

DECLARATION OF
CONDITIONS, COVENANTS AND
RESTRICTIONS

PRESTWICK ESTATES

OLDHAM COUNTY KENTUCKY

PLAT AND SUBDIVISION BOOK 5 AND PAGE 86

SOUTH HIGHWAY 53

LAGRANGE, KENTUCKY 40031

THIS DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS FOR PRESTWICK ESTATES IS MADE BY PRESTWICK DEVELOPMENT INC. A KENTUCKY CORPORATION, (herein named "Developer") P.O. Box 404 Buckner, Kentucky 40010.

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

NOW, THEREFORE, Developer hereby declares that all of the property described in this instrument, and such additions as may be pursuant to Article 1, shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions shall run with the real property and be binding on all parties having any right, title or interest in it, their heirs, successors and assigns, and shall inure to the benefit of each owner.

ARTICLE 1 - PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS

SECTION 1. EXISTING PROPERTY

The real property which is subject to this Declaration is located in Oldham County, Kentucky and is more particularly described as follows: BEING Lots 1 through 91, inclusive, as shown on the plat of Prestwick Estates, of record in Plat and Subdivision Book 5 at Page 86 in the Office of the Clerk of Oldham County, Kentucky.

Being the same property acquired by Prestwick Development, Inc. by deed dated _____ of record in Deed Book _____ Page _____ in the Office of the Clerk of Oldham County, Kentucky.

ARTICLE 2 - USE RESTRICTIONS

SECTION 1. PRIMARY USE RESTRICTION

No residential lot in this phase 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 on single family (including any domestic servants living on the premises), not to exceed two and one-half stories in height and containing a garage for the sole use of the owner and occupants of the lot. No house trailers, mobile homes, motor campers, camper trailers, basements, tents, garages, outbuildings or temporary structures shall be used as a residence on any lot enumerated above, either temporarily or permanently.

SECTION 2. TEMPORARY STRUCTURES

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

SECTION 3. OUTSIDE STORAGE OR OUTBUILDINGS

No outside storage or outbuilding of any kind will be permitted. Gazebos or like recreational structures may be permitted upon design and location being approved by Developer.

SECTION 4. VEHICLES AND BOATS

No trailer, truck, (except small pickup truck), motorcycle, recreational vehicle, camper trailer, camping vehicle or boat shall be parked or kept on any lot at any time unless housed in a garage or basement. No vehicle which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in a garage) or on any street in Prestwick Estates, except moving vans or service vehicles being attended.

No automobile shall be continuously or habitually parked on any street or public right-of-way in Prestwick Estates. All automobiles shall be parked in designated parking areas or garages, except as provided in Section 5.

SECTION 5. GATHERINGS

If any resident has a social gather, then on street parking shall be permitted for a reasonable period of time. Such parking shall not block street or driveways nor occupy any grass or landscaped areas, nor so often as to be considered a nuisance to the neighbor or the community.

SECTION 6. PETS AND AMINALS

No animals of any kind shall be kept on a lot or within a residence on a lot except dogs, cats, birds and other pets of a customary household variety; and no animal may be kept, bred or maintained for commercial purposes. No animals, livestock or poultry of any kind, shall be kept, raised or bred on any part of the above described property. Dogs must be kept within the confines of the house from 9:00 p.m. until 8:00 a.m. unless being walked on a leash or let out into the confines of an enclosed patio or courtyard for periods of time. Other wise, at all times dogs are to be walked on a leash by a responsible party who has the obligation to keep the dog under control, or dogs may be kept within a fenced patio or garden area at the rear of and contiguous to the rear wall of the residence. No dog runs, dog houses or like structures are permitted on any lot. Any dog of known vicious nature shall not be kept on the premises. All cats not kept in a house at all times must be "belled" (a collar with a warning bell to all birds and small animals)

SECTION 7. 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 8. CLOTHES LINES

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

SECTION 9. FENCES AND HEAD WALLS

No fence or wall of any nature may be extended toward the front or side property line beyond the rear wall of the residence without written approval of Developer. Corner lots cannot erect a fence of any nature without written approval of Developer. Chainlink fencing shall be coated with black or green vinyl. Any fence over a height of four (4) feet shall be approved in writing by Developer.

