

**DECLARATION OF COVENANTS, EASEMENTS,
CONDITIONS AND RESTRICTIONS**

FOR

OAKMONT SUBDIVISION

(herein the "Subdivision")

THIS DECLARATION OF COVENANTS, EASEMENTS, CONDITIONS AND RESTRICTIONS FOR OAKMONT SUBDIVISION (the "Declaration") is made and entered into as of the 18th day of December, 2019, by BALL HOMES, LLC, an Kentucky limited liability company, whose principal business address is 3609 Walden Drive, Lexington, Kentucky 40517 (the "Declarant").

A. Declarant is the owner of the real property more fully described in Exhibit A attached hereto and by this reference incorporated herein (the "Property" as defined hereinafter), which has been or is intended to be developed into a residential subdivision; and

B. Declarant deems it desirable to establish an association for the purpose of, among other things, owning and/or maintaining certain areas and/or improvements constructed as part of the Subdivision; and

C. Declarant declares that all of the Property shall be held, developed, encumbered, leased, occupied, improved, used, and conveyed subject to the following covenants, easements, conditions and restrictions (the "Restrictive Covenants"), which are for the purpose of protecting the value and desirability of, and which shall run with and be binding upon the Property and all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of any portion of the Property.

This Declaration is hereby declared to inure to the benefit of all future owners of any Lot (as hereinafter defined) and all others claiming under or through them ("Owners"); the Declarant, its successors and assigns; and all utility companies or agencies or instrumentalities of local government providing utility services.

It is hereby declared that irreparable harm will result to the Declarant and other beneficiaries of this Declaration by reason of violation of the provisions hereof or default in the observance thereof and therefore, each Owner shall be entitled to relief by way of injunction, damages or specific performance to enforce the provisions of this Declaration as well as any other relief available at law or in equity.

NOW, THEREFORE, in pursuance of a general plan for the protection, benefit and mutual advantage of the Property described above and of all persons who now are or may hereafter become owners of any of the Property or plats thereof, the following restrictions, conditions, easements, covenants, obligations, and charges are hereby created, declared and established:

GENERAL PROVISIONS

I. APPLICABILITY

A. This Declaration shall apply to the entire Property as described on the attached Exhibit A. Declarant intends to develop the Property into multiple, different housing types, which may include but is not limited to individual homes on traditional single-family lots, twin singles on zero-lot-line lots, and detached cluster housing, and the covenants, conditions and restrictions contained herein may apply differently to lots and homes within the areas in which differing housing types are constructed. In addition, if Declarant owns, and/or acquires additional parcels adjacent to the Property, Declarant may in its sole discretion annex said additional parcels to, and declare them to be, subsequent phases of the Subdivision. Upon such annexation, Declarant shall have the right, but not the obligation, to subject such annexed parcels to the terms and conditions of this Declaration. Declarant may subject annexed adjacent parcels to this Declaration without modification, or Declarant may supplement and amend this Declaration as it applies to such additional phases of development. As to each development phase of Subdivision, Declarant may re-record this Declaration with an attached exhibit which modifies and/or supplements this Declaration with respect to such phase, or Declarant may incorporate this Declaration by reference into a supplemental declaration which establishes the modifications and/or supplemental provisions desired by Declarant to be applicable to such phase. The modifications and/or supplemental provisions applicable to different phases of development of the Subdivision may be comparable to, more restrictive or less restrictive than the parallel provisions applicable to other development phases, as determined to be appropriate by Declarant in the exercise of its sole discretion. In the event of any inconsistency between the provisions of this Declaration and the provisions of any phase-specific modifications and/or supplements hereto, the terms of the phase-specific document shall control.

B. Declarant shall create an association for the purpose of carrying out and performing certain obligations as described herein. As specifically provided herein after, (i) membership in the Association shall be mandatory for all Lot owners; (ii) the Association shall be required to maintain areas all "Common Property" (as defined herein) in or related to the Subdivision, and the funding of such maintenance shall be the legally enforceable obligation of each Lot owner; and (iii) the obligations of the Association and its individual members shall be enforceable by each Lot owner, by the Declarant and/or the Association.

II. DEFINITIONS

A. "Annual Assessment" - amount to be paid to the Association by each Owner annually.

B. "Assessments" - collectively referring to all charges made by the Association to an Owner relating to the Association, including but not limited to Annual Assessments, Lot Assessments and Special Assessments as defined herein after.

C. "Association" - the legal entity (and its successors and assigns) formed for the purpose of owning and/or maintaining all or any portion of the "Common Property" (as defined herein) on behalf of the owners of two (2) or more Lots in the Subdivision. The Association shall

be named Oakmont Homeowners Association, Inc. (or a similar name if that one is not available), and shall be formed as a Kentucky non-profit corporation or other appropriate non-profit entity. Declarant reserves the right, in the exercise of its discretion or if required by governmental approval processes, to form a single "Master" Association, with separate "Sub-Associations" for the separate Sub-Areas (as defined below), and if a Master and Sub-Associations are in fact formed, the term "Association" as used herein shall refer collectively and individually, as the context requires, to the Master and/or Sub-Association(s).

D. "Association Documents" – the formative documents of the Association, consisting of the charter, bylaws, this Declaration (as the same may be amended from time to time), and any and all procedures, rules, regulations or policies adopted by the Association, or comparable formative documents if the Association is not a corporate entity.

E. "Board" - the board of directors, trustees or other management body of the Association.

F. "Common Expenses" - expenses incurred in maintaining the Common Property and operating the Association.

G. "Common Property" - all real (including but not limited to the "Property" as defined below) and personal property now or hereafter acquired, pursuant to this Declaration or otherwise, and owned by the Association for the common use and the enjoyment of the Owners, or if not owned by the Association, real or personal property for the use and/or maintenance of which the Association is responsible under the terms of this Declaration, applicable zoning regulations, or under any other agreement or instrument to the terms of which the Association is bound. For purposes of clarification, Common Property shall include any entrance or other signs and walls, as well as all landscaping, utilities and other facilities related thereto, built by the Declarant or the Association to serve the Subdivision, whether located on the Property or in an easement or government right-of-way.

