

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
SARATOGA SPRINGS - SECTION 2
PLAT AND SUBDIVISION BOOK 50, PAGE 91

JEFFERSON COUNTY, KENTUCKY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SARATOGA SPRINGS, SECTION 2, is made this 18 day of July, 2005, by SARATOGA SPRINGS, LLC, 3413 Breckenridge Lane, Louisville, Kentucky 40220 ("Developer")

WITNESSETH:

WHEREAS, Developer is the owner of a certain real property in Jefferson County, Kentucky, which is being developed into a residential subdivision known as Saratoga Springs and;

NOW, THEREFORE, Developer does hereby declare that all property described in this instrument, and any property which the Developer may develop which it may make subject to the provisions hereof or any portion thereof with the Developer's reserving the right to modify these restrictions as they may apply to other properties, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of the real property. The easements, restrictions, covenants and conditions shall run with the real property and shall be binding on all parties having any right, title or interest in it, their heirs, successors and assigns, and shall inure to the benefit of each owner. The Developer has the right to make additional properties subject to these restrictions.

I. REAL PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS

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

BEING Lots 93-152 inclusive, and Lot 227 which is a nonbuildable lot containing a detention basin, as shown on the Plat of the Saratoga Springs, Section 2 of record in Plat and Subdivision Book 50, Pages 91, in the Office of the County Court Clerk of Jefferson County, Kentucky; and

BEING the property acquired by Developer by four Deeds all dated July 2, 2003 recorded in Deed Book 8180, beginning at page 144 through page 159, in the office of the clerk aforesaid.

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

(a) Developer intends to make this Section 2 of Saratoga Springs a part of a larger community to be known generally as Saratoga Springs Subdivision. In addition, this Section 2 of Saratoga Springs is but a part of the property which the Developer acquired by four Deeds all dated July 2, 2003 recorded in Deed Book 8180 beginning at page 144 through page 159; the property acquired on July 2, 2003 at Deed Book 8180 at page 15 and the property acquired by Deed dated April 15, 2004 recorded in Deed Book 8391, Page 898 and subsequent additional sections or property which the Developer may acquire and make a part of the development known as Saratoga Springs. The Developer reserves the right to include other property other than that identified herein as a part of the development and subject to these restrictions whether said property is contiguous to the property which comprises the initial subdivision known as Saratoga Springs or not and whether it operates under that subdivision name or not. If the Developer includes the same, plats of which will be recorded in the Office of

the Jefferson County Court Clerk. As to Saratoga Springs, the Developer reserves the right to create both cross easements and to restrict all of the properties according to the terms of this Declaration. The common area or open spaces initially covered by this Declaration shall inure to the benefit of the owners of any new lots which may become subjected to this Declaration and the common area or open spaces allocable to the owners of any new lots shall inure to the benefit of the owners of lots recorded earlier, each to enjoy the common area or open spaces of the other and to have and to hold the same as if each new lot had been developed and subjected to this Declaration simultaneously.

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

II. USE RESTRICTIONS

Section 1. Primary Use Restrictions. No lot shall be used except for private single family residential purposes. No structure shall be erected, placed or altered or permitted to remain on any lot except one single family dwelling designed for the occupancy of one family (including any domestic servants living on the premises), not to exceed two and one-half stories in height and containing an optional garage which must be attached or under the residences and except for a storage facility as hereinafter permitted all of which shall be for the sole use of the owner and occupants of the lot.

Section 2. Open Spaces. Lot 227 shall remain an undeveloped open space and no permanent single family residence shall be constructed thereon.

Section 3. Nuisances. No noxious or offensive trade or activity shall be conducted on any lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section 4. Use of Other Structures and Vehicles.

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

(b) No outbuilding, trailer, basement, tent, shack, garage, barn or structure other than the main residence erected on a lot shall at any time be used as a residence, temporarily or permanently. An outbuilding or storage facility shall be permitted provided it is maintained in the same manner as the residence and provided that the design and location thereof shall be approved in writing by the Developer or Homeowners Association after sale of all lots and in accordance with Article III, Section 5.