No retaining walls, head walls, fences, hedges, courtyards or other obstructions may be placed anywhere on a lot unless Developer approves in writing the placement, material and design of such structures.

SECTION 10. TENNIS COURTS

No tennis court fence shall be erected on any lot in the subdivision unless the fencing is coated with black or green vinyl and the location is approved by the Developer.

SECTION 11. SWIMMING POOLS

No aboveground swimming pools shall be erected or placed on any lot unless its design and placement are approved in writing by the Developer. Privacy fencing around an inground pool must be approved in writing by Developer.

SECTION 12. ANTENNAE

No antenna, microwave or other receiver or transmitter shall be placed on the exterior of any house or on any lot. Exception: With written approval of the developer, a satellite dish not to exceed 24 inches in diameter may be permitted on a side or rear wall of a residence. No antenna utilization of any transmitters shall be allowed to unreasonably interfere with television reception.

SECTION 13. DUTY TO MAINTIAN LOT

From and after the date of purchase of a lot until construction of a single family residence is started, Developer shall have the exclusive right to perform all maintain on the lot, included but not limited to mowing. Each owner shall be assessed an annual fee payable quarterly to cover all association operating and maintenance due which shall include a rate to mow all undeveloped lots.

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, the Developer 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 other performing party for all expenses incurred in so doing, together with allowable statutory interest, and the Developer shall have a lien on the 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.

During construction the owner shall require any person performing the construction work to provide a large garbage and waste container from an approved garbage collector for disposal of food containers, waste building materials or other disposable material so that the building premises are kept clean and no waste is allowed to be blown onto the premises of others. Developer may waive the requirement of a trash container and require a trash and burn pit if such alternative does not create a nuisance to the community.

SECTION 14. DUTY TO COMPLETE, REPAIR AND REBUILD-REMEDIES

Each owner of a lot shall, at their sole cost and expense, repair their 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.

If all or any portion of a residence is damaged or destroyed by fire, or other casualty, the owner shall, with all due diligence, promptly rebuild, repair or reconstruct such residence in a manner which will substantially restore it to its apparent condition immediately prior to the casualty.

When new construction or reconstruction is once begun, work thereon must be pursued diligently and completed within one (1) year. If for any reason work is discontinued and there is not substantial progress towards completion for a continuous three (3) month period, then the Community Association shall have the right to notify the owner of record of the premises of its intentions herein, enter upon the premises, and take such steps as may be required to correct an undesirable appearance, specifically including the right to demolish a partially completed structure and remove the debris from the lot; the reason for such correction shall be solely in the discretion of the Community Association and may include, but not be limited to purely aesthetic grounds. The owner of the property shall be liable for all cost incurred in any such action. The total cost thereof shall be a lien on the property, which lien may be foreclosed in the manner provided for in these Articles and by the laws of the State of Kentucky. Nothing herein shall be construed to interfere with the rights of a mortgage holder to have reasonable time to foreclose on a property in default and take or assign ownership of same. However, upon securing clear title said mortgage holder or other builder must commence diligent construction towards completion within three (3) months of securing title.

SECTION 15. BUSINESS; HOME OCCUPATIONS

No trade or business of any kind (including but not limited to the practice of medicine, dentistry, chiropractic, chiropody, osteopathy and other like endeavors) shall be conducted on any lot other than personal and private business which does not increase traffic to the property, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Notwithstanding the provisions hereof or of Section 7 of this Article 2, a new house may be used by a builder thereof as a model home for display or for builder's own office provided said use terminates within eighteen months from completion of the house or upon such additional period of time as may be expressly agreed to in writing by the Developer.

SECTION 16. 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 on sign for advertising the sale or rent thereof, which shall not be greater in area than five square feet; provided, however, Developer shall have the right to (a.)erect larger signs when advertising the subdivision, (b.)place signs on lots designating the lot numbers of the lots, and (c.)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 on lot numbers as allowed by applicable zoning regulations.

SECTION 17. DRAINAGE

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

SECTION 18. 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 and shall be picked up by a single garbage collection firm designated by the Developer and paid for by the individual homeowner.

