

**DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

**FOR  
LITTLE LAKE VILLAGE**

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**LITTLE LAKE VILLAGE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made this 26<sup>th</sup> day of September, 2006, by **TODD D. THOMASON**, an individual whose mailing address is 8117 University Drive, St. Louis, Missouri 63105 (hereinafter referred to as "Declarant").

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain property located in Livingston County, Kentucky which is being developed as a residential community known and referred to as "Little Lake Village", which property is more particularly described on Exhibit "B" attached hereto and incorporated herein by reference (the "Property");

WHEREAS, a subdivision plat of Phase I of the Property (which solely consists of Lots 3-8 and the area denoted Common Area "A") ("Phase 1") is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Plat"), which Plat is of record in Plat Cabinet A, Slide 117, in the Livingston County Clerk's office; and

WHEREAS, Declarant may from time to time subject additional property or portions thereof to the terms of this Declaration as provided for hereinafter; and

WHEREAS, Declarant desires to provide for the maintenance of the "Common Area" (as defined below), and to provide an easement for access across the "Lots" (as defined below) to the extent necessary for the performance of such maintenance as hereinafter provided; and

WHEREAS, Declarant desires to impose covenants, conditions and restrictions for the use, maintenance, preservation and enjoyment of Phase I and the improvements thereon and to protect the value and desirability of Phase I and the improvements thereon; and

WHEREAS, Declarant is forming or has formed the Little Lake Village Owners Association, Inc., a Kentucky non-profit corporation for the purpose of maintaining and administering the Common Area, administering and enforcing the terms, conditions, covenants and restrictions, hereinafter contained and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, Declarant hereby declares that the real property described on Exhibit "A" shall be held, sold, conveyed, occupied, mortgaged, and otherwise encumbered subject to the covenants, conditions, restrictions, easements, charges, and liens contained herein, all of which shall run with the title to such real property and shall bind all parties having any right, title or interest in said real property, their heirs, successors, successors-in- title, and assigns, and shall inure to the benefit of each Owner thereof, as herein defined, and the Little Lake Village Owners Association, Inc.

## ARTICLE I

### DEFINITIONS

The terms in this Declaration and the "By-Laws" (as herein defined), shall be construed to have their ordinary, generally accepted meanings unless otherwise specifically defined herein or in the By-Laws.

**"Articles of Incorporation"** shall mean and refer to the Articles of Incorporation of the Little Lake Village Owners Association, Inc. as filed with the Secretary of State for Kentucky, as they may be amended from time to time.

**"Association"** shall mean and refer to Little Lake Village Owners Association, Inc., a Kentucky non-profit, non-stock corporation to be formed promptly following recordation of this Declaration, its successors and assigns, which has been incorporated by the Declarant for the purposes of (i) maintaining and administering the Common Areas, (ii) administering and enforcing the terms and conditions of this Declaration, and (iii) collecting the assessments and charges hereinafter created as all of the foregoing is more specifically hereinafter provided for.

**"Board of Directors"** or **"Board"** shall be the elected body of the Association having its normal meaning under Kentucky corporate law.

**"By-Laws"** shall mean and refer to the By-Laws of the Association, incorporated herein by reference, as they may be amended from time to time. The initial By-Laws of the Association are attached hereto as Exhibit "C".

**"Class "B" Control Period"** shall mean and refer to the period of time during which the Class "B" Member is entitled to appoint all members of the Board of Directors, as specified in the By-Laws.

**"Common Area(s)"** shall mean and refer to all real and personal property which the Association now or hereafter owns, leases, maintains, or otherwise holds for the common use and enjoyment of the Owners including, but not limited to, walking trails, sidewalks, streets, neighborhood entrance features, landscaping in street medians, open space and detention areas. Common Areas shall not include any areas within the

boundary line of any Lot (except for sidewalks) or any areas which have been or are subsequently dedicated to any governmental entity. Common Areas shall include all areas denoted on the Plat as "Common Areas", provided such Common Areas may be removed from this Declaration pursuant to the provisions of this Declaration.

**"Common Expenses"** shall mean and include the actual and estimated expenses of operating the Association, for general purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws and the Articles of Incorporation of the Association.

**"Community-Wide Standard"** shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the land subject to this Declaration. Such standard may be more specifically determined and set forth by the Board of Directors.

**"Declarant"** shall mean and refer to Todd D. Thomason, or his successors, successors-in-title, heirs or assigns who take title to all or any portion of the undeveloped or unsold property described on Exhibit "A" (or additional property made subject hereto under Article VIII) for the purpose of development or sale and who are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

**"Flowage Easement Area"** shall mean the area within the boundary line marked on the Plat as the United States of America Flowage Easement Line – 378.

**"General Assessments"** shall mean the General Assessments contemplated in Article X.

**"Government"** means any federal, state or local government or agency or subdivision thereof (including, without limitation, the Department of the Army and its Corps of Engineers).

**"Lot"** shall mean any subdivided tract of land shown upon the Plat and any additional subdivided tracts which may become subject to this Declaration.

**"Member"** shall mean and refer to a "Person", as hereinafter defined, entitled to membership in the Association, as provided herein.

**"Mortgage"** shall mean and refer to a first mortgage or a deed that includes the reservation of a first priority vendor's lien.

**"Mortgagee"** shall mean and refer to a beneficiary or holder of a Mortgage.

**"Mortgagor"** shall mean and refer to any Person who gives a Mortgage.

**“Owner”** shall mean and refer to one (1) or more Persons who hold the record title to any Lot, but excluding in all cases any Person who is a Mortgagee or holds an interest merely as security for the performance of an obligation.

**“Person”** shall mean a natural person, a corporation, a partnership, limited liability company, limited liability partnership, a trustee, unincorporated association or organization or other legal entity.

**“Plat”** shall have the meaning set forth in this first page of this Declaration.

**“Phase I”** shall mean and refer to the real property depicted on and described in Exhibit “A” attached hereto.

**“Special Assessments”** shall mean the Special Assessments contemplated by Article X.

**“Subsequent Amendment”** shall mean an amendment to this Declaration which subjects additional property to this Declaration, withdraws property from this Declaration, imposes, modifies, adds, or deletes, expressly or by reference, covenants, conditions, restrictions, assessments, and obligations on the land described therein, or which substitutes a successor Declarant.

## ARTICLE II

### PROPERTY RIGHTS

#### **Section 1                      Right and Easement of Enjoyment; Exceptions**

Every Owner shall have a right and easement of enjoyment in and to the Common Area for the purposes for which such areas are established, which shall be appurtenant to and shall pass with the title to every Lot subject to the following: (a) this Declaration, as it may be amended from time to time, and, subject to this Declaration, any other applicable covenants, and the terms of any restrictions or limitations contained in any deed conveying such property to the Association; (b) the right of the Association to adopt rules regulating the use and enjoyment of the Common Area, (c) the right of the Association to dedicate or transfer all or any part of the Common Area under Section 3 hereof to the Government, (d) to the right of the Association to mortgage or otherwise create a security interest in any or all of its real or personal property as security for money borrowed or obligations incurred, (e) the right of the Association or the Declarant to grant additional easements over the Common Area and Lots as provided in Section 5 hereof.

**Section 2                    Delegation of Use**

Any Owner may delegate his or her right of enjoyment to the Common Area and the improvements located thereon to the members of his or her family, lessees, social invitees and licensees, as applicable, subject to the rules of the Association. An Owner who leases his or her Lot shall be deemed to have delegated all such rights to the Lot's lessee. Membership in the Association may not be conveyed separately from the ownership of a Lot.

**Section 3                    Sale of Common Area**

The Common Area shall not be sold or otherwise disposed of by the Association without first offering to dedicate such area to the appropriate Government. This limitation neither applies to a transfer of the Common Area to an organization conceived and established to own and maintain the Common Area as a successor to the Association, nor to the easements, rights and privileges created by this Declaration. The Declarant may prior to transferring ownership of a street or right-of-way constituting Common Areas to the Association, dedicate such streets or rights-of-way that are part of the Common Area to the Government.

**Section 4                    Title to Common Areas**

The Declarant may retain the legal title to the Common Areas until such time as the Declarant determines, in its sole discretion, that the Association is able to maintain and regulate the use of the same; provided, however, the Declarant hereby covenants that it shall convey legal title to or the obligation to maintain, as appropriate, the Common Areas to the Association no later than at such time as the Class B Control Period expires. When the Declarant conveys legal title to, or the obligation to maintain, the Common Areas to the Association, the Association shall accept such legal title and assume full and complete control, responsibility, and liability for the Common Areas so conveyed.

**Section 5                    Right to Grant Easements**

Declarant hereby reserves the right to grant, on behalf of the Association and/or the Owners and without the consent of the Association, or any Owner, easements across, through, or under the Common Areas. Such easements, which shall be exclusive or non-exclusive, shall be limited to utility easements (including cable television), greenway easements, sign easements, access easements or roadway easements. Declarant's rights under this Section shall terminate upon expiration of the Class "B" Control Period at which time the Association, without the consent of any Owner, shall have the right at any time to grant easements as set forth in this Section.

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

#### Section 1                    Membership

Every Owner shall be a Member of the Association, provided that any Mortgagee or other Person or entity who holds an interest merely as security for the performance of an obligation shall not be a Member. Every Owner, by acceptance of a deed for a Lot, agrees to accept membership in and does thereby become a Member in the Association. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. Moreover, regardless of the number of Owners, each Lot shall have one cumulative vote. The rights and privileges of membership, including the right to vote, may be exercised by a Member, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Lot owned by a corporation, partnership, or any other legal entity, shall be exercised by the individual designated in a written instrument provided to the Secretary of the Association, subject to the provisions of this Declaration and the By-Laws.