H. "Declarant" – Ball Homes, LLC, and any manager, general partner, shareholder, successor or assignee thereof to which Declarant specifically assigns any of its rights under this Declaration.

I. "Improvements" - all man-made or man-installed alterations to the Property, following the initial erection of a primary residential structure on a Lot, which are visible from the exterior of any primary structure on a Lot, which cause the Property to deviate from its condition prior to such alteration(s), including but not limited to buildings, outbuildings and garages and the collective and individual component parts thereof including but not limited to roofs, walls, windows, doors, awnings and room additions; permanent or temporary signs or sign structures; overhead, aboveground and underground installations, including without limitation, utility facilities and systems, lines, pipes, wires, towers, cables, conduits, poles, antennae and satellite dishes; flagpoles; swimming pools and recreational courts; slope and drainage alterations; roads, driveways, covered or uncovered parking areas and other paved areas; recreational devices and equipment whether fixed in place or movable; fences, trellises, walls, retaining walls, exterior

stairs, decks, patios and porches, gazebos, playground equipment, play houses, walkways, paths, trees, hedges, shrubs and other forms of landscaping, and all structures of every type.

J. "Initial Operating Assessment" - a one-time assessment to be levied by the Association and due at the time a Lot is initially conveyed by the Declarant to its initial third-party Owner and may be used to pay Common Expenses, to fund Association operations, and for such other purposes determined appropriate by the Board.

K. "Lot" - a discrete parcel of real property identified upon the recorded subdivision plat of the Property, or recorded re-subdivision thereof and any other discrete parcel of real property designated by Declarant, excluding the Common Property and any portion of the Property dedicated for public use. Declarant has and reserves the right to split and/or combine currently platted Lots into new platted Lots without the consent or approval of owners of other Lots in the subdivision, as Declarant may deem such split or combination to be beneficial to the Property from time to time. Any and all references herein to a "Lot" shall include any such re-platted Lots. Once a split/combination is completed by Declarant, the former lots shall cease to be "Lots" for any and all purposes hereunder; Lot combinations obtained by Owners other than Declarant shall NOT cause each of the Lots combined to cease being separate Lots for any and all purposes hereunder.

L. "Lot Assessment" an assessment that the Board may levy against one or more (but fewer than all) Lots to reimburse the Association for costs incurred on behalf of those Lot(s), including without limitation, costs associated with making repairs that are the responsibility of the Owner of those Lots; costs of additional insurance premiums specifically allocable to an Owner; costs of any utility expenses chargeable to an Owner but not separately billed by the utility company; fines and related expenses assessed by the Association in connection with the enforcement of the Association's rights hereunder; and all other charges reasonably determined to be a Lot Assessment by the Board.

M. "Manager" - the person or entity retained by the Board to assist in the management of the Association as set forth in Article VIII, Paragraph F.

N. "Member" - any person or entity entitled to membership in the Association, as provided for in Article VII.

O. "Operating Fund" - the fund established pursuant to Article IX.

P. "Owner" - the record owner, whether one or more persons or entities, of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as security for performance of an obligation and also excluding the Declarant.

Q. "Property" - all of the real property described in Exhibit A attached hereto and such additional property as may be annexed by amendment to this Declaration, or that is now or later comes to be owned in fee simple by the Association, together with all easements and appurtenances.

R. "Rules" - the rules and regulations governing use of and activities upon the Property and any other Common Property, as may be established by the Board from time to time pursuant to Article VIII.

S. "Special Assessment" - an assessment levied by the Association against all Lots pursuant to Article IX or at a special meeting of the Members of the Association to pay for capital expenditures or interest expense on indebtedness incurred for the purpose of making capital expenditures and not projected to be paid out of the Operating Fund.

T. "State" - the Commonwealth of Kentucky, and, unless the context requires otherwise, any political subdivision thereof exercising governmental jurisdiction over the Property.

W. "Sub-Area" – a portion of the Property on which a distinctly identifiable type of housing is developed and constructed. Within a given Sub-Area, separate standards may exist and unique rules may be adopted and applied according to which the ownership and use of Lots and Improvements within such Sub-Area may be limited and restricted.

X. "Turnover Date" - the date described in Article VII, Paragraph B.

Y. "Voting Member" – a declared Member of the Association who is entitled to the right to vote on any given issue at any given time.

III. GOALS

The covenants, easements, conditions and restrictions contained in this Declaration are declared to be in furtherance of the following purposes:

- A. Compliance with all zoning and similar governmental regulations;
- B. Promotion of the health, safety and welfare of all Owners and residents of the Common Property;
- C. Preservation, beautification and maintenance of the Common Property and all Improvements; and
- D. Establishment of requirements for the development and use of the Common Property.

DEVELOPMENT & USE RESTRICTIONS

IV. USE RESTRICTIONS

The following restrictions and covenants concerning the use and occupancy of the Property shall run with the land and be binding upon the Declarant and every Owner or occupant, their respective heirs, successors and assigns, as well as their family members, guests, and invitees.

A. Use of Lots. Except as otherwise permitted herein, each Lot shall be occupied and used exclusively for single-family, residential purposes and purposes customarily incidental to a residence. No Improvements may be constructed on any Lot (other than the initial construction of a primary residential structure pursuant to plans approved by Declarant) until and unless the plans therefor have been approved by the Design Review Committee (or Declarant if no Design Review Committee has been established) as provided for hereinafter. All Improvements, excepting only landscaping, shall be constructed no nearer the street or streets on which a Lot fronts than the platted setback line(s) for such Lot, unless a variance to permit construction forward of a setback line has been approved by the appropriate governmental entity exercising jurisdiction over the property, and by the Design Review Committee. No Improvements may be constructed, erected or installed within any area designated as an easement on a recorded plat for the Subdivision unless approved by the easement holder, the relevant governmental authorities and by the Design Review Committee. Front, rear and side yard areas shall consist, primarily, of grassed lawn areas, with a reasonable amount of planting bed, hardscape and other landscape components.

B. Use of Common Property. Any Common Property may be used only in accordance with the purposes for which it is intended and for any reasonable purposes incidental to the residential use of a Lot. All uses of the Common Property shall benefit or promote the health, safety, welfare, convenience, comfort, recreation, and enjoyment of the Owners and occupants, and shall comply with the provisions of this Declaration, the laws and regulations of the State and any other relevant governmental authorities, and the Rules.