SECTION 19. UNDERGROUND UTILITY EASEMENTS AND OTHER EASEMENTS

All lots and common areas of Prestwick Estates are subject to easements for electric, water, sanitary sewers, telephone lines, television cables, gas service and drainage easements, all of which except drainage easements must be located underground as shown or reserved on the recorded plat, unless specifically provided for otherwise on the recorded plat. Aboveground electric transformers, pedestals, telephone connection boxes and gas metering valves may be installed at appropriate points in any easement. Appropriate easements are hereby dedicated and reserved so each property owner, the Developer, Association and utility companies, together with the right of ingress and egress over abutting lots or properties to install, operate and maintain all utilities and drainway. Service lines across lots from termination points of service by utilities, the Developer, or Community Association shall be with the lot owner and installation and maintenance thereof shall be done by the respective lot owner who installs or owns same.

In addition to easements set forth on the recorded plat, the Developer retains an easement along all non-street lot lines being five (5) feet wide and contiguous with said lot lines for the purpose of construction and maintenance of any utility service line or drainway that may be needed in the future. Developer, by recordable instruments, may designate any portion of said easements as an exclusive easement for the benefit of a utility or service to be constructed underground except drainways, which may be aboveground.

SECTION 20. PRIVATELY OWNED SERVICES

There shall be no private or individually owner sewage disposal system, water supply system, electric system or gas system allowed or maintained on any lot. All electrical services shall be underground.

SECTION 21. RULES FOR COMMON AREA

The Community Association is authorized to adopt rules for the use of common areas and such rules shall be furnished in writing to the lot owners, and such rules shall not be in conflict with the Declaration, the Articles of Incorporation or by-laws of the Association.

ARTICLE 3. ARCHITECTURAL CONTROL

SECTION 1. APPROVAL OF CONSTRUCTION PLANS

No structure may be erected, placed or altered on any lot until the construction plans and building specifications and plan showing (a.) the location of improvements on the lot; (b.) the grade elevation (including rear, front and side elevations), (c.) the type of exterior material (including delivery of a sample thereof), and (d.) the location and size of the driveway (which shall be concrete), shall be approved in writing by the Developer. Reference to "structure" in the paragraph shall include any building, garage, fence, wall, retaining walls, head walls, patio, mail box, driveway, sidewalks, swimming pools, tennis courts, gazebos, or any other structure placed upon a lot.

It is the purpose of the Developer of the subdivision to provide that only residences and other improvements of good design and suitable material be erected on the lots in Prestwick Estates. The plans and specifications for the erections or alterations of any building, fence, wall, or other structures, and for the grading of the land, must be approved by the Developer or any architectural control committee or Community Association to whom it may assign the right before work is begun. The plans submitted must be accompanied by a diagram of the lot setting forth the exact location of all proposed structures and of the grading plan of the lot. Copies of the plans and specifications must be left with the Developer or its assigns and they shall have the right to refuse or approve (a) whole or in part any such plans and specifications which are deemed by it not to be suitable or desirable, and in so passing upon such plans and specifications, the approving entity shall take into consideration the suitability of the proposed structures to the sites upon which they re erected, the harmony thereof with the surroundings, the preservation of the natural setting, and the effect of the proposed building on other structures or roadways and the outlook from the neighboring property. Normally houses of near identical design will not be allowed within view of each other or on the same block. If a residence is started prior to approvals, a stop order will be immediately put on the house until all the approvals are obtained. The Oldham County Planning and Zoning Board shall be instructed to not approve plans not certified by the Developer or its assigns.

Where the approval or consent of Developer is required herein, such consents or approvals shall be at the sole and exclusive discretion of Developer, free and unimpeded, and Developer shall not be liable to any person or persons for its refusal to grant consent

or approval. All persons acquiring any of the herein described lots acquire their title subject to the absolute and exclusive discretion of Developer and shall not be entitled to complain by reason of the failure or refusal of Developer to grant any consent or approval where such consent or approval rights are reserved in the Developer, or a complaint that Developer shall have exercised its discretion in a certain manner in one instance but not in others.

SECTION 2. BUILDING MATERIAL; ROOF; BUILDER

The exterior building material of all structures shall extend to the ground level and 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 reserves the right to approve in writing the use of other exterior building materials. All colors of exterior walls shall be subject to approval by Developer.

The roof pitch of any residential structure shall not be less than a plane of 8 inches vertical for every plane of 12 inches horizontal. Developer may require a higher pitch for solely aesthetic reasons.