#### Section 2                    Voting

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

A.     **Class "A"** Members shall be all Owners with the exception of the Class "B" Member, if any. Each Class "A" Member shall have one vote for each Lot in which he or she holds the interest required for membership under Section 1 of this Article.

If more than one (1) Person holds the interest in such Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it. In no event shall more than one vote be cast with respect to any individual Lot.

B.     **Class "B"** Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere in this Declaration and the By-Laws. The Class "B" Member shall be entitled to one vote per Lot owned at the time the voting power is exercised, and, in addition, shall be entitled to appoint all members of the Board of Directors during the Class "B" Control Period as specified in the By-Laws. The Class "B" membership shall terminate upon the expiration of the Class "B" Control Period and be converted to a Class "A" membership.

**ARTICLE IV**  
**MAINTENANCE**

**Section 1            Common Area**

The Association shall maintain and keep in good repair the Common Areas, such maintenance to be funded as hereinafter provided. All Lots shall be subject to an access easement in favor of the Declarant and the Association for the purpose of maintaining the Common Area, including all improvements thereon, which access shall be reasonable, including use of driveways where feasible. This maintenance shall include, but not be limited to, maintenance, repair, replacement, and reconstruction, subject to any insurance then in effect, of all Common Areas, including all improvements thereon.

Except as otherwise provided herein, the Common Area shall not be reduced by amendment of this Declaration or any other means without prior written approval of Declarant so long as Declarant owns any property subject to this Declaration.

The Association shall be relieved of its responsibilities under this Article to the extent they are assumed by the Government or any private utility.

The Association (and during the Class B Control Period, the Declarant without permission of the Association) may construct improvements upon the Common Areas for the benefit of all Owners as it may deem appropriate. Nothing in this Declaration shall obligate Declarant or the Association to make any specific improvements to any Common Areas.

**Section 2            Standard of Performance**

All maintenance of the Common Area shall be performed consistent with all applicable covenants of this Declaration. Neither the Association, Declarant, or any Owner shall be liable for any damage or injury occurring on or arising out of the condition of property maintained by the Association.

**ARTICLE V**  
**INSURANCE AND OBLIGATION TO REBUILD**

**Section 1            Insurance**

The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain and continue in effect adequate blanket property insurance, in such form as the Board of Directors deems appropriate, for one hundred percent (100%) of

the replacement cost of all structures, if any, including but not limited to walls, fences, buildings and pavilions, located on the Common Area in the event of damage or destruction from any insured hazard, and shall charge the cost thereof as a Common Expense to the Owners as part of the General Assessment for each Lot.

The policy may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

The Board, or its duly Authorized Agent, shall have the authority to and shall also obtain, if reasonably available, as a Common Expense, a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members, agents, family members, guests, invitees or occupants on the Common Area. If reasonably available, the public liability policy shall have at least a One Million Dollar (\$1,000,000.00) combined single limit per occurrence and in the aggregate. The Board may increase the amount of insurance coverage.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, the Lot Owners and their Mortgagees as their interest may appear as further identified in subparagraph 1 below.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, workers' compensation insurance, if and to the extent required by law, and, if reasonably available, directors' and officers' liability coverage, and fidelity bond or bonds on directors, officers, employees and other Persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the Board's discretion but, if reasonably available, may not be less than three (3) months General Assessments, plus reserves on hand.

## **Section 2                      Damage and Destruction to the Common Area**

A. Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Members representing at least two-thirds (2/3) of the Class "A" votes of the Association and the Class "B" Member, during the Class "B" Control Period, shall decide within sixty (60) days after the casualty not to repair or reconstruct. Immediately after the damage or destruction to the Common Area, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said sixty (60) day period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not

exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

B. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Common Area shall be restored to their natural state and maintained by the Association in a neat and attractive condition, consistent with the Community-Wide Standard.

C. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction. In the event the proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Owners on the same basis as provided for General Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. Any proceeds remaining after defraying such costs of repairs or reconstruction or, in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

## **ARTICLE VI**

### **NO PARTITION**

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in property subject to this Declaration (including any Lot) or any part thereof seek any judicial partition. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

## **ARTICLE VII**

### **CONDEMNATION**

Whenever all or any part of the Common Area shall be taken by any authority having the power of condemnation or eminent domain (or conveyed in lieu of and under threat of condemnation, by the Board acting on the written direction of Members representing at least two-thirds (2/3) of the total Association vote and the Declarant, as long as the Declarant owns any property subject to this Declaration), each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking, the Declarant, so long as the Declarant owns any property subject to this Declaration, and Members, representing at least two-thirds (2/3) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions of Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

## **ARTICLE VIII**

### **ANNEXATION OF ADDITIONAL PROPERTY; ADDITIONAL COVENANTS AND ASSESSMENTS**

#### **Section 1                   Annexation Without Approval of Class "A" Membership**

With the consent of the owner thereof (whether such ownership is in fee simple or is a leasehold estate), Declarant shall have the unilateral right, privilege and option, from time to time at any time until the Class "B" Control Period ends, to subject to the provisions of this Declaration and the jurisdiction of the Association additional real property within a one mile of the boundary of the Property described on Exhibit "B", including, without limitation, all or any portion of the Property as shown and depicted on Exhibit "B" or any other real property, by filing in the Livingston County Clerk's office, a Subsequent Amendment annexing such real property. Such Subsequent Amendment to this Declaration shall not require the consent of Members. Any such annexation shall be effective upon the filing for record of such Subsequent Amendment unless otherwise provided therein. If any portion of the property annexed hereby is designated as commercial property, the Subsequent Amendment may include provisions governing the commercial use which shall be binding on the Association, Owners and Lots. Declarant shall have the unilateral right to transfer to any other Person the said right, privilege and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of the Property described in Exhibit "B" attached hereto and that such transfer is memorialized in a written, recorded instrument executed by the Declarant. The Property described on Exhibit "B" (except for Phase I) and any other property shall not

be affected by this Declaration, either expressly or by implication, unless and until annexed as provided herein.

## **Section 2                   Annexation With Approval of Board of Directors**

Subject to the consent of the owner thereof, the Association may annex real property other than that permitted to be annexed by Section 1 of this Article VIII, and following the expiration of the right in Section 1 of this Article VIII, the property permitted to be annexed by Section 1 of this Article VIII, to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the approval of the Board of Directors, a majority of the votes of the Members at a meeting duly called for such purpose and approval of the Declarant, during the Class "B" Control Period or so long as Declarant owns property subject to this Declaration, whichever is later. Annexation shall be accomplished by filing of record in the Livingston County Clerk's office, a Subsequent Amendment with respect to the properties being annexed. Any such Subsequent Amendment shall be signed by the president and secretary of the Association and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. If any portion of the property annexed hereby is designated as commercial property, the Subsequent Amendment may include provisions governing the commercial use which shall be binding on the Association, Owners and Lots. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

## **Section 3                   Acquisition of Additional Common Area**

Declarant, if authorized by the Board of Directors, may convey or cause to be conveyed to the Association additional real estate, improved or unimproved, located within the Property described in Exhibit "B" which, upon conveyance or dedication to the Association, shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

## **Section 4                   Additional Covenants and Easements**

Declarant or its successors may subject any portion of the property submitted to this Declaration initially or by Subsequent Amendment to additional covenants, conditions, restrictions, and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through assessments. Such additional covenants and easements shall be set forth in a Subsequent Amendment duly recorded in the Livingston County Clerk's office filed either concurrent with or after the submission of the subject property and shall require the written consent of the owners of such property if not Declarant.

**Section 5                    Rights and Obligations of Annexed Property**

Property annexed into this Declaration shall be bound by this Declaration, subject to the terms of the Subsequent Amendment, and the Lot Owners shall be entitled to privileges of Owners, including membership and voting in the Association, and burdened by the obligations of an Owner.

**Section 6                    No Obligation to Annex**

The rights reserved unto Declarant to subject additional real property to this Declaration shall not be implied or construed so as to impose any obligation upon Declarant to subject any of such additional real property to this Declaration or to the jurisdiction of the Association. If such additional real property is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such additional real property, nor shall such rights in any manner limit or restrict the use to which such additional real property may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed by this Declaration or not.

**ARTICLE IX**

**ASSOCIATION; RIGHTS AND OBLIGATIONS**

**Section 1                    Implied Rights**

The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege.

**Section 2                    Rules**

The Association, through its Board, may make, modify, and enforce reasonable rules governing the use of and activities in the Common Area (the "Rules"), consistent with the rights and duties established by this Declaration and provided that such Rules are substantially related to the rights and duties established by this Declaration. Such rules shall be binding upon all Owners, occupants, invitees, and licensees until and unless repealed or modified in a regular or special meeting of the Board of Directors by the Board and, so long as such membership exists, by the Class "B" Member.

### **Section 3                    Enforcement**

The Association may impose sanctions for violations of this Declaration, the By-Laws, or Rules, including reasonable monetary fines, suspension of voting rights and the right to use any facilities within the Common Area. In addition, the Association may exercise self-help remedies to cure violations of the By-Laws, this Declaration, or the Rules, and may suspend any services it provides to the Lot of any Owner thirty (30) days or more delinquent in paying any assessment or other charge due to the Association. The Association may seek relief in any court. The Association's actions to impose or seek sanctions shall be governed by the By-Laws.