C. Hazardous Actions or Materials. Nothing shall be done or kept in or on any Lot or in or on any portion of the Common Property that is unlawful or hazardous, that might reasonably be expected to increase the cost of casualty or public liability insurance covering the Common Property or that might unreasonably disturb the quiet occupancy of any person residing on any other Lot. This paragraph shall not be construed so as to prohibit the Declarant from construction activities consistent with its residential construction practices.

D. Signs. No signs of any character shall be erected, posted or displayed upon the Property, except: (i) marketing signs installed by the Declarant (or by one or more builders with Declarant's approval) while marketing the Lots and residences for sale; (ii) street and identification signs installed by the Association or the Declarant; (iii) one temporary real estate sign not to exceed six square feet in area advertising that such Lot is for sale; and (iv) for a reasonable period of time before, and not to exceed three (3) days after a public governmental election in which the Lot Owners are permitted to vote, up to three (3) temporary political signs of not more than six (6) square feet each, expressing support for or opposition against an individual candidate or issue which is the subject of the current election. Political signs containing information or expressing opinions other than simple support for or opposition against a specific candidate or issue may be removed by the Association, and not more than one sign for or against any specific candidate or issue may be posted or displayed on any one Lot. No such signs may be posted in or on any Common Property without the approval of the Board.

E. Animals. No person may keep, breed, board or raise on any Lot or in or upon any part of the Common Property, any animal, livestock, farm animal (including but not limited to horses, chickens, ducks and pigs regardless of size), reptile, or poultry of any kind, nor any animal for any commercial purpose, unless expressly permitted by the Rules. Common domestic pets, limited to not more than three (3) cats and/or three (3) dogs, and pets that are kept only inside of the residence at all times, are permitted for non-commercial, and non-breeding purposes. All permitted domestic pets shall be properly restrained when outside of the house, and shall not be permitted to roam free or loose on the Property, other than on the Lot of the owner of such pet(s). No animal, including a domestic pet, shall be kept on the Property if the size, type or characteristics of such animal constitute a nuisance (including unreasonable volume or repetitive barking). Proper Lot maintenance as required elsewhere herein shall include the obligation to regularly remove pet waste from an Owner's Lot. Outdoor dog houses, animal cages, dog runs and other similar objects, whether or not affixed to the ground, are prohibited without the express prior review and approval of the Design Review Committee, which may be withheld in the Board's discretion.

F. Nuisances. No noxious or offensive activity or trade shall be permitted on the Property or within any dwelling located on the Property, nor shall any use be made nor condition allowed to exist on any Lot which unreasonably disturbs or interferes with the quiet occupancy of any person residing on any other Lot; provided, however, that all of the Declarant's normal business operations and construction activities shall not be considered nuisances.

G. Business. No industry, business, trade, occupation or profession of any kind may be conducted, operated or established on the Property, without the prior written approval of the Board. This provision shall not prohibit a "home office" use, in connection with which no non-resident employees are working on the Property, and no customers, employees, subcontractors or other third parties park on the Property.

H. Storage. No open storage of any kind is permitted. No storage buildings of any kind are permitted, including without limitation, sheds or barns, until and unless plans for the same have been submitted to and approved by the Design Review Committee. The Design Review Committee may limit the size and height of storage buildings (10' x 10' x 10' shall be the maximum permitted), and may require the use of and/or prohibit specific building materials (no metal sheds are permitted), building design components, and colors, as conditions to the approval of storage building plans, and permits or other approvals from relevant governmental authorities. Storage buildings may be prohibited by the Design Review Committee entirely, on certain lots, or in certain areas of the Property, in spite of the fact that they may be approved on other lots, or in other areas. No shed or structure of any kind is permitted within any area designated on a recorded plat for the Subdivision as an easement without the approval of the Design Review Committee, the easement holder and any relevant governmental authorities. Any storage building approval granted by the Design Review Committee is subject to revocation if the condition and/or appearance of the storage building constructed pursuant to such approval deteriorates, and the lot owner fails within 30 days of notice from the Board to take remedial action as reasonably directed by the Board to repair, replace and/or properly maintain the structure and appearance thereof.

I. Hotel/Transient Uses; Leases. No Lot may be used for hotel or transient uses, including without limitation, uses in which the occupant is provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen, or similar services, or leases to roomers or boarders. All leases shall be in writing and shall be subject to this Declaration.

J. Vehicles.

1. The Board has the right and power to adopt and enforce reasonable rules concerning the parking of any vehicle permitted on the Property. In addition to its authority to levy Lot Assessments as penalties for the violation of such rules, the Board shall be authorized to cause the removal of any vehicle violating such rules.
2. No commercial vehicles, boats, trailers, campers, buses or mobile homes shall be parked or stored on the street in the Subdivision, or on any Lot (except in an enclosed structure shielded from view), for any time period longer than forty-eight (48) consecutive hours, or ninety-six cumulative hours in any thirty (30) day period, and the burden of establishing that said time periods have not been exceeded is borne by the Owner of the Lot on or in front of which such parking occurs, and/or by the owner of the vehicle. The foregoing notwithstanding, nothing contained herein shall prohibit the reasonable use of such vehicles as may be necessary during construction of residences on the Lots. In addition, no automobile or other motorized vehicle of any type or description which is not functionally or legally operable on public highways shall be kept, stored, operated or maintained on or in front of any Lot within the Subdivision for a period longer than seven (7) days (the burden of proving that such time period has not been exceeded in each/any instance is borne by the Owner of the Lot on or in front of which the vehicle is located, and/or the owner of the vehicle), unless the same is entirely contained and shielded from view within a permitted structure. Any vehicle so kept, stored, operated or maintained shall be considered a nuisance, and the Board shall have the right and authority, but not the obligation, to have the same removed at the owner's expense.