(c) No trailer, commercial vehicle, camper trailer, camping vehicle or boat shall be parked or kept on any lot at any time unless housed in a garage or basement. It shall be permissible to park a boat or trailer on the lot if it is not visible from the street and is stored on a concrete pad, provided that written approval is secured from the Developer or Homeowners Association after sale of all lots. No automobile which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in the garage) or on any street in the subdivision. No trailer, boat or other vehicle, except an automobile, shall be parked on any street in the subdivision for a period in excess of twenty-four hours in any one calendar month.

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

Section 5. Animals. No animals, including reptiles, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets (meaning the domestic pets

traditionally recognized as household pets in this geographic area) may be kept, provided they are not kept, bred or maintained for any commercial or breeding purposes.

Section 6. Clothes Lines; Fences and Walls; Swimming Pools; Antennae and Receivers/Transmitters.

- (a) No outside clothes lines shall be erected or placed on any lot.
- (b) All fences must be approved by the Developer or the Homeowners Association after sale of all lots. The Developer has generally found acceptable a rear or side fence provided it is not greater than four (4) feet in height with posts on the inside. No fence or wall of any nature may extend toward the front or side street property line beyond the front or side wall of the residence.
- (c) No above-ground swimming pools shall be erected or placed on any lot from the date hereof unless its design and placement are approved in writing by Developer or Homeowners Association after sale of all lots.
- (d) No antennae (except for standard small television antennae) or microwave and other receivers and transmitters be erected or placed on any lot unless its design and placement are approved by Developer or Homeowners Association after sale of all lots.

Section 7. Duty to Maintain Lot.

- (a) From and after the date of purchase of a lot until construction of a single family residence is started, Developer (or Homeowners Association after sale of all lots) shall have the right but not the duty to perform all maintenance on the lot, including but not limited to mowing. Each owner shall be assessed an annual fee payable in January at the rate of \$10.00 per month for the first three (3) years following the date the lot owner acquires title to a lot; thereafter, Developer (or Homeowners Association after sale of all lots) may assess the lot owner at an amount which Developer or Homeowners Association determines necessary to maintain the lot. An owner can maintain its own lot if such approval is permitted.
- (b) From and after the date construction of a single family residence on a lot is started, it shall be the duty of each lot owner to keep the grass on the lot properly cut, to keep the lot free from weeds and trash, and to keep it otherwise neat and attractive in appearance. Should any owner fail to do so, then Developer or Homeowners Association after sale of all lots may take such action as it deems appropriate, including mowing, in order to make the lot neat and attractive, and the owner shall, immediately upon demand, reimburse Developer or Homeowners Association after sale of all lots or other performing party for all expenses incurred in so doing, together with allowable statutory interest, and Developer or Homeowners Association after sale of all lots shall have a lien on that lot and the improvements thereon to secure the repayment of such amounts. Such lien may be enforced by foreclosure against that lot and the improvements thereon, but such lien shall be subordinate to any first mortgage thereon.

Section 8. Duty to Repair and Rebuild.

- (a) Each owner of a lot shall, at his sole cost and expense, repair his residence, keeping the same in condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.
- (b) If all or any portion of a residence is damaged or destroyed by fire, or other casualty, then owner shall, with all due diligence, promptly rebuild, repair, reconstruct such residence in a manner which will substantially restore it to its apparent condition immediately prior to the casualty, or completely remove said structure, filling in any basement areas and planting the lot in grass within a period of ninety (90) days after the date of said fire or casualty.

Section 9. Business; Home Occupations. No trade or business of any kind (and no practice of medicine, dentistry, chiropractic, osteopathy and other like endeavors) shall be conducted in any building or on any

lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Notwithstanding the provisions hereof or of Section 1 of this Article II, it is further understood that the Developer may use any residence as an office for the period of duration for the development of the subdivision and for such period thereafter as may be reasonably necessary or the Developer may place an office trailer on one or more of said lots on said property for use as a business and sales office during the period of development and for such period thereafter as may be reasonably necessary. The Developer and/or any builder or Homeowners Association after sale of all lots shall keep the property surrounding any such model home or trailer neat, clean, free of debris, and all grass cut and trimmed.

Section 10. Signs. No sign for advertising or for any other purpose shall be displayed on any lot or on a building or a structure on any lot, except one sign for advertising the sale or rent thereof, which shall not be greater in area than nine square feet; provided, however, Developer or the Homeowners Association after sale of all lots shall have the right to (i) erect larger signs, (ii) place signs on lots designating the lot number of the lots, and (iii) following the sale of a lot, place signs on such lot indicating the name of the purchaser of that lot. This restriction shall not prohibit placement of occupant name signs and lot numbers as allowed by applicable zoning regulations.