### **Section 4                    Common Area**

The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, under the terms and conditions of this Declaration.

### **Section 5                    Personal Property and Real Property For Common Use**

The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Association improved or unimproved real estate located within the properties depicted on and described in Exhibits "A" and "B", personal property, easements, and other property interests. Such property shall be accepted and thereafter maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the conveyance. Any acquisition, disposal, or acceptance of property by the Association as described herein shall require the approval of the members of the Board of Directors at a regular or special meeting.

### **Section 6                    Utility Lines**

Each owner, occupant, guest, invitee and licensee acknowledges that neither the Association, the Board nor Declarant shall in any way be considered insurers or guarantors of health within the property subject to this Declaration and neither the Association, the Board, nor Declarant shall be held liable for any personal injury, illness, or any other loss or damage caused by the presence or malfunction of utility lines or utility substations adjacent to, near, over, or on the property subject to this Declaration.

### **Section 7                    Garbage and Refuse Collection**

Unless in the Board's determination adequate refuse collection is provided by the Government, the Association shall have the right to contract with a private entity for the regular collection of refuse and garbage from each Lot. The charge for such collection

shall be a Common Expense and shall be included within the General Assessments as provided for in Article X hereinafter.

## **ARTICLE X**

### **ASSESSMENTS**

#### **Section 1            Creation of Assessments**

There are hereby created assessments for the Common Expenses as may from time to time specifically be authorized by the Board of Directors to be commenced at the time and in the manner set forth herein. There shall be two types of assessments: (1) General Assessments to fund expenses for the benefit of all Members of the Association; and (2) Special Assessments as described in Section 5 below.

General Assessments shall be levied equally on all Lots. Special Assessments shall be levied as provided in Section 5 below. Each Owner, by acceptance of his or her deed or recorded contract of sale, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at a rate not to exceed the lesser of eighteen percent (18%) per annum or the highest rate allowed by Kentucky law as computed from the date the delinquency first occurs, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the assessment arose, and its grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except to the extent the lien securing same may have been extinguished by judicial proceedings.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty Dollars (\$50.00) for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors which may include, without limitation, acceleration of the annual General or Special Assessments for any delinquent installments. Unless the Board otherwise provides, the General Assessment shall be based on an annual assessment and shall be due and payable in twelve equal monthly installments in advance on or before the first day of each month, unless an alternative payment

structure is established by the Board. Special Assessments may be due as a lump sum or paid in installments as determined by the Board of Directors. Any assessment not paid within fifteen (15) days of the due date shall be deemed delinquent without notice or demand.

No Owner may waive or otherwise exempt itself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Lot. No diminution or abatement of assessment or setoff shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration, or the By-Laws or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance or with any order or directive of the Government, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

Where a Mortgagee or the purchaser or purchasers of a Lot obtains title to the Lot as a result of foreclosure of a first mortgage; or by voluntary conveyance in lieu of such foreclosure, said Mortgagee or purchaser shall not be liable for the share of assessments by the Board pertaining to such Lot which became due prior to acquisition of title by said Mortgagee or purchaser as a result of the foreclosure or voluntary conveyance in lieu of said foreclosure; provided, the Mortgagee or purchaser shall be liable for its share of assessments accruing after the acquisition of title by said Mortgagee or purchaser. Such unpaid share of assessments shall be deemed to be common expenses collectible from all of the other Lot Owners, including a successor or assign of the Mortgagee. The waiver of liability granted herein for the payment of past due assessments shall not apply to an Owner who takes back a purchase money mortgage or vendor's lien, or to any other Mortgagee which is not an "institutional mortgagee." The term "institutional mortgagee" herein used shall mean a first mortgage holder which is a bank, savings and loan association, mortgage company, life insurance company, pension fund, trust company, credit union, or other similar institutional lender.

## **Section 2                      Declarant**

(a) During the Class "B" Control Period, Declarant shall not be required to pay assessments for Lots owned by Declarant. However, until the expiration of the Class "B" Control Period as specified in the By-Laws, Declarant shall be obligated for the difference between the amount of assessments levied on all Lots subject to assessment and the amount of actual expenditures required to operate the Association during the calendar year. This obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

Upon expiration of the Class "B" Control Period, Declarant shall be obligated to pay assessments for Lots which it owns on the same basis as other owners.

(b) Until expiration of the Class "B" Control Period as specified in the By-Laws, Declarant or its nominee shall administer the assessments and receipts therefrom which may only be used for purposes generally benefiting the property subject to this Declaration as permitted in this Declaration.

### **Section 3 Initial Assessment**

The initial General Assessment shall be Twenty Dollars (\$20) per Lot, paid on a monthly basis until January 1, 2008, and thereafter shall be in such amount as established by the Board in conjunction with preparation of the budget as provided in Section 4 hereinafter.

### **Section 4 Preparation of Budget**

For the period beginning January 1, 2008, it shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year and thirty (30) days prior to the meeting at which the budget shall be presented to the Members, to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared and shall separately list Common Expenses. The amount of the General Assessment to be levied for the coming year against each Lot subject to assessment under Section 8 below shall be computed by dividing the balance of the total operating budget by the total number of Lots subject to this Declaration at the time the budget is to go into effect. The Board shall cause a copy of the budget and the amount of the General Assessments to be levied against each Lot for the following year to be delivered to each Owner at least fifteen (15) days prior to the meeting. The budget and the assessment shall become effective during the Class "B" Control Period unless disapproved by the Class "B" Member. The budget and assessment shall become effective after the Class "B" Control Period unless disapproved at the meeting by a vote of Members representing at least a majority of the total Class "A" vote in the Association.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

### **Section 5 Special Assessments**

In addition to the General Assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments in any year

applicable to that year only for defraying, in whole or in part, the cost of construction, unexpected repair or replacement, or any other expenditure for the maintenance of the Common Area, which cost was not otherwise provided for in the General Assessment. Provided, however, such assessment shall have the affirmative vote of a majority of the Board.

The Association may levy a Special Assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws and/or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing before the Board.

Special Assessments may not be levied on the Declarant or Lots owned by the Declarant during the Class "B" Control Period unless approved by the Class "B" Member.

## **Section 6                    Lien for Assessments**

The General and Special Assessments and all other sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs and reasonable attorney's fees actually incurred as provided herein, shall be secured by a continuing lien on such Lot in favor of the Association, which lien shall not be diminished in any way by a transfer, subdivision and/or consolidation. Such lien shall be prior and superior to all other liens and encumbrances on such Lot except:

- A. all taxes, assessments and other levies which by law would be superior thereto, and
- B. the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other mortgages) made in good faith and for value, to which first Mortgages the lien created herein shall be subordinate and inferior in all respects.

Such lien, when delinquent, may be enforced by suit, judgment and foreclosure.

The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at foreclosure sale (including by credit bid) and to acquire and hold, lease, mortgage and convey the same. During the period of time which a Lot is owned by the Association following foreclosure:

- A. no right to vote shall be exercised on its behalf;
- B. no assessment shall be assessed or levied on it; and

C. each other Lot shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association as a result of foreclosure.

Suit to recover a money judgment for unpaid assessments and attorney's fees may be maintainable without foreclosing or waiving the lien securing the same. The voting rights of a Member who is in default in payment of any assessment shall be automatically suspended and shall be reinstated upon cure of the default.

All payments shall be applied first to costs and attorney's fees, then to late charges, then interest, then to any unpaid installments of the General Assessments or Special Assessments in the order of their coming due.

### **Section 7 Capital Budget and Contribution**

After Declarant relinquishes control of the Common Area pursuant to Article II, Section 4, the Board of Directors shall annually prepare a capital budget to take into account the number and nature of replaceable Association assets, the expected life of each Association asset and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution shall be fixed by the Board and included within and distributed with the budget and assessment as provided in Section 4 of this Article.

### **Section 8 Date of Commencement of Assessments**

The assessments provided for herein shall commence as to all Lots on January 1 of the year following acquisition of record title to a Lot by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale immediately upon completion.

### **Section 9 Capitalization of Association**

Upon acquisition of record title to a Lot by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale immediately upon completion, such purchaser shall make a contribution to the working capital of the Association in an amount equal to One Hundred Dollars (\$100). This amount shall be used by the Association for use in meeting unforeseen expenditures, purchasing equipment deemed necessary or desirable, or otherwise covering operating expenses properly incurred by the Association, provided, that, all such funds shall only be expended for the maintenance and repair of the Common Areas. Such contributions shall not be considered an advance payment of regular assessments.

## **Section 10 Exempt Property**

Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of General Assessments and Special Assessments:

- (a) all Common Areas; and
- (b) all property dedicated to and accepted by the Government or a public utility.

## **Section 11 Failure to Assess**

The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as for the last year for which an assessment was made until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

## **Section 12 Recordkeeping**

The Association shall maintain or cause to be maintained full and accurate books of account with respect to the performance of its responsibilities hereunder. The books and records and related financial statements shall be made available for inspection and copying upon request by the Members during normal business hours. Copying charges shall be paid by the Members when requesting copies.

# **ARTICLE XI**

## **USE AND BUILDING RESTRICTIONS**

### **Section 1 Primary Use Restrictions**

The Lots shall be used for single-family residential use. Permitted residential structures shall be limited to single-family detached dwellings.