As used herein, the word "trailer" shall include trailer coach, house trailer, mobile home, automobile trailer, camp car, camper or any other vehicle, whether or not self-propelled, constructed or existing in such a manner as would permit occupancy thereof, or the storage or conveyance of machinery, tools or equipment, whether resting on wheels, jacks, tires or other foundation. The word "commercial vehicle" shall include and mean every type of vehicle, whether or not motorized, which is designed and used exclusively or primarily for other than personal transportation of ten or fewer persons at one time. Vehicles larger than ten-person passenger vans are conclusively presumed to be commercial vehicles, whereas passenger cars, passenger vans (full-sized or mini-vans), pickup trucks, sports-utility vehicles, and motorcycles are presumed to be designed and used for personal transportation. Vehicles which are not conclusively presumed to be commercial by virtue of their size, and which are used by the operator thereof for both business and personal purposes, shall not be considered "commercial vehicles" merely by virtue of advertising information painted or otherwise affixed thereto, but may be deemed to be Commercial Vehicles by virtue of the combination of such factors as determined by the Board. The Board's determination that a vehicle meets the definition of a "trailer" or

“commercial vehicle” (or boat, camper, bus or mobile home) shall be deemed final and conclusive.

K. Trash. Except for the reasonably necessary activities of the Declarant during the original development of the Property, no burning or storage of trash of any kind shall be permitted on the Property. All trash shall be deposited in covered, sanitary containers, screened from view and stored either inside of a permitted structure, or to the side or rear of the home constructed on the lot.

L. Antennae; Miscellaneous Improvements. No outside television or radio aerial or antenna, or other aerial or antenna, including satellite receiving dishes, for reception or transmission, shall be maintained on the premises, to the extent permissible under applicable statutes and regulations, including those administered by the Federal Communications Commission, except that this restriction shall not apply to satellite dishes with a diameter less than one (1) meter, erected or installed to minimize visibility from the street which the dwelling fronts. No clothesline or other apparatus designed or intended for use of air drying clothes or other items shall be permitted. No metal swing set shall be permitted on any lot.

M. Utility Lines. All utility lines on the Property shall be underground, subject to the requirements of relevant governmental authorities and utility companies.

N. Tanks. No tanks for the storage of propane gas or fuel oil or other flammable liquid or gas, shall be permitted to be located above or beneath the ground of any Lot except that propane gas in residentially sized containers such as are common for the use of residential gas cooking grills, and tanks used in connection with fire places that are buried underground and approved by the Design Review Committee and all relevant governmental authorities are permitted. The provisions of this subparagraph shall not prohibit the Declarant from utilizing propane gas for the heating of homes under construction, or from having one or more model homes that use propane gas as a heating fuel prior to the time that electric or gas furnace hook-ups are available for such model(s).

O. Required Trees. Declarant may designate one (1) or more species or types of trees as deemed necessary by Declarant, and/or as required by governmental authorities having jurisdiction over the Property, to be planted along the street or in the front or side yards of the Lots (the designated locations of such trees may, as determined by Declarant or required by local governmental regulation, be in the “tree lawn” located within the road right-of-way, or on the Owner’s Lot along the road right-of-way). If Declarant determines to designate street tree(s) then the Lot Owners agree to such uniform trees. Each Lot Owner on whose Lot a Required Tree is located, shall care for, and, if necessary, replace such tree or trees at the Lot Owner's expense with a like type of tree.

P. Mailbox. If home delivery by the U. S. Postal Service is available to all or part of the Subdivision, Declarant may designate a curb side mailbox for each Lot with a design giving uniformity to the subdivision. In such cases, a Lot’s Owner shall be responsible at his/her/their sole expense, for the purchase, installation and maintenance in good appearance and functional condition of the mailbox for such Owner’s Lot. If the

mailbox is damaged, destroyed or deteriorates, then each Lot Owner, at such Lot Owner's expense, shall repair or replace such mailbox with another of a like kind, design, pattern and color as the initial mailbox.

If the Subdivision has cluster mailboxes, either by choice or as required for service by the U. S. Postal Service, the cost for all operation, maintenance, repair and upkeep of the cluster mailboxes and facilities associated therewith (i.e. concrete pads, gazebos, roofs, enclosures) that is not otherwise paid for by the U. S. Postal Service shall be the responsibility of the Association.

Q. Yard Lights and Lamp Posts. All yard lights and lamp posts shall conform to the standards set forth by the Declarant and Design Review Committee, and as required by applicable statute(s) and/or ordinance(s).

R. Fencing. The Design Review Committee shall have the authority to establish standards according to which fencing and walls may be permitted in the Subdivision. Said authority shall include the power to prohibit fencing or walls, or both, entirely, to prohibit or require fencing or walls of certain types, and to prohibit or require fencing or walls of certain types (or entirely) in certain Sub-Areas or portions of Sub-Areas. All fencing and walls shall meet any applicable requirements (if any) in subpart T below, and shall conform to the standards set forth by the Design Review Committee, and must be approved by the Board, in writing, prior to the installation thereof. By way of example, and not limitation, and subject to the provisions of subsection T below, compliance with the following standards shall be considered by the Board in reviewing fence applications:

1. Fences or walls shall be constructed of wood, vinyl, wrought iron (or high quality aluminum or vinyl wrought iron style), stone or brick, as approved by the Design Review Committee, and in no event shall chain link or other metal wire fencing be permitted. Chain link and/or wire fencing material may not be used in the construction of any Improvement that is visible from the exterior of a lot;
2. No fence or wall shall be constructed in excess of seventy-two inches (72") above finished grade, provided however that if a governmental agency exercising jurisdiction over the property on which the fence or wall is to be constructed requires a minimum height in excess of 48" for safety reasons (i.e. swimming pool enclosure), such fence or wall may exceed 48" above finish grade, but only to the extent necessary to meet the governmentally required minimum;
3. Fences or walls shall not be located closer to the street than a line parallel to the street and extending from the midpoint between the front and rear corners of the home, and in no event shall fences be located closer to any street than the building line shown on the recorded plat (front and side yard building lines on corner lots), except that ornamental railings, walls or fences not exceeding three feet (3') in height which are located on or entirely adjacent to entrance platforms or steps are permitted;
4. Treated wood split rail fences are permitted. Dark painted or coated wire mesh or plastic mesh attached to a split rail fence is permitted, but in no event may uncoated "chicken wire" be used for such purpose;

5. Decorative wood and plastic fencing are permitted only by express, case-by-case approval of the Design Review Committee or its assigns; and
6. No fences may be constructed within any area designated on a recorded plat for the Subdivision as an easement, excepting those installed by Declarant and those approved by the easement holder, Design Review Committee and any relevant governmental authorities.

