept, bred or maintained on any Lots for commercial purposes. The Board shall have the right to order the removal of any pet which, in the Board's sole and absolute discretion is considered a nuisance, and the same shall be done without compensation to the Owner. In such event, the Board shall give written notice thereof to the pet owner, and the pet shall immediately thereafter be permanently removed from the Property. An Owner, by the purchase of a Lot, agrees to indemnify the Association, and hold it harmless against loss or liability of any kind arising from the Owner having any animal on the Property.

H. Hazardous Material. Hazardous materials shall only be stored on the Property if reasonably necessary for the maintenance of the Property or operation of any permitted business within the Property. All hazardous materials shall be stored, utilized and accounted for in accordance with all governmental requirements. Owners shall be responsible for the maintenance, clean-up, storage, handling and disposal of any hazardous materials on their property and any contamination therefrom. If any Owner fails to properly perform the Owner's maintenance responsibility, the Association shall have the right, but not the obligation to maintain such hazardous materials and assess all costs incurred by the Association against the Lot and the Owner thereof as a Special Assessment.

I. On-Site Fuel Storage. No on-site storage of gasoline or other fuels shall be permitted on any Lot except that up to five (5) gallons of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment. Notwithstanding this provision, underground fuel tanks for storage of heating

fuel for dwellings, pools, gas grills and similar equipment may be permitted on a Lot if approved by the Declarant or the Declarant's designee.

J. Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted on the Property except in containers located in appropriate areas, if any, and in all events such containers shall not be visible from any of the Property except for the minimum time necessary for its collection. No odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or its occupants. No clothing or household fabrics shall be hung, dried or aired in a manner which is visible from any roadway, any part of the Property or Common Area. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk material or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Property, except within an enclosed structure appropriately screened from view erected for that purpose, if any.

K. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner of a Lot to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot, respectively.

L. Walls and Fencing. Walls or fences to be erected on any Lot shall be ornamental in character. Above ground yard fences shall be limited to split rail fences, with wire mesh optional or similar type if approved by Declarant or its Designee. Permitted above ground yard fences shall be natural in color and shall not exceed four (4) feet in height. No wall or fence shall extend into the front yard beyond the rear line of each respective residence except, however, retaining walls or other walls required by nature or the contour of the Lot. On corner Lots, no side-yard fences shall extend closer to the street than the front building setback line, assuming all corner Lots have two (2) front building setback lines. At the discretion of the Declarant or the Declarant's designee, privacy fences, which shall not exceed six (6) feet in height, may be allowed in conjunction with small private areas adjacent to the rear of the single family dwelling, such as a patio, a deck or a hot tub. At the discretion of the Declarant or the Declarant's designee, privacy fences may also be allowed along any property line which abut Lots of surrounding developments. These fences shall be limited to cedar, redwood, vinyl or treated lumber, be shadowbox design, natural in color and limited to 6' in height.

All walls, above ground yard fences, "invisible fences" and privacy fences must be approved by the Declarant or the Declarant's designee prior to installation.

All walls and fencing erected by Declarant within the Common Areas shall be exempted from all fencing and wall restrictions.

M. Radio and Television Antennas. All television and radio antennas, including CB radio antennas, must be enclosed within the residence located on the Lot. Satellite dishes shall be permitted on any Lot provided they are installed in compliance with the following criteria: (a) the diameter of the dish does not exceed two (2) feet; (b) it

is screened from view of all adjacent Lots and the street; and (c) it is either (i) attached to the residence, or (ii) located on the Lot.

N. Utility Lines. No overhead utility lines, including, without limitation, lines for water, electric, gas, telephone and cable television, shall be permitted within the Property, except for temporary lines required during construction. All private underground utility lines shall be run from the proper connection points to the building structure in conformity with governmental requirements, and acceptable to the Association.

O. Mineral Exploration. The Property shall not be used in any manner to explore for, use or exploit commercially any water, oil, or other hydrocarbons, minerals of any kind, gravel, earth, soil or any other substance located on or under the ground.

P. Machinery and Equipment. No commercial machinery or equipment of any kind shall be placed, operated or maintained upon any Lot except such machinery or equipment reasonably necessary for use in connection with maintenance or construction of Improvements on the Property.

Q. Truck Parking. No truck of any kind shall be permitted to be parked within this subdivision for a period of more than eight hours, unless the same is actually being used for construction or repair work of a house in the subdivision. In no event will any truck be permitted to be parked in the subdivision overnight, unless said truck is in an enclosed garage. Passenger type station wagons, pick-up trucks (up to $\frac{3}{4}$ ton) and minivans (not exceeding 17' feet in length and/or not having bath or cooking facilities), shall not be construed to be "trucks" but rather are to be classified as passenger vehicles. These parking restrictions shall not apply to vehicles used for the construction and development of this subdivision or construction upon any Lot.