### **Section 2 Garages**

Each residence may have an attached garage. No detached garages shall be permitted without the specific written approval of the Declarant.

### **Section 3                    Nuisances**

No noxious or offensive trade or activity shall be conducted on any Lot, no loud or obnoxious noises shall be allowed nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood. No commercial activity shall be permitted on any Lot, unless Declarant designates otherwise.

### **Section 4                    Plan Approval**

In order to assure and maintain a harmonious and beneficial environment for all Lot Owners, no buildings, improvements, landscaping, and/or hardscape shall be constructed or installed or grading commenced on the Properties without the prior written approval of the Declarant. Prior to the beginning of grading or construction of any improvements upon a Lot (defined to be the beginning of any excavations, grading, or placement of improvements), there shall be submitted to, and approved, in writing, by the Declarant in its sole discretion, Building Plans (as defined below). The Declarant may request revisions to Building Plans prior to approval. If Declarant does not approve, reject or request revision of Building Plans within sixty (60) days of submittal to Declarant, the Building Plans shall be deemed approved. The following, in duplicate copy, shall be submitted to Declarant:

(a) Plans (including grading plans and any plans for tree removal), specifications, and elevations of all buildings and landscaping to be installed to be constructed (the "Building Plans"), including architectural drawings and elevations at ¼" scale and detailed specifications including, but not limited to, a description of all exterior building and roof materials, colors, roof pitch, and finishes. All plans must include engineered-stamped foundation plans. All buildings must be custom-built by a contractor approved by Declarant. The Contractor must be licensed, insured and registered as required by the Government. One complete set of the Building Plans shall be retained by the Declarant.

(b) All proposed alterations, additions, or changes to the Building Plans (as previously approved) shall be submitted to the Declarant in writing and shall conform to all of the conditions above. The Declarant shall have the right to approve or reject, at its sole discretion, the proposed alterations, additions, or changes. This provision applies to all proposed future alterations, additions, and changes to a Lot.

(c) The Owner is required to submit and obtain from Declarant approval of Building Plans for new home construction from the Declarant. The Owner is required to complete construction within 18 months after the date of approval of the Building Plans unless this requirement is waived or extended, based on special circumstances, by the Declarant acting in its sole discretion. If construction is not completed within 18 months as provided herein, the Building Plans must be resubmitted to the Declarant for review and approval.

(d) Any remodeling or renovation to existing structures shall be completed within 12 months of the date of approval of the Building Plans. If such work is not completed within 12 months, the Building Plans must be resubmitted to the Declarant for review and approval.

(e) All landscaping shall be installed within 60 days of occupancy subject to legitimate weather delays.

(f) No approval of Building Plans or other matters by Declarant under this Declaration shall be viewed as an endorsement of the structural or other feasibility of the improvements to be made thereunder and Declarant shall have no liability to any Person for any approval or rejection of a Building Plan or other matter hereunder. Declarant's purpose in retaining approval rights hereunder is to assist in the overall coordinated development of the property subject to this Declaration and not to ensure or guaranty the feasibility of any specific plans or the aesthetic nature of the Development.

## **Section 5 Building Specifications**

All dwellings shall be constructed consistent with the following specifications:

(a) No modular or manufactured dwellings shall be permitted.

(b) All dwellings shall contain a minimum of 1,200 square feet of finished living area, exclusive of the garage and any finished area below the highest finished grade elevation (i.e. finished basements are excluded from the required square footage calculation).

(c) No dwelling may be more than the lesser of (i) thirty feet or (ii) 2 and ½ stories in height, except a widow's peak or lookout room above such maximum height limitation may be permitted if approved by Declarant.

(d) Exposed block shall be decorative block such as split-faced block or similar texture; all exposed footings, foundations and retaining walls shall be covered by approved finishes.

(e) All roofs shall be 6 and 12 pitch minimum, unless the Declarant approves otherwise, except roofs over porches and garages shall have no pitch requirements but shall be subject to approval as part of required Building Plans.

(f) No structure may be erected within the Flowage Easement Area, except decks, porches, patios and driveways may be constructed within the Flowage Easement Area with approval of the proper Government authority.

(g) All structures must be set back from the side, rear and front yard boundaries the minimum amount set forth on the Plat.

(h) No habitable structures will be erected within any easements on any Lot.

(i) No structure may be located on any Lot in a manner that, in Declarant's determination, substantially interferes with the view of Lake Barkley by (i) another habitable structure on a Lot or (ii) potential building sites on another Lot for a habitable structure. All determinations under this paragraph will be in Declarant's sole and absolute discretion and determined at the time Building Plans are reviewed by Declarant.

(j) All exterior finishes for all structures shall be siding with colors as approved by the Declarant, with no brick, stone or rock siding without Declarant's consent.

(k) All construction materials shall be new and shall meet or exceed building codes.

(l) No modular units, prefabricated, or pre-constructed framing, with the exception of roof trusses and floor joists, shall be permitted without Declarant's consent.

(m) All residences must have a covered front porch of at least fifty square feet of space.

(n) The fronts of residences shall be generally parallel to the front lot line and angled toward Lake Barkley when possible, the determination of the practicality of angle of the residences to be determined by Declarant.

(o) Where culvert pipes are necessary, plans for the diameter and materials for such pipes must be provided to Declarant and must meet Declarant's approval.

(p) Grading of any Lot in a manner that, in Declarant's determination, substantially interferes with the view of Lake Barkley from another habitable structure on a Lot or from potential habitable structure building sites on another Lot is prohibited. All determinations under this paragraph will be in Declarant's sole and absolute discretion and determined at the time Building Plans are reviewed by Declarant.

## **Section 6                      Temporary Structures**

No temporary structures or buildings shall be permitted on any Lot except that, during construction of new homes, such structures, including temporary portable office/storage buildings, shall be allowed provided that such structures have been approved by the Declarant prior to installation. Such structures shall be removed when

construction or development is completed and no such structure shall at any time be used as a residence temporarily or permanently.

## **Section 7                    Vehicles**

Except for vehicles reasonably necessary to be on or about the Lots during construction or alteration of any buildings or other improvements upon a Lot, no trailer, commercial vehicle, and/or trucks, motor home, camper or tractor shall be parked or kept on any Lot at any time unless housed in a garage. Boats kept overnight on Lots must be kept in covered garages. No inoperable car, truck, boat or other vehicle shall be parked or kept on any Lot in such a manner that it is visible from a street, another Lot or Common Area. No unlicensed motor vehicles shall be allowed on any street.

## **Section 8                    Animals**

No livestock, or poultry of any kind, including pigs, hogs, horses, cattle, goats or chickens shall be raised, bred, or kept on any Lot. Dogs, cats, or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept provided they are not kept, bred, or maintained for any commercial or breeding purposes. All animals permitted herein must be fenced or on a leash at all times. Invisible fencing or similar technology to maintain dogs within the boundaries of a Lot is also permitted.

## **Section 9                    Basketball Equipment, Garbage Cans, Tanks, Etc.**

All basketball hoops and backboards, garbage cans, trash and garbage roll containers, and other similar items shall be located or screened so as to be concealed from view of neighboring and adjacent property, Lots, and streets, as is reasonably practicable. All rubbish, trash, and garbage shall be regularly removed from the Lot and shall not be allowed to accumulate thereon.

## **Section 10                  Unsightly or Unkempt Conditions**

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his Lot. The pursuit of hobbies or other activities which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Lot.

## **Section 11                  Subdivision of Lot**

No Lot shall be subdivided. However, with the prior written approval of the Board of Directors (and during the Class B Control Period, the Declarant) and the approval of the appropriate Government authority, two or more Lots may be consolidated. Declarant, however, hereby expressly reserves the right to replat any Lot or Lots which it owns prior to conveyance by Declarant. Any such division, boundary line change, or

replatting may not be in violation of any applicable subdivision and/or zoning regulations.

#### **Section 12 Pools**

Swimming pools may be erected, constructed, or installed on any Lot subject to the prior written approval of the Declarant and shall be enclosed by a fence as approved by the Declarant. Above-ground pools are prohibited.

#### **Section 13 Artificial Vegetation, Exterior Sculpture and Similar Items**

No artificial vegetation shall be permitted on the exterior of any Lot. Exterior sculpture, fountains, and similar items must be approved by Declarant.

#### **Section 14 Mailboxes**

All mailboxes shall be made of wood or metal as approved by the Declarant and shall meet the U.S. Post Master's requirements.

#### **Section 15 Lakes**

Owners are required to get approval from the proper Government authority, including, without limitation, the United States Department of the Army and/or its Corps of Engineers, for construction or alteration of all structures below 378 feet above sea level and changing the contour of land below 378 feet above sea level. Any area below 378 feet above sea level is subject to the United States Army Corps of Engineers Lake Barkley Shoreline Management Plan of restrictions and regulations.

#### **Section 16 Fences**

All fences must be three feet or less in height and of white vinyl or wood. Provided, however, that fencing around a pool installed on any Lot may be in excess of three feet, but must be of material, height and design approved by Declarant prior to installation.

#### **Section 17 Exterior Changes**

No exterior changes, including, but not limited to, structural additions, alterations, improvements, painting or re-painting walls, trim, or gutters, windows, shutters and/or doorways, may be made within any of the Lots without prior written approval of the Declarant.

**Section 18            Driveways**

All driveways and parking areas shall be concrete, stamped concrete, asphalt, tile or other product approved by the Declarant. No gravel driveways or parking areas shall be permitted.