Section 11. Drainage. Drainage of each lot shall conform to the general drainage plans of Developer for the subdivision as approved by the Louisville and Jefferson County Metropolitan Sewer. The owner shall be responsible for erosion control during construction of any improvements thereon or of the lot prior to the commencement of construction.

Section 12. Disposal of Trash. No lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other waste shall not be kept except in sanitary containers, such containers to be placed in a manner and location so as to not be visible from the street. They shall be brought to the curb only on collection day and promptly returned to the non-visible location thereafter.

Section 13. Utility Service.

(a) Each property owner's electric utility service shall be underground throughout the length of the service line from Louisville Gas & Electric Company ("LG&E") point of delivery to the customer's residence; and title to the service lines shall remain in and the cost of installation and maintenance thereof shall be borne by the respective lot owner upon which said service line is located.

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

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

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

Above-ground electric transformers and pedestals may be installed at appropriate points in any electric easement.

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

(c) The electric and telephone easements hereby dedicated and reserved to each property owner, as shown on the plat, shall include easements for the installation, operation and maintenance of

cable television service to the property owners, including the overhead and/or underground installation and service of coaxial cables, cable drop wires, converters, home terminal units and other necessary or appropriate equipment, as well as easements for the installation, operation and maintenance of future communication, telecommunication and energy transmission mediums.

III - ARCHITECTURAL CONTROL

Section 1. Approval of Construction and Landscape Plans.

(a) No structure may be erected, placed or altered on any lot until the construction plans and building specifications and a plan showing (i) the location of improvements on the lot, including any fence (its height, location and material); (ii) the type of exterior material, including the size, type, height and location of any fence; and (iii) the location and size of the driveway (which shall be either asphalt or concrete), shall have been approved in writing by the Developer or, after the Developer sold all lots, by the Homeowners Association.

(b) In addition to the plans referred to in the previous paragraph, a landscape plan shall be submitted to the Developer for its approval in writing, which plan shall show the trees, shrubs and other plantings then existing or to be planted on the lot. Each landscape plan for a lot submitted to the Developer shall obligate the owner to install (to the extent the same are not already located on the lot) trees, shrubs and other plantings having a current fair market value of not less than \$600.00. The landscaping plans shall include at least one tree in the front yard which is to be one (1) inch or greater in diameter at the time that it is planted. The Developer reserves the right to waive these requirements.

(c) References to "Developer" shall include any entity, person or association to whom Developer may assign the right of approval. References to "Structure" in this paragraph shall include any building (including a garage or fence), wall, antennae (except for standard small television antennae) and microwave and other receivers and transmitters (including those currently called "satellite dishes").

Section 2. Building Materials; Roof; Builder.

(a) The exterior building material of all structures shall be either brick, stone, brick veneer or stone veneer or a combination of same. Developer recognizes that the appearance of other exterior building materials (such as wood siding) may be attractive and innovative and reserve the right to approve in writing the use of other exterior building materials. A frame house may be built with the Developer's approval.

(b) The roof pitch of any residential structure shall not be less than a plane of 6 inches vertical for every plane of 12 inches horizontal for structures with more than one story, and a plane of 7 inches vertical for every plane of 12 inches horizontal for one story structures.

Section 3. Minimum Floor Areas. The following shall be the minimum floor areas for homes to be constructed after this instrument is recorded:

(a) The ground floor area of a one story house shall be a minimum of 1,450 square feet, exclusive of the garage.

(b) The total floor area of a one and one-half story house shall be a minimum of 1,900 square feet, exclusive of the garage.

(c) The total floor area of a two story house shall be a minimum of 1,900 square feet, exclusive of the garage.

(d) Finished or unfinished basement areas, garages and open porches are not included in computing floor areas.

Section 4. Setbacks. No structure shall be located on any lot nearer to the front lot line or the side street line than the minimum building setback lines as approved by the Louisville Metro Planning Commission

for this Section or in accordance with applicable zoning regulations. Exceptions to that such as windows, steps and porches will be in accordance with zoning restrictions and regulations. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations.

Section 5. Garages; Storage Facilities.