R. Vehicle Parking. No boat, trailer, camper, mobile home, or house vehicle shall be permitted to be parked on any street or Lot in the subdivision unless same is stored or parked in an enclosed garage, except while loading or cleaning which shall not exceed 12 hours. No bus shall be parked on any Lot or street in this subdivision. No inoperable vehicle may be kept on any Lot (except if stored in a fully enclosed garage) for a period longer than five days, after which time the vehicle shall be considered a nuisance and must be removed from the Lot. Overnight parking of vehicles in any front yard or on any unpaved surface is not permitted except by permission of the Board. These parking restrictions shall not apply to vehicles used for the construction and development of this subdivision or construction upon any Lot.

S. Play Apparatuses & Equipment. Play apparatuses and equipment, including swing sets or similar physical equipment, playground toys and trampolines are acceptable as long as they are located at the rear of the Living Unit and are not located within 30 feet of the rear property line of any Lot or within 15 feet of the side property line. All play apparatuses and equipment and the proposed location thereof must be approved by the Declarant or the Declarant's designee prior to installation. All bicycles,

tricycles, scooters, skateboards and other play equipment, wading pools, baby strollers and similar items shall be stored overnight in the Living Unit so as not be visible from street or property adjacent to a Lot. No such items shall be allowed to remain on Lots so as to be visible from adjacent property when not in use.

T. Basketball Backboards. No basketball backboards, goals or baskets shall be permitted to be kept upon the garages, driveways or buildings at the front of lots unless the basketball backboard can be installed so that it is perpendicular to the direction of the public street and unless it is clear or transparent. The location, construction, design and materials must be approved by the Declarant or the Declarant's designee.

Portable, free-standing basketball backboards are permitted, provided they are not placed within thirty (30') feet of the curb of any public street and provided they are removed on a daily basis and when not in use. In no event shall they be visible from any public street, any adjacent Lot or any Common Area when not in use.

U. Window Coverings. Reflective window coverings are prohibited. No awnings, canopies or shutters shall be permanently installed on the front exterior of any building unless first approved by the Declarant or the Declarant's designee.

V. Roof Materials and Colors. Roof materials and colors should be compatible throughout the Property and should be compatible with other exterior materials and colors. All roofs shall consist of asphalt or fiberglass (or a combination thereof) shingles with colors limited to black and shades of gray or brown. All roof stacks (excepting PVC plumbing stacks), flashings and metal chimney caps must be black or painted to match the roof top.

W. Exterior Colors. The color of exterior building materials which are painted or artificially colored, including but not limited to siding, trim, brick, stucco and dryvit, shall be limited to the colors white and shades of gray or tan unless approved by Declarant or Declarant's designee. Exterior stone shall be natural in color and exterior brick shall be natural tones of red and brown.

X. Irrigation. No sprinkler or irrigation systems of any type shall be located within the right of way area adjacent to a lot. No sprinkler or irrigation systems which draw upon water from creeks, streams, ponds, or other ground or surface waters within the Property shall be installed, constructed or operated within the Property by any Lot Owner without the expressed written permission from the Board of Trustees.

Y. Swimming Pools and Hot Tubs. Above ground and portable swimming pools are strictly prohibited. Small portable wading pools up to 12" deep and 6' in diameter are permitted provided they are removed on a daily basis and when not in use. In no event shall they be visible from any public street, any adjacent Lot or any Common Area when not in use. In ground swimming pools and hot tubs may be permitted if approved by the Declarant or Declarant's designee.

Z. Mailboxes. All private mailboxes must conform to the size, shape, design and specifications approved by Declarant or Declarant's designee. It is intended that there be a uniform mailbox design for the subdivision.

AA. Lighting. Seasonal Christmas or holiday decorative lights, which may be displayed between Thanksgiving and January 10 only, are permitted.

BB. Artificial Vegetation, Exterior Sculptures and Similar Items. All artificial vegetation, exterior sculptures, fountains, flags and similar exterior ornaments and items must be approved by the Declarant or Declarant's designee, provided however, that nothing herein shall prohibit the appropriate display of the American flag on recognized national holidays.

CC. Sight Distance at Intersections. All Lots 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.

DD. Signs. No sign or billboard of any kind or nature including, but not limited to commercial and similar signs, whether permanent or temporary, shall be erected or maintained on any Lot except signs required as a matter of law and Declarant, Builder, Realtor or Owner signs, not exceeding 4 square foot in size, for the purpose of selling or reselling the Lot or the Living Unit on the Lot. The Board of Trustees may create uniform guidelines for the size, timing and placement of political signs.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Duration. Except where permanent or perpetual easements or other permanent rights or interests are herein created the terms and provisions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or by any of the Lot Owners, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date of recordation of this Declaration, after which the Declaration shall be automatically extended for successive periods of ten (10) years in perpetuity, unless a recorded instrument signed by the then Owners of two-thirds (2/3) of the Lots have been recorded, agreeing to terminate the Declaration.