**Section 19            Outbuildings**

No barn, shop or other out-building shall be permitted on any Lot.

**Section 20            Carports**

No carports, attached or unattached, shall be permitted on any Lot.

**Section 21            Utilities**

No overhead utilities shall be allowed on the properties; all electric, telephone and other cables and lines shall be underground. Utility tap on, connection, installation, maintenance or other fees or charges are the responsibility of each Owner for their Lot.

**Section 22            Sanitary Sewer System**

Each Lot shall be required to install and properly maintain a low gravity pump to move sanitary sewer waste from the Lot to public sanitary sewer lines. Lot Owners must obtain all required permits and tap-on rights and pay any and all necessary fees or other charges.

**Section 23            Parking**

Vehicles (except as provided in Section 7 hereof) belonging to Members, their families, guests, and invitees shall be parked on the Lot in approved garages or driveways. However, on-street parking shall be permitted temporarily only as necessary to accommodate guests at social functions.

**Section 24            Fireworks**

Fireworks, including but not limited to items such as bottle rockets, roman candles, cherry bombs, and similar explosive devices, shall be prohibited on any portion of the property subject to this Declaration.

**Section 25            Wild Animals**

The hunting and/or trapping of wild animals is prohibited on any portion of the property subject to this Declaration.

## **Section 26                    Maintenance**

Each Lot shall be maintained and mowed on a regular basis to the Community-Wide Standard whether having improvements thereon or vacant. The Owner is also responsible for maintaining the area (except for sidewalks) between the edge of pavement of the adjacent street and the front property line of the Owner's Lot. In the event that an Owner of a Lot fails to maintain his or her Lot in a neat and orderly condition, the Declarant may, at its discretion, enter upon such Lot without liability and proceed to put it into an orderly condition, billing the cost of such work at the rate of two and one-half (2.5) times the cost of labor and materials used. Said costs shall be a valid debt of the Owner (and all successor Owners of the Lot), and shall constitute a lien on the Lot as provided in Article X hereof, and upon failure of the Owner to pay said cost in full within thirty (30) days from receipt of a bill therefore, shall be collectible by appropriate legal action, together with late charges at the rate of Five Dollars (\$5.00) per month or a fraction thereof, and reasonable attorneys' fees and expense related thereto. The Declarant may leave lots it owns in a natural condition until sold

## **Section 27                    Sales Activities**

No vehicles, boats, trailers, trucks, or similar items shall be parked or displayed on a Lot or any portion of the property subject to this Declaration displaying "For Sale" signs or similar signage, such signs not to exceed 2' x 2' in size and to be no more than 3' 6" in height, unless otherwise approved by Declarant. No yard sales, garage sales, rummage sales, or similar sales shall be permitted other than neighborhood sales which may be organized from time to time by the Association.

## **Section 28                    Clotheslines**

No exterior laundry or clotheslines shall be permitted on any Lot.

## **Section 29                    Firearms/Weapons**

The discharge of firearms or other weapons within the property subject to this Declaration is prohibited. The term "firearms" includes "B-B" guns, paint guns, pellet guns, and other firearms of all types, regardless of size. The term weapon shall include bows, crossbows, and/or projectile weapons.

## **Section 30                    Trees**

Existing trees shall not be removed except for diseased or dead trees or trees which must be removed to promote the growth of other trees and shall only be removed with the prior written approval of Declarant. Trees on an Owner's Lot within 8 feet of a house, porch or garage or within 5 feet of a driveway, sidewalk or patio may be cut without Declarant's approval.

**Section 31            Irrigation, Sprinkler Systems**

No irrigation or sprinkler systems shall be permitted to draw from any creeks, streams, ponds, lakes, or rivers within the property subject to this Declaration for the maintenance of any Lot, provided that this prohibition does not apply to any ponds solely located within a Lot.

**Section 32            Air Conditioners**

Window unit air conditioners shall be not installed on any structure in the property subject to this Declaration with the exception of temporary structures permitted during construction pursuant to Section 6 hereof.

**Section 33            Signage**

No business or commercial signs shall be permitted in the property subject to this Declaration except for signs installed by Declarant during development of the property subject to this Declaration and signs installed by builders on a Lot during construction. Once construction of a house is complete, the only signage permitted on a Lot are "Real Estate For Sale" signs. Street addresses and/or name plates may be installed on a dwelling unit with the prior written approval of the Declarant.

**Section 34            Walking Trails**

The walking trails shall be limited to pedestrian traffic only.

**Section 35            Burning of Trees or Refuse.**

Burning of refuse (including trees during home construction) on the property subject to this Declaration is prohibited unless approved in advance by Declarant, who shall have no liability or responsibility for any burning on any property.

**Section 36            Association**

Upon cessation of the Class B Control Period, all rights and obligations of Declarant (including approvals and the authority to grant exceptions) under this Article XI shall become rights and obligations of the Association acting through the Board.

**ARTICLE XII**  
**AMENDMENT**

**Section 1                    General**

Prior to the conveyance (which means transfer by deed and not entering into a contract for sale) of the first Lot, Declarant or its successor may unilaterally amend any portion of this Declaration. After such conveyance, the Declarant or its successor may unilaterally amend any provision of this Declaration, so long as it still owns a Lot subject to this Declaration for development and so long as the amendment has no material adverse effect upon the substantive right of any Owner (unless such Owner consents in writing); thereafter and otherwise, and except as otherwise provided in this Declaration, this Declaration may be amended only by the affirmative vote of a majority of the Board of Directors present at a meeting duly called for such purpose and of the Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration pursuant to Article VIII. Notwithstanding the foregoing, the Declarant or its successors may amend this Declaration to provide for annexation of additional property, imposition of additional covenants, restrictions, and easements, and the formation of separate owners Associations, as provided for in and pursuant to Article VIII hereof. Any amendment must be recorded in the Livingston County Clerk's office.

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

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

**Section 2                    Subsequent Amendment to Annex Property**

Article VIII of this Declaration shall not be amended without the prior consent of Declarant so long as it still owns any property depicted on and described in Exhibits "A" or "B". The Declarant, its successor, and the Association, pursuant to and as set forth in Article VIII of this Declaration, have the privilege to amend this Declaration for the purposes of annexing certain real property to this Declaration pursuant to recorded Subsequent Amendments.

**Section 3                    Removal of Property**

Notwithstanding any of the foregoing, the Declarant reserves the right to amend this Declaration unilaterally at any time during the Class "B" Control Period for the purpose of removing certain portions of the property subject to this Declaration then

owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, without prior notice and without the consent of any Person other than the Owner thereof, either (a) to the extent such property was included originally in error; or (b) as a result of any changes whatsoever in the plans for Little Lake Village desired to be effected by the Declarant, provided such withdrawal is not inconsistent with the overall uniform scheme of development for Little Lake Village.

## **ARTICLE XIII**

### **GENERAL PROVISIONS**

#### **Section 1           Term**

The covenants and restrictions of this Declaration shall run with and bind the real property described in Exhibit "A" and shall inure to the benefit of and shall be enforceable by the Declarant, the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument in writing, signed by the Owners of a majority of the Lots has been recorded within the year preceding the beginning of each successive period of ten (10) years agreeing to terminate said covenants and restrictions, in which case this Declaration shall be terminated as specified therein.

Failure of any Owner to demand or insist upon observance of any of these covenants and 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           Indemnification, Liability of Directors**

A. It is the policy of this Association that, subject to any restriction or limitation of applicable law, each person who is or was a director, trustee, officer, committee member, or employee of the Association, whether elected or appointed, including the heirs, executors, administrators, or estate of any such person, and who has acted in good faith and reasonably believed that their conduct was in the best interest of the Association, shall be indemnified by the Association to the full amount against any liability, and the reasonable cost or expense (including reasonable attorney fees, monetary or other judgments, fines, excise taxes, or penalties and amounts paid or to be paid in settlement) incurred by such person in such person's capacity as a director, trustee, officer, committee member, or employee, or arising out of such person's status as a director, trustee, officer, committee member, or employee; provided, however, no such person shall be indemnified against any such liability, cost, or expense incurred in connection with any action, suit, or proceeding in which such person shall have been adjudged liable on the basis that personal benefit was improperly received by such person, or if such indemnification would be prohibited by

law. This right of indemnification shall also provide that the director, trustee, officer, committee member, or employee shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The Association shall, to the extent permitted by applicable law, maintain insurance, as a Common Expense, to protect itself and any such person against any such liability, cost, or expense, whether or not the Association would have the power to indemnify such person against such liability, cost, or expense under Chapter 273 of the Kentucky Revised Statutes (the "Kentucky Nonprofit Corporation Acts") or under this Article XIII, if such insurance is reasonably available. The indemnification provided by this Article XIII shall not be deemed exclusive of any other rights which those seeking indemnification may have or hereafter acquire under any bylaw, agreement, statute, vote of members or Board of directors, or otherwise. If this Article XIII or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each such person to the full extent permitted by any applicable portion of this Article XIII that shall not have been invalidated or by any other applicable law.

B. The liability of each and all of the directors of this Association shall be and is hereby limited to the greatest extent permitted by law and no director of the Association shall be liable to the Association for monetary damages for breach of such director's duties as a director, except for the following (which exceptions shall be construed as narrowly as legally permissible):

1. For any transaction in which the director's personal financial interest is in conflict with the financial interests of the Association;
2. For acts or omissions not in good faith or which involve intentional misconduct or are known to the director to be a violation of law; or
3. For any transaction from which the director derives an improper personal benefit.