SECTION 3. MINIMUM FLOOR AREAS

All single family residences erected on the lots enumerated herein shall contain the following minimum square feet for living space, when measured on outside walls and all plans shall be approved or disapproved not only on the basis of technical compliance but also aesthetic grounds to be an attractive addition to the neighborhood.

- (a.) A one-story residence shall have a minimum of fourteen hundred (1400) square feet.
- (b.) A one and one-half story residence shall have a minimum of fifteen hundred (1500) square feet.
- (c.) A two story residence shall have a minimum of seventeen hundred (1700) square feet.
- (d.) Such square footage as may be otherwise approved in writing by Developer for other configurations or innovative designs.
- (e.) Square feet minimum requirements do not include basement, garage, breezeway and/or open porch.

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 shown on the recorded plat. Side setback shall be minimum of 12 feet for one side with a total side setback of 25 feet for both sides. Backyard setback line shall be a minimum of 30 feet. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations or upon approval of variance by the proper public agency.

SECTION 5. GARAGES; CARPORTS

All lots shall have at least a two car garage unless otherwise approved in writing by Developer. No detached garages are allowed unless otherwise approved in writing by

Developer. A residence designed with the two car garage in the basement must add 15% to the minimum square footage as described in Section 3 of Article 3. Garages, as structures, are subject to prior plan approval under Section 1 of the Article 3. Operable doors shall be provided on all garages. Garage doors shall be closed except when vehicles are entering or exiting.

No carport shall be constructed on any lot in Prestwick Estates.

SECTION 6. LANDSCAPING; SIDEWALKS; DRIVEWAYS; TREES

After the construction of a residence, the lot owner shall grade and sod the front and side yard to a point even with the rear wall of the residence. Mulching and sowing of grass instead of sod in some wooded areas may be approved by the Developer.

In addition, a landscape plan shall be submitted to the Developer for its approval. Each plan shall show the trees, shrubs and other plantings then existing or to be planted on the lot. Each landscape plan for a lot shall obligate the lot owner to install trees, shrubs and other plantings having a current fair market value of five hundred (500) dollars and owner shall also plant a tree (at least three inches in diameter) in the front yard of the lot. (If no trees this size or larger are present on the front of lot. No trees shall be removed from any lot without the prior approval of the Developer, unless such tree is creating an immediate hazard to persons or property.

Each lot owner shall concrete the driveway 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. Driveways may be surfaced with brick or other approved material.

Each lot owner shall concrete that portion of the sidewalk crossing his or her property. Corner lots shall do sidewalks in two directions.

Upon an owner's failure to comply with provisions of Section 6, Developer may take such action as necessary to comply therewith, and the owner shall immediately, upon demand, reimburse Developer or other performing party for all expenses incurred in so doing, together with allowing statutory interest, and Developer shall have a lien on that lot and the improvements thereon be enforced by foreclosure against that lot and the improvements thereon, but such lien shall be subordinate to any first mortgage thereon.

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. The developer reserves the right to require mail boxes of a common design.

ARTICLE 4. COMMUNITY ASSOCIATION

SECTION 1. OWNER'S EASEMENTS AND FACILITIES OF NECESSITY AND 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 nonresidential lots, areas, and easements which are shown on any recorded final subdivision plan within any portion of Prestwick Estates made subject

to the Community association, together with all recreational facilities and other improvements owned or to be owned by the Community Association. Although constructed in an area dedicated to public use, the entranceways to Prestwick Estates from Kentucky Hwy 53 all roads and road medians are also part of the common area subject to maintenance by the Community Association. Developer releases and quitclaims to the Community Association its title to such common areas which are more specifically set forth on the final plat subject to the following provisions, rights, restrictions and reservations:

- (A) The right of the Community Association to borrow money for the purpose of improving the common areas or for constructing, repairing, or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan mortgage conveying all or part of the common area;
- (B) The right of the Community Association to suspend the voting rights and the right to use the recreation facilities by an owner for any period during which any assessment against his lot remains unpaid, and for a period of time for any infraction of its published rules and regulations; and
- (C) The right of the Community Association to dedicate or transfer all and/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 Community Association. Developer may dedicate utility or service easements at its sole discretion so long as there is in existence the Class B membership in accordance with Section 11 of the Article 4.
- (D) The Developer hereby reserves the right to make or cause to be made future additions and expansions to other services and appurtenances thereto for the purpose of serving customers which may or may not be members of the Prestwick Association. In order to make the future additions and expansions, the Developer reserves a perpetual easement, including the right of ingress and egress thereto at all times for the purpose of connecting additional services for electrical, water, sanitary sewers, telephone lines, television cable, gas service and drainage as described in Article 2, Section 19, including but not limited to, the right to erect, construct, install and lay, and use, operate, inspect, repair, maintain, remove and replace the then existing service. Further consideration made, or to be made by the Developer are as follows:
 - (i) Causing all permits to construct and operate the facilities or any expansions thereof to be granted to the Association at net cost to the Association;
 - (ii) To subsidize the operation of such facilities as provided in Article 4, Section 4 (B);
 - (iii) At such time as the facilities, because of such construction or expansions, should become subject to control by the Kentucky Public Service Commission, the Developer shall cause to be secured all necessary permits and rate establishments as required for the operation of the facilities as utilities serving the public.
- (E) All obligations of Developer as provided in (D), (i), (ii), and (iii) above shall cease and become null and void upon any of the following occurrences:
 - (i) The maturing of the development to the point that there are sufficient paying members that no subsidy is required from the Developer;
 - (ii) The facilities are transferred to or merged into any new association formed for the sole purpose of owning, maintaining, and operating the facilities for its own enjoyment and

service and not for the benefit of the public and with such decision to so merge to be agreed to by the Community Association, upon evidence that such action will not cause an increase in membership fees; or

(iii) The facilities are transferred to or become, by virtue of service to the public, a utility subject to rates approved by the Kentucky Public Service Commission.

SECTION 2. DELEGATION OF USE

Any lot owner may delegate, in accordance with by-laws, his right of enjoyment to the common area and facilities to the members of his family or to his tenants or contract purchasers who reside on the lot. Membership in the Community Association may not be conveyed separately from ownership of the lot.

SECTION 3. COMMUNITY ASSOCIATION'S RIGHT OF ENTRY

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

SECTION 4. ASSESSMENTS; CREATION OF THE LIEN AND PERSONAL OBLIGATION; DEVELOPER SUBSIDY

(A) Each lot owner, except Developer, by acceptance of a deed for the lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Community Association (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as provided in this Article 4. The annual and special assessments, together with interest, cost and reasonable attorney fees, shall be a charge on each lot and all improvements thereon against which each such assessment is made. Each such assessment, together with interest, cost and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to his successors in title unless expressly released by the Developer.

(B) Developer shall be responsible for the maintenance and operational cost of the Community Association incurred over and above assessed amounts payable to the Community Association by the lot owners plus other income, until the Community Association operates one year without the need of a subsidy of Developer, providing that the subsidy of Developer shall be limited to paying an assessment per unsold lot, as shown on recorded final plat, equal to the assessment made against each lot sold.

SECTION 5. PURPOSE OF ASSESSMENTS

The assessments levied by the Community Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to

this purpose, or for the use and enjoyment of the common area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, payment of taxes assessed against the common area, the procurement and maintenance of insurance in accordance with the by-laws, the employment of attorneys to represent the Community Association when necessary and such other needs as may arise, and for the improvement and maintenance of the common area. The Community Association shall maintain, operate, and repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the common area, open spaces, entranceways, streets, crosswalks, medians, storm drains, basins, recreational areas and facilities including, but not limited to, tennis courts, jogging trails (which may be referred to on the plat as a pedestrian access easement), and any common owned or operated facilities of services. Services directly attributable to willing use by an owner, such as water consumption, sewage usage, or there like services or requested special services, shall be paid for by the user over and above the regular budgeted assessment.

SECTION 6. MAXIMUM ANNUAL ASSESSMENT

- (A) Conveyance of the first lot to an owner, the annual assessment shall be set at a rate of \$150.00 per lot.
- (B) The Board of Directors may fix the annual assessment. The Board of Directors shall determine when the assessment shall be paid and whether they are to be used for immediate needs or accrued for planned repairs.
- (C) The maximum annual assessments made, and not special assessments, shall cover the maintenance and operation of all common property, mowing of lots sold but not constructed upon.

