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MAY 21 2001

AMENDMENTS TO DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS OF  
SPRINGHURST SUBDIVISION, PHASE I,  
VILLAGE OF SPRINGBROOKE,  
DATED NOVEMBER 8, 1989,  
OF RECORD IN DEED BOOK 5912, PAGE 847, IN THE OFFICE OF THE  
CLERK OF JEFFERSON COUNTY, KENTUCKY ("DECLARATIONS")

Bobbie Holsclaw, Clerk  
By [Signature] D.C.

THESE AMENDMENTS TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SPRINGHURST SUBDIVISION, PHASE I, VILLAGE OF SPRINGBROOKE, are made on May 17, 2001, by Z HOMES KENTUCKY LLC, a Kentucky limited liability company, formerly known as ZARING HOMES KENTUCKY LLC, c/o First Cincinnati, Inc., 11300 Cornell Park Drive, Suite 300, Cincinnati, Ohio 45242 ("Developer").

RECITALS

A. Developer on September 17, 1996, acquired all right, title and interest of HFH, Inc. (successor-in-interest to STM/Springhurst, Inc.) as "Developer" of Springhurst Subdivision, free and clear of any and all claims and liabilities, by virtue of that certain Order issued by the United States Bankruptcy Court for the Western District of Kentucky in that certain matter entitled "In re: HFH, Inc., Debtor" bearing Case No. 96-30048 ("Order"), and by virtue of those certain Assignments from HFH, Inc., and HFH/Springhurst, Inc., dated September 17, 1996 (hereinafter collectively, the "Assignment").

B. The Order and Assignment also assigned and conveyed to Developer, free and clear of any and all claims and liabilities, the Class B membership of Springhurst Community Association, Inc., a Kentucky nonprofit corporation ("Community Association"), and further conveyed to Developer, free and clear of any and all claims and liabilities, the rights and interests of the Class B member of the Community Association as the "Developer" of Springhurst Subdivision.

C. Developer is the owner of certain platted lots and unplatted lands within the Springhurst Subdivision.

D. Pursuant to the Articles of Incorporation of the Community Association, recorded in Corporation Book 416, Page 659, in the Office of the Clerk of Jefferson County, Kentucky, and under the Declarations, Article IV, Section 13, the Developer as Class B member is the only member of the Community Association entitled to vote.

E. Pursuant to Article V, Section 3, of the Declarations, Developer has the authority to amend the Declarations.

F. The Declarations were amended pursuant to those certain Amendments to Declaration of Covenants, Conditions and Restrictions (the "Amendments") of record in Deed Book 6861, Page 409, in the Office of the Clerk of Jefferson County, Kentucky (the Declarations as amended by the Amendments are referred to herein as the "Declarations").

**NOW, THEREFORE**, Developer hereby amends the Declarations as follows:

1. Article II is hereby amended as follows:

A. Section 3(b) of Article II is hereby amended by deleting Section 3(b) and inserting a new Section 3(b) reading in its entirety as follows:

(b) No Lot owner shall at any time construct any outbuildings, sheds, barns, tents or shacks upon any of their property subject to this Declaration.

B. Section 3(d) of Article II is hereby amended by adding the following to the end of that Section:

For purposes of this Section, what constitutes "continuously or habitually" shall be determined by the Board. The Board, however, shall be empowered to grant a waiver of, or variance from, its determination of what constitutes continuously or habitually based upon specific facts and circumstances presented to it in writing.

C. Section 5(b) of Article II is hereby amended by deleting Section 5(b) and inserting a new Section 5(b) reading in its entirety as follows:

No wall, hedge or fence of any kind or nature shall be placed or planted on any Lot unless its design and placement are first approved in writing by the Board. In no event will the Board approve the construction of any fence which is either [i] more than six (6) feet in height or [ii] which is not constructed of wood, masonry or possibly wrought iron, and landscaped.

D. Section 5(g) is hereby added to Article II reading in its entirety as follows:

(g) Developer reserves the right to place a fence on the outer perimeter of the subdivision or to replace existing wire or wood fences.

2. Article III is hereby amended as follows:

A. By deleting Section 2(d) and inserting a new Section 2(d) reading in its entirety as follows:

(d) The color of any paint or stain to be applied to exterior surfaces, other than a later reapplication, shall be approved in writing by the Board.