In addition to and notwithstanding the limitation on a director's liability stated hereinabove, no action taken as a director and no failure to take action as a director shall be the basis for monetary damages or injunctive relief unless:

- a. The director has breached or failed to perform the duties of the director's office in compliance with the general standards for directors as set forth in KRS 273.215; and
- b. In the case of an action for monetary damages, the breach or failure to perform constitutes willful misconduct or wanton or reckless disregard for human rights, safety or property.

If the Kentucky Nonprofit Corporation Acts are amended after approval of this Article XIII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Kentucky Nonprofit Corporation Acts, as so amended. Any repeal or modification of this Article XIII shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

### **Section 3 Board of Directors Meetings**

Except as otherwise provided herein, meetings of the Board of Directors shall comply with the requirements of the By-Laws, including, but not limited to, notice, quorum, and voting requirements.

### **Section 4 Severability**

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect and such invalid covenant or restriction shall be modified to the least extent required so it may remain enforceable and valid.

### **Section 5 Perpetuities**

If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of George H.W. Bush, 41<sup>st</sup> President of the United States.

### **Section 6 Litigation**

No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of a majority of the Board of Directors. Any meeting called for such purpose shall be subject to the same notice and quorum requirements and other procedures as provided in the By-Laws for meetings of the membership. This Section shall not apply, however, to:

- A. actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens),
- B. the imposition and collection of assessments as provided in Article X hereof,
- C. proceedings involving challenges to ad valorem taxation, or

D. counterclaims brought by the Association in proceedings instituted against it.

This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes and pursuant to the same procedures necessary to institute proceedings as provided above.

**Section 7 Easement for Maintenance of Common Area and Landscape Area**

Subject to the provisions of this Declaration, Declarant hereby and by recording this Declaration and the recording of any document adding property this Declaration, grants and conveys to the Association, and its successors, successors-in-title, and assigns, a perpetual easement and right of access across Phase I for the purpose of maintaining, repairing, and replacing the Common Areas, including any improvements or landscaping within the Common Areas in accordance with this Declaration. Where feasible, such access shall be limited to rights-of-way and to paved accessways, driveways, and/or streets whether public or private.

**Section 8 Use of the Words "Little Lake Village"**

No Person, other than Declarant, shall use the words "Little Lake Village" or any derivative thereof in any printed or promotional material for rental properties. However, Owners may use the term "Little Lake Village" in printed or promotional material where such term is used solely to specify that particular property is located within Little Lake Village or to advertise the sale of a particular property.

**Section 9 Security**

The Declarant and/or the Association is not formed for the purpose of and shall not be obligated to, undertake any measures designed to increase safety or security in the property subject to this Declaration. NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY SUBJECT TO THIS DECLARATION AND NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE SECURITY. ALL OWNERS, TENANTS, GUESTS, INVITEES AND LICENSEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS AND COMMITTEES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM WILL BE INSTALLED ON THE PROPERTY SUBJECT TO THIS DECLARATION BY THE DECLARANT AND/OR THE ASSOCIATION. EACH OWNER, TENANT, GUEST, INVITEE OR LICENSEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS AND COMMITTEES ARE NOT

INSURERS AND THAT EACH OWNER, TENANT, GUEST, INVITEE AND LICENSEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS AND COMMITTEES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, TENANT, GUEST, INVITEE OR LICENSEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, THAT ANY SECURITY MEASURES WILL BE UNDERTAKEN BY DECLARANT AND/OR THE ASSOCIATION.

## **Section 10           Headings and Gender**

Headings of Articles and Sections are inserted only for convenience and are in no way to be construed as a limitation on the scope of the particular Articles and Sections to which they refer. Where required for proper interpretation, words in the singular shall include the plural, and vice versa, and the masculine gender shall include the neuter and feminine, and vice versa.

## **ARTICLE XIV**

### **DECLARANT'S RIGHTS**

Any or all of the special rights and obligations of the Declarant may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Livingston County Clerk's office. If the Declarant is a natural person and shall die or become permanently disabled prior to recordation of such an instrument, his personal representative or his estate's executor, administrator or other representative shall become the Declarant. If the Declarant is a legal entity that is dissolved (except where dissolution is reinstated upon 90 days' written notice to the Declarant by the Association) the Association shall become the Declarant. If Declarant ceases to own any of the Lots subject to this Declaration without formally assigning its rights and obligations, those rights and obligations shall be deemed assigned to the Association.

Notwithstanding any provisions contained in this Declaration, the By-Laws, Articles of Incorporation, use restrictions, rules and regulations, design guidelines, and amendments thereto, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant, its successors and assigns, and any builder or developer approved by Declarant, to maintain and carry on sales and promotional activities on Lots owned by Declarant, its successors and assigns, or such builder or developer; and to construct and operate business offices, signs, construction trailers, and sales offices on such Lots.

No rights, privileges and easements granted or reserved herein shall be merged into the title of the property subject hereto but shall be held independent of such title and no such right, privilege or easement shall be surrendered, conveyed or released except by delivery of a quitclaim deed and/or assignment from Declarant surrendering, conveying, or releasing such right, privilege or easement by express reference thereto, or as otherwise provided herein.

So long as Declarant continues to have rights under this Article, no Person shall record any declaration of covenants, conditions and restrictions or declaration of condominium or similar instrument affecting any portion of the property subject to this Declaration without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) ten (10) years or (b) when the Class "B" Control Period ends.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration of Covenants, Conditions and Restrictions for Little Lake Village this 26 day of Sept., 2006.

  
 TODD D. THOMASON

STATE OF KY

COUNTY OF Henderson

The foregoing Declaration of Covenants, Conditions and Restrictions for Little Lake Village were subscribed, sworn to, and acknowledged before me this 26 day of Sept., 2006, by Todd D. Thomason.

Commission Expires: Feb. 3, 2009



Cindi L. Johns  
Notary Public

This instrument was prepared by:

STOLL KEENON OGDEN PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507  
(859) 231-3000

BY: Richard H. Mains  
Richard H. Mains

LEX 990151/888151/3455780.3



## EXHIBIT "B"

A TRACT OF LAND IN LIVINGSTON COUNTY KENTUCKY, LYING IN THE CITY OF GRAND RIVERS, KENTUCKY, AND BEING THE REMAINING PORTION OF TRACT 1 AND TRACT 6 LYING BETWEEN THE UNDEVELOPED REMAINDER OF EIGHT STREET ON THE EAST, AND COMMERCE STREET ON THE WEST AND BETTER DESCRIBED AS FOLLOWS;

NOTE: UNLESS STATED OTHERWISE, ANY MONUMENT REFERRED TO HEREIN, AS A "5/8" IRON PIN, SET," IS A 5/8" DIAMETER REBAR TWO FEET IN LENGTH WITH A YELLOW PLASTIC CAP STAMPED J. D. KNOTH, L.S. #1991.

ALL BEARINGS STATED HEREIN ARE REFERRED TO THE MAGNETIC MERIDIAN AS OBSERVED TAKEN FROM ADJOINING SURVEY:

BEGINNING AT THE SOUTHEAST CORNER, AN EXISTING CORPS OF ENGINEERS CONCRETE MONUMENT FOUND 15.00 FEET WESTERLY OF CENTER THE TRAVELWAY COMMERCE STREET, AND IN THE NORTH LINE OF THE UNITED STATES OF AMERICA (DEED BOOK 88 PAGE 535);

THENCE; AND WITH THE UNITED STATES OF AMERICA'S NORTH LINE, AND THE NORTH LINE OF THE VADIE BLAYLOCK PROPERTY, (DEED BOOK 113 PAGE 651), S 57° 30' 23" W AND PASSING THROUGH AN EXISTING CORPS OF ENGINEERS CONCRETE MONUMENT #15038-2 FOUND AT 479.51 FEET, 557.45 FEET TO A POINT IN THE EAST LINE OF THE OLIVER L. AND BERNICE C. HUNT PROPERTY (DEED BOOK 167 PAGE 442);

THENCE; AND WITH THE HUNT'S EAST LINE, N 31° 22' 35" W 184.06 FEET TO AN EXISTING 5/8" IRON PIN FOUND (L.S. #1991), SAID PIN BEING THE SOUTHEAST CORNER THE EDDIE H. AND ANN NEWMAN PROPERTY (DEED BOOK 173 PAGE 337);

THENCE; AND WITH THE NEWMAN'S EAST LINE, N 31° 11' 56" W 325.60 FEET TO AN EXISTING 1 1/4" IRON PIPE FOUND, SAID PIPE BEING THE SOUTHEAST CORNER THE WALTER AND ELIZABETH WRIGHT PROPERTY (DEED BOOK 88 PAGE 537);

THENCE; AND WITH THE WRIGHT'S EASTERN LINE, N 27° 57' 59" W 62.45 FEET TO A POINT IN THE NORTH LINE OF UNDEVELOPED WABASH STREET AND THE SOUTH LINE OF THE TOM O'BRIEN PROPERTY (DEED BOOK 78 PAGE 279);

THENCE; AND WITH THE NORTH LINE OF WABASH STREET (UNDEVELOPED) AND THE SOUTH LINE OF OBRIEN, N 57° 08' 45" E 511.98 FEET TO A POINT;

THENCE; S 32° 27' 15" E AND PASSING THROUGH AN EXISTING 5/8" IRON PIN FOUND (L.S. # 1991) AT 60.00 FEET, AND ANOTHER AT 210.00 FEET, 230.00 FEET TO AN EXISTING 5/8" IRON PIN FOUND (L.S. #1991), 25.00 FEET WESTERLY OF CENTER THE TRAVELWAY COMMERCE STREET;

THENCE; S 41° 55' 08" E 182.44 FEET TO CORPS OF ENGINEERS CONCRETE MONUMENT #15044-2 FOUND 20.00 FEET WESTERLY OF CENTER SAID STREET;

THENCE; S 32° 27' 15" E 165.04 FEET TO THE BEGINNING CONTAINING 7.0378 ACRES AND BEING ALL OF DEED BOOK 184 PAGE 137 AND BEING THE RESIDUE OF BLOCK 1 AND BLOCK 6 AND THE UNDEVELOPED STREETS AND ALLEYS ADJOINING THOSE BLOCKS, AS SHOWN BY PLAT OF RECORD OF THE CITY OF GRAND RIVERS, DEED BOOK 16 PAGE 630, AS SURVEYED BY J. D. KNOTH PROFESSIONAL LAND SURVEYOR NO. 1991 ON NOVEMBER 19, 1998.