Nothing contained herein shall be interpreted or construed to permit the use of approved fencing materials to accomplish a purpose or use otherwise prohibited hereunder.

S. Swimming Pools. No above ground swimming pool shall be permitted upon any Lot except that this Article IV, Paragraph S shall not be intended to prohibit the installation of a hot tub or sauna. A swimming pool shall be deemed to be an "above ground" pool if any portion thereof extends twelve inches (12") or more above the surrounding yard elevation that exists prior to the installation/placement of the pool on the Lot, subject to the Design Review Committee's power to allow minor grade adjustments for the installation of an in-ground pool if such installation does not negatively impact the routing and management of storm and surface water. Any pool designed or manufactured for use as an above-ground pool shall be and constitute an "above-ground pool," even if less than 12" of such pool extends above the surrounding yard elevation. One "baby pool" on a Lot which contains less than thirty-six (36) square feet of water surface area and has no filtration system of any kind, and which is conveniently capable of being filled, emptied and moved on a daily basis, is permitted.

T. Compliance with Zoning Requirements. Certain provisions of this Declaration may have been included herein as a result of governmental requirements established through the zoning and development plan approval processes in the State, County, City, Township and/or Village in which the Property is located. Compliance with all such governmental requirements, for so long as such requirements are effective and binding, is required by this Declaration. However, in the event the governmental entity(ies) change or agree to a modification of such underlying obligation(s), or if such obligations lapse or for any reason whatsoever become legally unenforceable, this Declaration shall be deemed modified, ipso facto and without the need for further action on the part of the Declarant or any Member, such that this Declaration requires compliance with the obligation as affected by such change or modification.

V. ARCHITECTURAL STANDARDS

All Property at any time subject to this Declaration shall be governed and controlled by this Article. The Subdivision is a planned community and Declarant requires strict adherence to the design review standards and processes established herein, for the benefit of itself, the community in which the Subdivision is situated, and for the future owners of the individual lots that collectively comprise the Subdivision.

A. Design Review Committee. The Design Review Committee shall be a committee consisting of at least three (3) persons and up to seven (7) persons, as determined by the Board of Directors. Until the Turnover Date, Declarant shall have the sole and exclusive right to appoint

and remove all members of the Design Review Committee at will, and may elect in the exercise of its sole discretion, to act itself as the Board (or to appoint an agent to act in its place) in lieu of appointing individuals. After the Turnover Date, the new Board shall have the right to appoint all members to the Design Review Committee, or to appoint an agent to act in the Board's place, at will. The then current Board of Directors shall handle the administration of the election, pursuant to which the new Board members are to be elected, each for a term of one (1) year.

The Design Review Committee shall have the exclusive authority, at a private or public meeting by action of a majority of the members thereof (if Declarant has not elected to act itself or appoint an agent to act, in which case such authority shall be exercised by Declarant or its agent) to determine the architectural standards which shall govern the construction of Improvements on the Property, except that Declarant shall have and retain in all circumstances and at all times, the right and power to approve or disapprove of the architectural standards for the initial construction of each, any and all primary home structures being erected on each Lot. Each Owner covenants and agrees by acceptance of a deed to a Lot, to comply with, and to cause his/her Lot and any occupant thereof to comply with the standards promulgated by the Design Review Committee. No Improvement shall be placed, erected or installed on the Property, no construction (which term shall include in its definition staking, clearing, excavation, grading and other site work) and no plantings or removal of plants, trees or shrubs shall be permitted without, until and unless the Owner first obtains the written approval thereof of the Design Review Committee and otherwise complies with the provisions of this Declaration. The power of the Design Review Committee to adopt and implement design/architectural standards, may be exercised before or after the Design Review Committee's receipt of an application for approval of an Owner's desired modification or installation of Improvements; but architectural/design standards may not be implemented retroactively to cause previously installed Improvements that have been approved by the Design Review Committee, to lose their status as 'approved'.

B. Modifications. Except as otherwise provided in this Declaration, the Design Review Committee shall have jurisdiction over all construction, modifications, additions or alterations of Improvements on or to the Property. No person shall construct any Improvement on any Lot, including without limitation, alter surfaces of existing Improvements, change paint colors or roofing materials, construct or modify fencing, or install any recreational device, without the prior written consent of the Design Review Committee. Owners shall submit plans and specifications showing the nature, kind, shape, color, size, materials and location of Improvements and alterations to the Design Review Committee for its approval. The Design Review Committee may charge a nominal fee in connection with processing applications submitted pursuant to this Section. Nothing contained herein shall be construed to limit the right of an Owner to remodel or decorate the interior of his/her residence.

C. Variances. To avoid unnecessary hardship and/or to overcome practical difficulties in the application of the provisions of this Declaration, the Design Review Committee shall have the authority on a case-by-case basis to grant reasonable variances from the provisions of Article IV, and from the provisions of this Article and from the architectural standards established pursuant to this Article, provided that the activity or condition is not prohibited by applicable law; and provided further that, in its judgment, the variance is in the best interest of the community and is within the spirit of the standards of the Design Review Committee. No variance granted

pursuant to this Section shall constitute a waiver of any provision of this Declaration as applied to any other person or any other part of the Property. Variances are intended to be able to be granted in circumstances in which the physical attributes of a Lot cause such Lot to be unique or meaningfully distinguishable from the physical attributes of other Lots in the Subdivision, such physical difference(s) giving rise to the above-described unnecessary hardship or practical difficulties. Variances are not intended to be available to enable an Owner to avoid the application of these Restrictions by virtue of such Owner's personal life circumstances or decision-making (i.e., having a dog that can jump more than 48" is NOT a justification for a variance to the 48" maximum fence height limitation; whereas having a Lot that abuts railroad tracks is such a justification).