Any garage must be attached to the residence or under the residence. The location, construction, design and type of materials must be approved by the Developer in the same manner as the approval is required for any residential structures. The exterior of any garage may either be brick, stone, brick veneer, stone veneer, concrete or lightweight block or similar construction material or any combination of the same. It being the intent that the exterior appearance of any garage shall be attractive and in keeping with the residential structure and the overall development. A storage facility shall be permitted with the Developer's written approval provided that they are maintained as provided for in Article II, Section 3(b) hereof. Any permitted storage facilities or sheds shall be attached to the side or rear of the residence and comply with such other requirements as the Developer shall determine.

Section 6. Landscaping; Sidewalks; Driveways.

(a) After the construction of a residence, the lot owner shall grade and sod the entire lot of the residence to the pavement of any abutting streets, unless otherwise approved by Developer.

(b) Each lot owner, as Developer's construction plans so indicate, shall cause a sidewalk to be constructed on each lot within one year from the date construction of a residence on 80% of the lots in this section has begun, whether or not the lot owner has begun construction on that particular lot.

(c) Each lot owner shall concrete or asphalt the driveway within three months after completion of a single family dwelling; provided, however, that portion of the driveway from the pavement of any abutting street to the sidewalk shall be concrete.

Section 7. Mail and Paper Boxes; Hedges. No mail box, paper holder or hedge shall be placed or planted on any lot unless its design and placement or planting are approved in writing by Developer.

Section 8. Developer's Responsibilities and Approvals. Any provision herein imposing upon the Developer and responsibility in connection with the maintenance of the development or requiring the Developer's approval shall only be for such period of time as the development is in progress and until all single family residences shall have been started on all lots within the subdivision, but in any event, not more than twenty years from the date hereof, unless specifically extended in writing by the Developer.

Section 9. Developer's Assigns. Any responsibility hereunder assumed by the Developer shall become the sole obligation of any successor or assign to the Developer, provided the Developer files written notice of the assignment and indication of the new Developer, person or entity responsible for the obligations imposed upon the initial Developer.

Section 10. Dedication of Common Areas.

(a) Common areas, open space, private roads, islands in the right-of-way, and signature entrances shall not be dedicated to a unit of local government without the acceptance of the unit of local government involved and the approval of the Louisville Metro Planning Commission. The Homeowners Association cannot amend this restriction without approval from the Louisville Metro Planning Commission.

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

IV. HOMEOWNERS ASSOCIATION; ASSESSMENTS

Section 1. The Developer has filed and recorded the Articles of Incorporation of SARATOGA SPRINGS HOMEOWNERS ASSOCIATION, INC. ("Association") with the Office of the Jefferson County Court Clerk, which may then be amended from time to time, and reflect an amendment to the Declarations of Covenants, Conditions and Restrictions. Every owner of a lot in Section 2 of Saratoga Springs Subdivision (and such other sections which Developer shall in the future by deed restrictions so provided) shall be a member of the Association, and by acceptance of a deed for any lot, agrees to accept membership in, and does thereby become a member of the Association. Such owner and member shall abide by the Association's bylaws, rules and regulations, shall pay the assessments provided for, when due, and shall comply with decisions of the Association's Board of Directors.

Section 2. The objects and purposes of the Association shall be set forth in its Articles of Incorporation and shall be to serve the common good and general welfare of its members, and shall include, unless such obligations are otherwise assumed by any municipal or governmental agency having jurisdiction thereof, the maintenance and repair of the streets, medians, open spaces and common areas, crosswalks, gatehouses, irrigation systems, storm drains, retention and other basins, lakes, fences, street lights and entrances as may be shown on the aforesaid plat, and acceptance of common area for purposes of operation, maintenance and repair. The objects and purposes shall include the absolute and mandatory responsibility to maintain the lots of said plat designated as Open Space in such fashion as not to create a potential or actual health or safety hazard. Failure of the Association to maintain Open Space shall authorize any governmental authority concerned with maintenance of such areas to perform the required maintenance and have a claim upon said property for the reasonable expenses thereof, together with the right of such authority to enforce the restrictions herein relating to Open Space obligations.

Section 3. Any assessments levied by the Association shall be used only for purposes generally benefitting the Association, and shall constitute a lien upon the lot and improvements against which each such assessment is made. This lien shall be subordinate only to the lien of any first mortgage or vendor's lien on the lot and shall be enforceable against the real estate by foreclosure or otherwise.