Being the same property conveyed to Todd D. Thomason by deed dated April 26, 2006, from John H. Oehlschlaeger and wife, Elaine C. Oehlschlaeger; Henry R. Dallam, Jr. and wife, Edwina L. Dallam; and Henry R. Dallam, Jr., as life tenant under the Will of Gretchen O. Dallam, appearing of record in Deed Book 222, at Page 495, in the Livingston County Clerk's Office.

**EXHIBIT "C"**

**BY-LAWS**

**OF**

**LITTLE LAKE VILLAGE OWNERS ASSOCIATION, INC.**

**ARTICLE I**

**NAME, PRINCIPAL OFFICE AND DEFINITIONS**

Section 1. Name. The name of the Association shall be Little Lake Village Owners Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association shall be located at the address set forth in the Articles of Incorporation, or at such other location as shall be determined by the Board of Directors. The Association may have such other offices, either within or without the Commonwealth of Kentucky, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these By-laws, unless otherwise specifically defined herein, shall have the same meaning as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Little Lake Village, of record in Deed Book 224, Page 306, in the Livingston County Clerk's Office (the "Declaration"), unless the context shall prohibit.

**ARTICLE II**

**ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

Section 1. Membership and Voting.

(i) Every Owner of a Lot subject to the Declaration shall be deemed to have a membership in the Association, including those Lots against whom assessments may not be levied. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Lot which is part of the Declaration, but excluding in all cases any Person who is a Mortgagee or holds an interest merely as security for the performance of an obligation. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one (1) Person, votes and rights as one Member shall be shared by all such Persons with one

representative from among such Persons exercising their rights as a Member. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's spouse, subject to the provisions of the Declaration and these By-laws. The membership rights of a Lot owned by a corporation, partnership, or any other legal entity, shall be exercised by the individual designated in a written instrument provided to the Secretary of the Association, subject to the provisions of the Declaration and these By-laws.

(ii) The Association shall have two (2) classes of membership, Class "A" and Class "B," as more fully described below. As used in these By-laws, the terms "Members" and "Membership" shall refer to all Members, including both Class "A" and Class "B" Members, of the Association collectively, and the term "Member" shall refer to any individual Member of the Association without regard to whether such Member is a Class "A" or a Class "B" Member.

(a) Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any. Each Class "A" Member shall have one equal vote for each Lot in which he or she holds the interest required for membership under Section 1(i) of this Article; there shall be only one vote per Lot. The voting rights of Class "A" Members with respect to the election of Directors shall not commence until termination of the Class "B" Control Period as more fully described in subsection (b) below.

(b) Class "B" Member shall be the Declarant as designated in the Declaration, or the Declarant's successors, heirs or assigns. During the Class "B" Control Period, the Class "B" Member shall be entitled to exercise all rights and powers of the Members, and, in addition, shall be entitled to appoint all members of the Board of Directors as specified in these By-laws. The Class "B" membership shall terminate upon the expiration of the Class "B" Control Period and be converted to a Class "A" membership.

(c) The Class "B" Control Period shall remain in effect until the first to occur of the following:

(i) when 100% of the Lots subject to the Declaration (including Lots in Phase I and any Lots annexed into the Declaration as permitted thereby) have been conveyed to persons other than the Declarant or builders holding title for purposes of development and sale; or

(ii) when, in its discretion, the Class "B" Member so determines.

Section 2. Place of Meetings. Meetings of the Membership of the Association shall be held at such suitable place convenient to the Members as may be designated

by the Board of Directors either within the properties comprising Little Lake Village subdivision or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Membership, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association, at such time as may be determined by the Board of Directors. The next annual meeting shall be set by the Board so as to occur in September or October of the following year. Subsequent regular annual meetings of the Membership shall be held in September or October of each year thereafter at an hour set by the Board. Subject to the foregoing, the annual meeting shall be held at a date and time as set by the Board of Directors.

Section 4. Special Meetings. The President, or the Declarant as provided for in Article III(A), Section 2 of these By-laws, may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed by Members representing at least twenty-five percent (25%) of the votes of Members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these By-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member (whether in person or by proxy) shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 7. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the

meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

**Section 8. Proxies.** Members may vote in person or by proxy executed in writing by a Member or their duly authorized attorney-in-fact. The validity of proxies shall be determined by the President or other presiding Officer.

**Section 9. Manner of Acting.** At any meeting of the Membership of the Association at which a quorum is present, the acts of the Members of the Association shall be determined by a majority of the votes entitled to be cast by Members present or represented by their proxy, unless the act of a greater number is required by law, by the Declaration, by the Articles of Incorporation, or by these By-laws.

**Section 10. Majority.** As used in these By-laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

**Section 11. Quorum.** Except as otherwise provided in these By-laws or in the Declaration, the presence in person or by proxy of the Members representing ten percent (10%) of the total vote of the Association shall constitute a quorum at all meetings of the Association, except for meetings to elect Directors during the Class "B" Control Period, when the attendance of the Class B Member in person or by proxy shall constitute a quorum.

**Section 12. Conduct of Meetings.** The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

**Section 13. Action Without A Meeting.** Additional property annexed into the Declaration shall be brought under the Association, with the Owners of additional Lots becoming Members of the Association and the Common Areas of annexed property to become subject to the Association's rights and obligations under the Declaration.

**Section 14. Rights Reserved to Members.** Notwithstanding any provision of these By-laws or the Declaration, only the Members (or Class "B" Member during the Class "B" Control Period) (not the Association's Board of Directors), by the requisite vote, may take the following actions:

- (i) Amend or modify the Association's Articles of Incorporation or these By-laws pursuant to Article VIII, Section 6 herein;
- (ii) Alter the number of members of the Board of Directors; and
- (iii) Dissolve or cause the dissolution of the Association.

Section 15. Additional Developments and Members. Upon approval of a the Board of Directors and the Members at a special meeting of the Members called for such purpose, the Association may agree to add to the Association additional neighborhoods or developments adjoining Little Lake Village (in which event the Lots, Common Areas and other facets of such additional neighborhoods or developments would be included as under the governance of the Association) and the Owners of Lots within such additional neighborhoods or developments as Class "A" Members of the Association with the same rights, privileges and obligations as all other Class "A" Members.

### ARTICLE III

#### BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

##### **A. Composition and Selection.**

Section 1. Governing Body; Composition; Classification. The affairs of the Association shall be governed by a Board of Directors. Each Director shall have one (1) vote at meetings of the Board of Directors. Except as provided in Section 2 of this Article III(A), the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time; further, provided, that those Directors elected by the Class "B" Member shall not be required to be Members. In the case of an Owner which is a corporation, limited liability company or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Directors During Class "B" Control Period. Each member of the Board of Directors shall be elected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Class "B" Control Period.

Within one hundred twenty (120) days after the termination of the Class "B" Control Period, the President shall call a meeting of the Membership, as provided in Article II, Section 4, of these By-laws for special meetings, to advise the Membership of the termination of the Class "B" Member's control.

The directors selected by the Class "B" Member pursuant to this Section need not be Members or spouses of such Members as provided in Section 1 of this Article III(A).

Section 3. Number of Directors. The initial number of directors of the Association shall be three (3) and may be increased or decreased from time to time as provided in Article VIII, Section 6 of these By-laws. The initial Board is identified in the Articles of Incorporation.

Section 4. Election and Term of Office. At the first annual meeting of the Membership after the termination of the Class "B" Control Period and at each annual meeting of the Membership thereafter, all directors shall be elected by the Members. Directors shall hold office for a term of one year and subsequently until their respective successors shall have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 5. Voting Procedure for Directors. At any election of directors to the Board of Directors, each Member may cast, in respect to each such vacancy, as many votes as he or she is entitled to exercise under Article II of these By-laws. The candidates receiving the largest number of votes shall be elected. No cumulation of votes is permitted.

Section 6. Removal of Directors and Vacancies. Directors may be removed, with or without cause, by a vote of the Members holding a majority of the votes of the Association. Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. Upon removal of a Director, a successor shall then and there be elected to fill the vacancy.

Any Director who has three (3) consecutive unexcused absences from Board of Directors meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board of Directors. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board of Directors, and the Board of Directors may elect a successor to fill the remainder of the term caused by the vacancy. Any director appointed by the Board of Directors shall serve for the remainder of the term such successor was appointed to fill.