D. Improvements by Declarant. Notwithstanding any of the foregoing to the contrary, all Improvements constructed and landscaping installed by the Declarant or its affiliates, partners, members or shareholders in connection with the initial construction of a home on a Lot, shall be deemed to comply in all respects with the requirements of the Design Review Committee, and separate approval thereof by the Design Review Committee is not required.

VI. EASEMENTS AND LICENSES

A. Easement of Access and Enjoyment Over Common Property. Every Owner shall have a right and easement (in common with all other Owners) of enjoyment in, over, and upon the Common Property (if any), and a right of access to and from his/her Lot, which rights shall be appurtenant to, and shall pass with the title to, his/her Lot, subject to the terms and limitations set forth in this Declaration, subject to the Rules. An Owner may delegate his/her rights of access and enjoyment to family members, occupants, guests and invitees. All such easements are limited by such restrictions as may apply to the Common Property affected thereby, and no person shall have the right by virtue of such easements to engage in activities on the Common Property which are not permitted according to these Restrictions, pursuant to the provisions of any applicable plat(s) or under agreements with any governmental entities or other third parties.

B. Right of Entry. The duly authorized agents, officers, contractors, and employees of the Association shall have a right of entry and access to the Property, including without limitation the Lots, for the purpose of performing the Association's rights or obligations set forth in this Declaration, including inspecting areas to confirm compliance with this Declaration. The Association may enter any Lot to remove or correct any violation of this Declaration or the Rules, or to maintain, repair, and replace the Common Property, but only during reasonable hours and after providing seventy-two (72) hours advance notice to the Owner, except in cases of emergency. Nothing contained in this paragraph shall act to create an obligation on the part of the Association to enter upon Lots to inspect, or to perform maintenance thereon.

C. Easement for Utilities and Other Purposes. The Board or Declarant may convey easements over the Common Property to any entity for the purpose of constructing, installing, maintaining, and operating poles, pipes, conduit, wires, swales, land contours, ducts, cables, and other equipment or conditions necessary to furnish electrical, gas, sanitary or storm sewer, storm water retention or detention, potable water, telephone, cable television, and other similar utility or

security services, whether of public or private nature, to the Property and to any entity for such other purposes as the Board or Declarant deems appropriate; provided that such equipment or condition(s), or the exercise of such easement rights shall not unreasonably interfere with the Owners' use and enjoyment of the Property. The Board or Declarant may grant such easements over all portions of the Property for the benefit of adjacent properties as the Board or Declarant deems appropriate; provided that the grant of such easements imposes no undue, unreasonable, or material burden or cost upon the Property; and further provided that the Board or Declarant may not convey any easement over a Lot without the prior written consent of the Owner of such Lot (which consent shall not be unreasonably delayed or withheld). Declarant shall have the absolute right within (i) areas designated as drainage courses on the recorded plat of the subdivision, (ii) all areas encumbered by general utility or specific storm drainage easements, and (iii) areas determined by sound engineering practice to be necessary to the proper drainage of all or part of the subdivision, to enter upon Lots and perform grading and other construction activities deemed appropriate in the exercise of Declarant's judgment to install, modify, alter, remove or otherwise work on storm water drainage facilities and conditions (including both surface grading and subsurface structures). If any such entry and/or work performed by Declarant results in damage to other portions of a Lot, or to any improvements thereon, Declarant shall be responsible for the restoration of such portions or improvements at Declarant's sole cost.

D. Easement for Services. A non-exclusive easement is hereby granted to all public safety personnel including police and fire departments, ambulance operators, mailmen, deliverymen, garbage removal personnel, and all similar persons, and to the local governmental authorities and the Association (but not to the public in general) to enter upon the Lots and Common Property to perform their duties.

E. Reservation of Special Easements. By the purchase of their Lot and acceptance of their deed, all Owners thereby grant access to their individual Lot or Lots for normally anticipated or necessary activities by the Declarant and its successors and assigns, including but not limited such activities as adjacent lot home construction, warranty work, lot and subdivision development, bond release work and work directed by government agencies and utility providers. Declarant and its successors and assigns are responsible for restoring disturbed areas of any such Lots to the same or similar condition as existed prior to the commencement or any such work. To the extent applicable to this Subdivision, attached hereto as Exhibit B is a site plan of the Subdivision, upon which certain areas have been "shaded" or "cross-hatched." The areas marked by shading or cross-hatching identify and represent portions of the Property over, across, under and through which the Declarant reserves Special Easements for the purpose of constructing Improvements or conveying rights deemed by the Declarant to be beneficial to the Property. Unless indicated otherwise on Exhibit B, the Special Easement areas are also No-Build Zones. The Special Easement areas may be parts of individual Lots instead of on Common Property. In such cases, the owner(s) of the Lot(s) affected by the Special Easement(s) shall be and remain responsible for the ordinary care and maintenance of the Special Easement area. If special fencing, landscaping, storm water detention/retention, or community safety or entry features are constructed in a Special Easement area by the Declarant, the State or the Association, the responsibilities of the Lot owner on whose Lot such Improvement has been constructed shall not exceed ordinary grass cutting, trimming and watering around such Improvements. Nothing contained in this Section shall require that the

Declarant reserve or establish Special Easements, and if no areas on Exhibit B have been shaded or cross-hatched, Declarant has not reserved any Special Easements.

F. No-Build Zones/Non-Disturbance. Any areas (if any) designated on the recorded plat(s) or re-plats of the Subdivision, in prior deed restrictions, or on Exhibit B as non-builtable areas or areas in which no building would otherwise be allowed by law or regulation (“No-Build Zones”) shall be areas in which no Owner shall have the right to construct or locate any Improvements, including but not limited to fencing. Landscaping may be located in no-build zones, provided that prior approval for such landscaping has been granted by the Design Review Committee. In vegetated No-Build Zones, Owners may perform maintenance necessary for the safety of persons and property (i.e. removing noxious and poisonous plants, or removing dead trees which may fall and harm persons or other Improvements). Grassed No-Build Zones shall be mowed, trimmed and watered by the person(s) responsible for the maintenance of the specific area in question according to the other terms hereof. Any areas designated as “Non-Disturbance” zones shall be construed to be No-Build Zones, except that within Non-Disturbance zones, owners may not perform any maintenance without the prior approval of the Declarant.