Section 4. The initial assessment hereunder shall be at a rate of \$150.00 per annum per lot beginning October 1, 2005. No assessment shall be due by the Developer so long as it has title to the lot and the assessment shall not apply until the Developer has transferred title of the lot to a purchaser who intends to construct a single family residence thereon. If any purchaser shall purchase a lot after October 1, 2005 they will pay, coincident with the purchase, an amount equal to the then assessment for the period ending September 30 of that year. After September 30, 2005, the Board of Directors of the homeowners' association may from time to time increase or decrease the assessment. Anyone purchasing a lot during an assessment period (October 1- September 30) on a date other than during the first thirty (30) days of the assessment period shall pay coincident with the closing in an amount equal to 50% of one-half of the annual fee and the full annual fee on the next September 30 or annual assessment date. The Board of Directors of the Association shall determine the amount of and fix the due date of each assessment.

Section 5. Until Class B membership ceases and is converted to Class A membership pursuant to Section 6 of this Article, Developer or its nominee shall administer the assessments and receipts therefrom, which may only be used for purposes generally benefitting Saratoga Springs, as permitted in this Declaration.

Section 6. Classes of Membership. The Community Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all lot owners, with the exception of Developer, shall be entitled to one vote for each lot owned.

(b) Class B. The Class B member shall be Developer. Developer shall be entitled to ten votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) Transfer of control by Developer no later than 20 years from the date of the sale of the first lot to a lot owner other than Developer; or

(ii) When ninety (90%) percent of the lots in Saratoga Springs have been sold by the Developer, including any additional property which is added hereto as indicated in Article I.

Section 7. Homeowners Association's Right of Entry. The Authorized representative of the Homeowners Association or the Board shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of property on an individual lot or in the event of any emergency or in connection with the maintenance of, repairs or replacements within the common area, or any equipment, facilities or fixtures affecting or serving other lots or the common area or to make any alteration required by any governmental authority, including the right to enter upon or through any lot for access to any common area for the maintenance and improvements thereof. No lot owner shall damage or change in any way any common area or the landscaping thereon.

Section 8. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot. The common area means and refers to all non-residential lots and areas which are shown on any recorded final subdivision plat within any portion of Saratoga Springs made subject to the Homeowners Association.

Subject to prior approval of the Louisville and Jefferson County Planning Commission, the Homeowners' Association shall have the right to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Homeowners Association. Developer may dedicate utility or service easements at its sole discretion.

V. GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of these restrictions shall be by proceeding of law or in equity, brought by any owner or by Developer against any party violating or attempting to violate any covenant or restriction, either to restrain violation, to direct restoration and/or to recover damages. Failure of any owner or Developer to demand or insist upon observance of any of these restrictions, or to proceed for restraint of violations, shall not be deemed a waiver of the violation, or the right to seek enforcement of these restrictions.

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

Section 3. Restrictions Run With Land. Unless canceled, altered or amended under the provisions of Section 1 and Section 2 of Article I and this Article IV, Section 3, these covenants and restrictions are to run with the land and shall be binding on all parties claiming under them for a period of fifteen years from the date this document is recorded, after which time they shall be extended automatically for successive periods of ten years, unless an instrument signed by a majority of the then owners of the front footage of all lots subject to these restrictions and covenants in whole or in part shall terminate or modify these restrictions and covenants. These restrictions may be canceled, altered or amended at any time by the affirmative action of the owners of 75 percent of the lots subject to these restrictions.

Anything to the contrary herein notwithstanding, the Homeowner's Association and the lot owners shall be responsible for the maintenance of all open space, private roads, if applicable, and common areas, so long as the Subdivision is used as a residential subdivision or until properly dedicated to a unit of local government. This provision shall not be amended.

Section 4. Amendments to Articles and Bylaws. Nothing in this Declaration shall limit the right of the Homeowners Association to amend, from time to time, its Articles of Incorporation and Bylaws.

Section 5. Non-Liability of the Directors and Officers. Neither Developer nor the directors and officers of the Homeowners Association shall be personally liable to the owners of the lots for any mistake or judgment or for any other acts or omissions of any nature whatsoever while acting in their official capacity, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The owners shall