Section 9.2. Amendment. The Declaration may be amended, from time to time, as follows:

A. By Declarant. The Declarant reserves the right and power and each Lot Owner by acceptance of a deed to a Lot is deemed to and does grant to the Declarant a Power of Attorney coupled with an interest which shall run with the title to the Lot, and shall be irrevocable except by Declarant for a period of five (5) years from the date hereof, to amend this Declaration to the extent necessary to conform to any requirements imposed or requested by any governmental agency, planning or zoning body, public authority or financial institution, (including the U.S. Department of Housing and Urban Development, the U.S. Veteran's Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or similar agency), without the approval of the Lot Owners, or to the extent necessary to enable Declarant or any other Developer to meet any other reasonable need or requirement in order to complete the development of the property and to facilitate the making and marketing of first mortgages upon any of the Lots. Any amendment must be recorded and shall take effect only upon recording.

B. By Lot Owners. This Declaration may be amended at any time by an instrument executed by persons or entities enabled to exercise sixty-seven (67%) percent of the voting power of both classes of the Association and approved by eligible mortgage holders representing Lots having at least fifty-one (51%) percent of the voting power; provided, however, that Declarant's rights hereunder may not be amended or altered without Declarants' prior written consent. Any amendment must be recorded and shall take effect only upon recording.

Section 9.3. Personal Liability. Nothing in this Declaration, the Articles or the By-Laws and Regulations of the Association, or any rules or regulations enacted pursuant to any of the foresaid, shall impose personal liability upon any member of the Board of Trustees or any officer of the Association acting in his capacity as such, for the maintenance, repair or replacement of part of the Common Areas or give rise to a cause

of action against any of them except for damages resulting from their own willful omissions or misconduct and each person who becomes an Owner or Member hereby releases and discharges all persons now or hereafter serving as an Officer or Trustee, or both, from any liability for injury or damages to such Member or Owner or to such Member's or Owner's property and covenants not to initiate any legal proceedings against any such person or persons unless such said person is covered by insurance and in such event the amount of recovery shall be limited to the amount of insurance.

Section 9.4. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 9.5. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain or to enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants; and the failure or forbearance 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.

Section 9.6. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way effect any other provision hereof, each of which shall remain in full force and effect.

Section 9.7. Conflicts. In the case of any conflict between this Declaration and either the Articles of Incorporation or the By-Laws of the Association, the Declaration shall control.

Section 9.8. Rights of Mortgage Holders. Any first mortgagee or mortgagees of Lots may, jointly or singly, pay any taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Areas, and such first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

The holder, insurer or guarantor of the first mortgage on any Lot may be entitled to timely written notice of the following:

- A. Any condemnation or casualty loss that affects either a material portion of the Common Areas and Landscape Easements;
- B. Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot on which it holds the mortgage;

- C. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- D. Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

The Mortgage holder, insurer or guarantor shall send a written request to the Association, stating both its name and address and the Lot number or address of the Lot upon which it holds a mortgage, in order to be classified as "eligible" as referred to in Section 9.2 B, and in order to obtain the foregoing notices.

Section 9.9. Condemnation. In the event any Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceedings or other sought to be acquired by a condemning authority, the proceeds of any award or settlement shall be distributed to the Association for the common benefit of the Lot Owners and their mortgagees, as their interests appear.

Section 9.10. Disclaimer. Notwithstanding anything contained herein or in the Articles, By-Laws, the Rule or Regulations or any other document governing or binding the Association (collectively, the "Association Documents"), the Association and the Declarant shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Member, occupant or user of any portion of the Property including, without limitation, Owners and their respective families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. It is the express intent of the Association Documents that the various provisions thereof that are enforceable by the Association and govern or regulate the uses of the Property have been written, and are to be interpreted and enforced, for the sole purpose of maintaining the enjoyment of the Property. The Association and the Declarant are not empowered, and have not been created, to act as an entity which enforces or ensures any other individual or entity's compliance with the laws of the United States, State of Kentucky or any other jurisdiction or the prevention of criminal, tortious or like regulated activities. Every Owner, by taking title to any part of the Property, covenants and agrees to hold harmless and to indemnify the Association, the Declarant, and their respective directors, trustees, officers, agents, parties and affiliates from and against all claims of any kind whatsoever by an invitee, licensee, family member, employee or other representative or agent of that Member for any loss or damage arising in connection with the use, ownership or occupancy of any portion of the Property.

IN WITNESS WHEREOF, the Declarant hereto has executed this Declaration on this _____ day of _____, 2006.