## **B. Meetings.**

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of

the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter; provided that during the Class "B" Control Period, the Board need only hold one (1) meeting per year. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) by facsimile; or (e) by e-mail transmission. All such notices shall be given at the director's telephone number or facsimile number or sent to the director's address as shown on the records of the Association. Notices shall be deposited in the mail, delivered, telephoned, faxed or e-mailed at least four (4) days before the time set for the meeting.

Section 4. Waiver of Notice. The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or any approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business. Except as otherwise specifically provided for in the Declaration, the votes of a majority of all of the directors present and entitled to vote on a matter shall be required to constitute the decision of the Board of Directors on such matter. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving reasonable compensation therefor.

Section 7. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Open Meetings. Subject to the provisions of Section 9 of this Article III(B), all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak.

Section 9. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

### **C. Powers and Duties.**

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not prohibited by the Declaration, Articles, or these By-laws or directed to be done and exercised exclusively by the Declarant, or its successor or assign, or the Members.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in accordance with the Declaration, including expenses relating to the Common Areas (the "Common Expenses");

(b) making assessments in accordance with the Declaration to defray the Common Expenses and establishing the means and methods of collecting such assessments (including enforcing any liens on Lots for failure to pay assessments), however, neither the Board of Directors nor the Association shall have the power to levy assessments against the Declarant or any of the owners of Declarant (collectively, the "Declarant Affiliates"), with respect to any Lot or other property they may own;

(c) providing for the operation, care, upkeep, and maintenance and repair (to the extent not appropriately provided by governmental authorities) of the Common Areas;

(d) designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations relating to use of Common Areas and under the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these By-laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association and not chargeable to Members;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and Mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days upon prior written consent. All books and records shall be kept in accordance with a manner that fairly reflects the results of the Association's operations and activities;

(m) make available to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, By-laws, rules, and all other books, records, and financial statements of the Association; and

(n) permit utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the property subject to the Declaration.

Section 2. Accounts and Reports. The following management standards of performance will be followed unless the Board of Directors by resolution specifically determines otherwise:

(a) cash accounts of the Association shall not be commingled with any other accounts;

(b) no remuneration shall be accepted by the directors or management agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(c) any financial or other interest which any director or the management agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(d) a delinquency report published at least quarterly listing all Owners who are delinquent in paying the assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent; and

(e) an annual report as of the end of the Fiscal Year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the Fiscal Year: (1) a balance sheet; (2) an operating (income statement); and (3) a statement of changes in financial position for the Fiscal Year. The annual report referred to above may be prepared on an audited, reviewed, or unaudited basis, as determined by the Board of Directors, but must be by an independent certified public accountant for any Fiscal Year in which the gross income of the Association exceeds Fifty Thousand Dollars (\$50,000.00). If said report is not prepared by an independent certified public accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas without the approval of the Membership; provided, however, the Board of Directors shall obtain Member approval in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing

exceeds or would exceed twenty-five percent (25%) of the budgeted gross expenses of the Association for that Fiscal Year.

Section 4. Rights of the Association. With respect to the Common Areas, and in accordance with the Articles of Incorporation and By-laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhood and other owners or residents associations, both within and without the property subject to the Declaration.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed after the Class "B" Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days' notice to the other party.

Notwithstanding anything to the contrary contained herein, the Association, through its Board of Directors, shall have the right to enter into a declaration of easements and covenants to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to Persons who are not Members, in consideration for payment by the owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use.

Section 5. Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the Common Areas for violation of any duty imposed under the Declaration, these By-laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration, these By-laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of assessments, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board or Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days.

the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) **Hearing.** If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

## ARTICLE IV

### OFFICERS

**Section 1. Officers.** The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

**Section 2. Election, Term of Office, and Vacancies.** The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership, as herein set forth in Article III(B), Section 1. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

**Section 3. Removal.** Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. President. The President shall be the principal executive officer of the Association and shall, in general, supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the Board of Directors, and shall, in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. Vice-President. The Vice-President shall possess the power and may perform the duties of the President in his absence or disability. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; be custodian of the corporate records and of the seal of the Association and, as necessary or appropriate, see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-laws; keep a register of the post office address of each member and each director which shall be furnished to the Secretary by each such member and director; and, in general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article III(C), Section 1(e) of these By-laws; keep an accurate account of the finances of the Association on the books of the Association prepared and furnished for that purpose; render an account at such times as the Board of Directors may require; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. However, the Treasurer may delegate all or part of the preparation and notification duties to a finance committee, the management agent, or both.

Section 8. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Compensation. Officers shall not receive compensation for their services as such, but may receive reimbursement for such reasonable expenses of conducting the business and affairs of the Association as the Board of Directors shall

from time to time determine. Nothing herein contained shall be construed to preclude any director from serving the Association as an employee and receiving reasonable compensation therefor.

## ARTICLE V

### INDEMNIFICATION BY ASSOCIATION

The Association shall indemnify any officer or director who is made a Party to any threatened, pending or completed action, suit or proceeding, whether civil, administrative or investigative, and whether formal or informal, by reason of the fact that such person is or was an officer or director if:

- (i) Such officer or director conducted himself in good faith; and
- (ii) Such officer or director reasonably believed:
  - (a) In the case of conduct of his official capacity with the Association, that his conduct was in the best interest of the Association; and
  - (b) In all other cases, that his conduct as at least not opposed to the best interest of the Association; and
- (iii) In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

Further, the Association shall indemnify the officers and directors to the fullest extent permitted by Kentucky law.

## ARTICLE VI

### COMMITTEES

Section 1. Nominating Committee. The Board of Directors may appoint a Nominating Committee to recommend to the Board nominees for election to the Board of Directors.

Section 2. Finance Committee. The Board of Directors may appoint a Finance Committee to assist the Treasurer, subject to such limitations as the Board of Directors by resolution may impose.

Section 3. Other Committees. The Board of Directors may appoint from time to time such other committees to serve such purposes of the Association as the Board of Directors shall deem appropriate.

Section 4. Committee Requirements and Limitations. Notwithstanding any other provision of these By-laws, each committee appointed by the Board of Directors shall: (a) be subject to such limitations as may be imposed by the Board of Directors, these By-laws, the Articles of Incorporation, or applicable law; (b) include at least two (2) directors of the Association; and (c) keep regular minutes of its meetings and shall present the same to the Board of Directors at the meetings of the Board of Directors.

## ARTICLE VII

### COMMON AREAS; RIGHTS OF DEVELOPER

Section 1. Areas of Common Maintenance. The Association shall be responsible for maintaining Common Areas, regardless of whether the Association holds title to such areas or not.

Section 2. Indemnification. The Association shall indemnify and hold Declarant and the Declarant's affiliates harmless for any and all claims, losses, damages, costs and expenses (including attorneys' fees) incurred by Declarant and the Declarant's affiliates related to the Common Areas, regardless of ownership of such Common Areas unless caused by the gross negligence or willful misconduct of Declarant or the Declarant's affiliates.

Section 3. Conveyance of Common Area Property. The Association shall be required to accept from the Declarant property which constitutes a common area of the development if deeded to the Association by the Declarant. Common Areas may be deeded to the Association at one time or at separate times. The Declarant may designate additional areas within or immediately adjacent to the development as Common Areas.

Section 4. Assignment of Rights of Declarant under Declaration. At such time as the Declarant may determine, it may assign some or all of its rights and obligations under the Declaration to the Association, in which event the Association shall accept all such rights and obligations from the Declarant.

## ARTICLE VIII

### MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Kentucky law, the Articles of Incorporation, the Declaration, or these By-laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Kentucky law, the Articles of Incorporation, the Declaration, and these By-laws, the provisions of Kentucky law, the Declaration, the Articles of Incorporation, and these By-laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration and By-laws, membership register, books of account, and minutes of meetings of the Members, the Board of Directors, and committees shall be made available for inspection and copying by any Mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Livingston Courts as the Board of Directors shall prescribe.

(b) Rules for Inspection. The Board of Directors shall establish reasonable rules with respect to:

- (i) Notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-laws, all notices, demands, bills, statements, or other communications under these By-laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section 5.

Section 6. Amendment. Prior to the termination of the Class "B" Control Period, Declarant may unilaterally amend these By-laws. Thereafter and otherwise, these By-laws may be amended only by the affirmative vote of a majority of the total votes of the Association, except that Article II, Section 1(ii); Article III(C), Sections 1(b) and (c); and Article VII may not be amended at any time without the prior written consent of the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment shall be effective until notice of the amendment is given to all Members. No amendment may contradict the Declaration.

The foregoing By-laws were adopted as the By-laws of Little Lake Village Owners Association, Inc. by unanimous written consent of the Board of Directors in lieu of a special meeting as of the \_\_\_\_\_ day of September, 2006.

**STATE OF KENTUCKY, COUNTY OF LIVINGSTON**

I, **Carroll D. Walker**, Clerk of the County for the County and State aforesaid, certify that the foregoing instrument was on the 27 day of Sept., 2006 at 1:32 o'clock P.M., lodged for record, whereupon the same, with the foregoing, and this certificate have been duly recorded in my office in

Deed Book 224 page 306  
Given under my hand this 27 day of Sept. 2006.

**CARROLL D. WALKER**

By Denise Blankenship D.C.

Pub. Recording Fee 184.00 Deed Tax \_\_\_\_\_

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