G. Tree Preservation Zones. Any areas (if any) designated on the recorded plat(s) or re-plats of the Subdivision, in prior deed restrictions, or on Exhibit B, as “Tree Preservation Zones” shall be areas in which no Owner shall have the right to remove any trees unless they are dead, diseased or pose a threat to the health, safety and welfare of the Lot Owner, provided that the Declarant and/or Lot Owner may remove unsightly or unwanted under-story plant material as long as such removal does not negatively affect the health of other trees in the Zone. The foregoing notwithstanding, Declarant may do limited grading and tree removal within Tree Preservation Zones for the installation of storm water structures and/or grading and in connection with subdivision infrastructure development.

H. Wetland Buffer. Areas designated as ‘wetlands’ shall be surrounded by a ‘Wetland Buffer’ zone, which shall remain undisturbed and left in their natural state, and shall be deemed “Non-Disturbance” zones as described above.

HOMEOWNERS’ ASSOCIATION

VII. MEMBERSHIP AND VOTING RIGHTS

A. Membership. Every Owner shall be deemed to have a membership in the Association, and by acceptance of a deed to property in the Subdivision such Owner agrees to be and acknowledges being a member of the Association, obligated to pay assessments as described herein after. Membership is a right appurtenant to and inseparable from an Owner's fee simple title in a Lot, and such right of membership shall automatically transfer to any transferee of fee simple title to a Lot at the time such title is conveyed or at such time as a land installment contract is entered for the conveyance of fee simple title. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest or mortgage shall not terminate an Owner's membership. No Owner, whether one or more persons, shall have more than one membership per Lot owned. In the event an Owner

consists of more than one person, such persons collectively shall have one membership in the Association in common.

B. Governance. The Association shall be governed by the Board, which shall consist initially of a board of directors consisting of three (3) persons. Prior to the date that the Declarant elects to transfer control of the Association to the Lot Owners (the "Turnover Date"), the members of the Board shall be appointed by the Declarant, or the Declarant may elect to act as the Board, or it may appoint a managing agent to act as the Board on its behalf. No members, other than the Declarant, shall have voting rights in Association matters until the Turnover Date, nor shall any meetings of the Members be required prior to the Turnover Date. The transfer of control on the Turnover Date shall take place at a meeting which shall occur within six (6) months of the end of the year in which the Declarant ceases to own at least one Lot in the Subdivision. If Declarant establishes a Master Association and separate Sub-Associations for Sub-Areas, the Turnover of the Master and every Sub-Association shall occur concurrently, after Declarant ceases to own any Lots in any Sub-Area. Voting and all other matters regarding the governance and operation of the Association following the Turnover Date shall be set forth in the Association Documents. Nothing contained herein or in the Association Documents shall be interpreted or construed to limit the right of the Declarant to cause the Turnover Date to occur any time prior to the time Declarant ceases to own lots at the subdivision, in Declarant's sole exercise of its discretion.

VIII. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

A. Common Property. Declarant may, from time to time, at Declarant's option, obligate the Association to maintain property not owned by the Association, and may convey to the Association for the use and benefit of the Association and the Members, real or personal property, or any interest therein, as part of the Common Property in the nature of an easement appurtenant to the Property. The Association shall accept title to any interest in any real or personal property transferred to it by Declarant. The Association, subject to the rights of the Owners set forth in this Declaration and the Association Documents, shall be responsible for the exclusive management and control of the Common Property, if any, and all improvements thereon, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, in accordance with the terms and conditions of this Declaration. The Declarant and Association shall each have the right to grant easements to third parties over, across, under and/or through the Common Property, including but not limited to easements for the construction, extension and/or expansion of utilities, and conservation easements, all as the Declarant and/or Association may be legally obligated or voluntarily disposed to grant.

B. Personal Property and Real Property for Common Use. The Association may acquire, hold, mortgage and dispose of tangible and intangible personal property and real property in addition to that property conveyed to it by Declarant.

C. Cost-Sharing Agreements; Sub-Area Maintenance. The Association may enter into cost-sharing agreements with other homeowners' associations pursuant to which the Association agrees to share in the cost of maintaining, repairing and replacing entranceway features, landscaping, storm water retention facilities, mounding, fencing and any other improvements that benefit the Property. Additionally, the Association may provide site maintenance services, such

as but not limited to snow removal, yard mowing, and fertilization, in one or more Sub-Areas, and the assessments (as defined and described below) may differ from Sub-Area to Sub-Area as deemed necessary and appropriate by the Association to equitably apportion the costs of such services to the Owners in the Sub-Area(s) receiving the benefits of such services.

D. Rules and Regulations. The Association may make and enforce reasonable rules and regulations governing the use of the Property, and the operations of the Association, which shall be consistent with but which may clarify and/or expand the terms of this Declaration and the other Association Documents. The Association shall have the power to impose sanctions on Owners for violations of the Restrictions, including without limitation: (i) reasonable monetary fines which shall be considered Lot Assessments, (ii) suspension of the right to vote as a Member of the Association, and (iii) suspension of the right to use the Common Property. In addition, the Board shall have the power to seek relief in any court for violations or to abate unreasonable disturbances. If the Board expends funds for attorneys' fees or litigation expenses in connection with enforcing this Declaration, the Association Documents or the Rules against any Owner, tenant, guest or invitee of any Owner, the amount shall be due and payable by such Owner and shall be a Lot Assessment against such Owner's Lot. The Board may, but shall not be required to give prior notice nor appeal/hearing rights to an Owner relative to the imposition of a Lot Assessment, if the Lot Assessment consists of a monetary fine related to non-compliance with the provisions of this Declaration, and further if at least fifty percent (50%) of any such fine is to be waived upon the Owner's taking remedial action relative to such violation within 30 days of the imposition of the fine.

E. Implied Rights. The Association may exercise any other right or privilege given to it expressly by the laws of the State and this Declaration, and every other right or privilege reasonably implied from the existence of any right or privilege granted in this Declaration, or reasonably necessary to effect any such right or privilege.