SECTION 7. UNIFORM RATE OF ASSESSMENT

Both annual and special assessments shall be fixed at a uniform rate for all lots except those owned by Developer. The Board of Directors may at its discretion waive the assessment or reduce the assessment for any year or part of a year for any lot not occupied as a residence, for a lot merged with another lot for one residence, or for any other reason deemed equitable.

SECTION 8. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES

The annual assessments provided for herein shall begin as to any lot subject to the assessment at the time the lot is purchased from the Developer. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the lot is first purchased from the Developer. After the first year of operation, annual assessments shall be due on March 1 of each year.

SECTION 9. EFFECT OF NON-PAYMENT OF ASSESSMENT; REMEDIES OF THE COMMUNITY ASSOCIATION

Any assessment not paid by the due date shall bear interest from the due date at the maximum rate of interest then allowable by Kentucky law and shall constitute a lien

upon the property. Said lien shall be subordinate to any first mortgage lien placed on said property. The Community Association may bring an action at law against the owner personally obligated to pay the assessment, or foreclose the lien against the property and interest cost and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessments. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

SECTION 10. MEMBERSHIP

Developer and every owner of a lot which is subject to an assessment shall be a member of the Community Association. Such owner and member shall abide by the Community Association's by-laws, Articles of Incorporation recorded in the Office of the Clerk of Oldham County, Kentucky, rules and regulations, shall pay the assessments provide for in this Declaration, when due, and shall comply with decisions of the Community Association's Board of Directors. Membership shall be appurtenance to and may not be separated from ownership of any lot which is subject to assessment.

SECTION 11. CLASSES OF MEMBERSHIP

The Community Association shall have two classes of voting membership.

ARTICLE 5 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, 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 this paragraph, these covenants and restrictions are to run with the land shall be binding on all parties claiming under them for a period of thirty 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 all lots subject to these restrictions and covenants in whole or in part. These restrictions may be canceled, altered or amended at any time by a 51% approval from each class of membership subject to these

restrictions, but Developer shall retain his sole right to appoint the architectural approval committee until the last lot is sold.

SECTION 4. AMENDMENTS TO ARTICLES AND BY-LAWS

Nothing in this Declaration shall limit the right of the Community Association to amend, from time to time, its Articles of Incorporation and by-laws by the consent of 51% of each class of membership of record in the Oldham County Court Clerk's office

SECTION 5. NON-LIABILITY OF THE DIRECTORS AND OFFICERS

Neither Developer nor the Directors or Officers of the Community Association shall be personally liable to the owners for any mistake or judgment or for any other acts or omission 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 indemnify and hold harmless each of the Directors and Officers and their respective heirs, executors, administrators, successors and assigns in accordance with the by-laws.

SECTION 6.

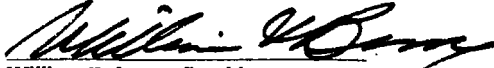
Whenever in this document the entity termed "Developer" is used it shall apply to the assigns of same whether affected by written deed, assignment, delegation or appointment to carry out and exercise the authority of said Developer reserved in this document.

SECTION 7. BOARD'S DETERMINATION BINDING

In the event of any dispute or disagreement between any owners relating to the property, or any questions of interpretation or application of the provisions or this Declaration, the Articles of Incorporation, or the by-laws, the determination thereof by the Board of Directors of the Community Association shall be final and binding on each and all such owners, in exercising its authority the Board of Directors or the Community Association shall always consider the decisions necessary to maintain an attractive and harmonious community for the benefit of the owners and shall restrict those actions or inaction's that unreasonably affect the rights and enjoyment of others.

Witness the signature of the Developer by and through its President on the 28 day of
JAN 1998.

PRESTWICK DEVELOPMENT INC.
a Kentucky Corporation


William F. Berry, President

The foregoing instrument was acknowledged before me on this 29th day of January
1998 by William F. Berry, President of Prestwick Development Inc., a Kentucky
Corporation, on behalf of said corporation.

Commonwealth of Kentucky
County of Oldham

, NOTARY
MY COMMISSION EXPIRES MAY 28, 2001

DOCUMENT NO: 174032
RECORDED ON: FEBRUARY 02, 1998 03:17:04PM
TOTAL FEES: \$36.00
COUNTY CLERK: ANN B BROWN
COUNTY: OLDHAM COUNTY
DEPUTY CLERK: NICHELE A OVERMAN

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