F. Managing Agent. The Board may retain and employ on behalf of the Association a Manager, which may be the Declarant, and may delegate to the Manager such duties as the Board might otherwise be authorized or obligated to perform. As the Association's agent, the Manager (if any) shall have no direct liability for actions taken thereby at the direction of the Board (but shall be liable for its own malfeasance). The compensation of the Manager shall be a Common Expense, and one or more components of the Manager's compensation may consist of variable amounts payable to the manager directly by Owners as a result of transactions and or occurrences (i.e. the late payment of assessments) involving such individual Owners' Lots/accounts. The term of any management agreement shall not exceed two years (exclusive of possible renewals) and shall allow for termination by either party, without cause, and without penalty, upon no more than 90 days' prior written notice. Part of the Manager's compensation may include an initial lot assessment not to exceed Fifty Dollars (\$50.00) per Lot, and miscellaneous fees payable in the event of transfers or other transactions involving the Lots.

G. Insurance.

1. The Association may obtain and maintain property insurance, liability insurance and/or flood insurance covering all or any portion(s) of the Common Property as deemed

advisable by the Board, in an amount as is commonly required by prudent institutional mortgage investors. The Association shall carry liability insurance on any and all Retention or Detention Basins for the maintenance of which the Association is responsible. The cost of any such insurance shall be included as a Common Expense for Association budgeting purposes, provided that if specific insurance costs are incurred by the Association relative to the types of construction or services rendered in some, but not all Sub-Areas, then the increased costs thereof shall be paid through the Assessments charged to Owners in such Sub-Area(s).

2. The Association shall acquire and pay the premiums attributable to the types of insurance as is required by law, in amounts required by law or as otherwise deemed necessary and prudent by the Board, and any other insurance the Association deems necessary.
3. In the event of damage or destruction of any portion of the Common Property, the Association shall promptly repair or replace the same, to the extent that insurance proceeds are available. Each Owner hereby appoints the Association as its attorney-in-fact for such purpose. If such proceeds are insufficient to cover the cost of the repair or replacement, then the Association may levy a Special Assessment pursuant to Section IX to cover the additional costs.

H. Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Property, or any portion thereof. Each Owner hereby appoints the Association as its attorney-in-fact for such purpose. The awards or proceeds of any condemnation action shall be payable to the Association, to be held in trust for the benefit of the Owners.

I. Books, Records. Upon reasonable request of any Member, the Association shall be required to make available for inspection all books, records and financial statements of the Association. Compliance with the foregoing requirement may be achieved, in whole or in part, by making the books and records available electronically. A reasonable fee may be charged to cover the costs of handling, copying and/or delivering any books and records to a Member who requests the same, and the Association shall not be obligated to provide copies of records containing information of a personal or private nature concerning other Owners' names, account numbers, contact information or similar information; nor unredacted records containing the Association's account numbers.

IX. ASSESSMENTS

A. Operating Fund. The Board shall establish an Operating Fund for financing the operation of the Association, for paying necessary costs and expenses of operating the Association and repairing and maintaining the Common Property. The Operating Fund shall be funded by Member Assessments.

B. Types of Assessments. The Declarant, for each Lot owned, covenants and agrees, and each Owner, by accepting a deed to a Lot, is deemed to covenant and agree, to pay to the Association any and all Assessments levied, including but not limited to (i) the assessment referred

to in Article VIII, Section (F) above; (ii) Initial Operating Assessments, (iii) all Annual Assessments; (iv) any Special Assessments; and (v) any Lot Assessments. No Owner may gain exemption from liability for any Assessment by waiving or foregoing the use or enjoyment of any of the Common Property or by abandoning his/her Lot. Annual and Special Assessments shall be fixed at a uniform rate for all Lots.

C. Initial Operating Assessments. The Board shall establish, levy and collect an Initial Operating Assessment against each Lot and its Owners at the time a Lot is first conveyed by Declarant to a third-party Owner (including without limitation, a third-party home builder), or in the case that the first sale is a sale under a land installment contract, at the time a land installment contract, for value, for a Lot is recorded. The Initial Operating Assessment is a one-time charge due when a Lot is initially conveyed as set forth above and may be utilized by the Association to pay Common Expenses, to fund Association operations, and for such other purposes determined appropriate by the Board in furtherance of its functions hereunder. The Initial Operating Assessment is not in lieu of any other Assessments, and is not refundable when a Lot is transferred.

D. Annual Assessments. The Board shall estimate the Common Expenses and the expenses, if any, it expects the Association to incur for the maintenance, operation and management of the Association, and including appropriate amounts to fund Reserves as provided by law, and shall assess each Owner of a Lot an Annual Assessment an equal amount based on such estimated expenses and reserves as divided by the total number of Lots. As part of the estimation process, the Board shall also determine which, if any, of the Association's costs are to be incurred for the benefit of or in the rendering of services to, one or more but less than all of the Sub-Areas, and the Annual Assessments chargeable to Owners in such Sub-Areas as receive special benefits or services shall be adjusted to cause such costs to be paid by the Owners in such Sub-Areas. Within any given Sub-Area, all Owners shall be assessed an equal amount based on the combination of the estimated Common Expenses attributable to all Sub-Areas, and the Common Expenses attributable to some but not all Sub-Areas. The Annual Assessments shall be paid in accordance with the procedures set forth in the Rules. Notwithstanding the foregoing, prior to the Turnover Date, Declarant may elect to pay the Annual Assessments applicable to Lots owned by Declarant or in lieu thereof, not pay such Annual Assessments and pay any deficit incurred in operating the Association.

E. Special Assessments. The Board may levy against the Lots a Special Assessment to pay for capital expenditures or to fund necessary costs and expenditures not projected to be paid out of the Operating Fund; provided that any such assessment shall have the assent of two-thirds (2/3) of Members who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. A quorum must be present at any such meeting.

F. Lot Assessments. The Board may levy a Lot Assessment against any Lot(s) and the Owner(s) thereof to reimburse the Association for costs incurred on behalf of the Lot(s), including without limitation, costs associated with making repairs that are the responsibility of the Owner; costs of enforcement (including court costs and the Association's legal fees, if applicable) relative to any deed restriction violation which exists on such Lot(s); costs of additional insurance