B. By adding a new Section 8 reading in its entirety as follows:

Section 8. Driveways. The driveway of each Lot shall hereafter be constructed of exposed aggregate concrete. Nothing, however, in this Section shall prohibit a Lot owner from repairing a non-conforming driveway in accordance with the rules and regulations established by the Board.

3. Article IV is hereby amended as follows:

A. Section 5(a) of Article IV is hereby amended by adding the following sentence to the end of Section 5(a):

The Community Association shall maintain and repair perimeter fences constructed by the Developer.

B. Section 14 is hereby added to Article IV reading in its entirety as follows:

Section 14. Rules. Each Lot owner agrees to be bound by, and abide with, all rules and regulations of the Community Association as they may presently exist or hereinafter be adopted by the Board.

IN WITNESS WHEREOF, the Developer has executed these Amendments on this the 17<sup>th</sup> day of May, 2001.

**DEVELOPER**

**Z HOMES KENTUCKY LLC**, a Kentucky limited liability company, formerly known as Zaring Homes Kentucky LLC

By: **Z HOLDINGS, INC.**, an Ohio corporation, formerly known as Zaring Holdings, Inc., its Manager

By: 

Name: Michael D. Sorntag

Title: PRESIDENT

COMMONWEALTH OF KENTUCKY )  
State of Ohio : SS  
COUNTY OF JEFFERSON )  
Hamilton

The foregoing instrument was subscribed and sworn to before me this 17<sup>th</sup> day of May, 2001, by Michael P. Sonntag as President of Z Holdings, Inc., an Ohio corporation, the Manager of Z Homes Kentucky LLC, a Kentucky limited liability company, formerly known as Zaring Homes Kentucky LLC, on behalf of the corporation.

My commission expires: \_\_\_\_\_

[SEAL]

Jennifer L. Bruggeman  
Notary Public



JENNIFER L. BRUGGEMAN  
Notary Public, State of Ohio  
My Commission Expires July 1, 2003

THIS INSTRUMENT PREPARED BY:

Michael B. Vincenti

Michael B. Vincenti, Esq.  
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## DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SPRINGHURST SUBDIVISION, PHASE I  
VILLAGE OF SPRINGBROOKE

## JEFFERSON COUNTY, KENTUCKY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SPRINGHURST SUBDIVISION, PHASE I, VILLAGE OF SPRINGBROOKE is made on November 8, 1989, by STM/SPRINGHURST, INC., a Kentucky corporation, 301 North Hurstbourne Lane, Louisville, Kentucky 40222 ("Developer").

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

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

ARTICLE I -- PROPERTY SUBJECT TO THIS  
DECLARATION; ADDITIONS

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

BEING Lots 1 through 64 inclusive as shown on the plat of SPRINGHURST Subdivision, Phase I of record in Plat and Subdivision Book 57, Pages 83 & 84, in the office of the Clerk of Jefferson County, Kentucky.

BEING part of the same property acquired by Developer by Deed dated November 8, 1989 of record in Deed Book 5912, Page 771 in the office of the Clerk of Jefferson County, Kentucky.

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

(a) Additions in Accordance with a General Plan of Development. Developer intends to make this section containing 64 lots a part of a larger community to be developed in accordance with current plans and known as Springhurst. Additional land may (but is not required to) be included by Developer as other sections of Springhurst within 20 years from January 1, 1990, and may include multi-family and retail commercial developments and certain common properties. Developer reserves the right to create cross easements and to restrict all the properties according to the terms of this Declaration. The common areas initially covered by this Declaration shall inure to the benefit of the owners of any new lots which may become subjected to this Declaration and the common area allocable to the owners of any new lots shall inure to the benefit of the owners of lots recorded earlier, each to enjoy the common area of the other and to have and to hold the same as if each new lot had been developed and subjected to this Declaration simultaneously.

The additional land which may be included is the land described in the following instruments recorded in the Jefferson County Clerk's office: Deed Book 1567 Page 369; Will Book 187 Page 537; Deed Book 5737 Page 884; Deed Book 3901 Page 164; Deed Book 4253 Page 99; Deed Book 5808 Page 254; Deed Book 5853 Page 330; Deed Book 5236 Page 826; Deed Book 5650 Page 503; Deed Book 5887 Page 138; Deed Book 5887 Page 141; Deed Book 5835 Page 669; Deed Book 5860 Page 697; Deed Book 5856 Page 98; Deed Book 5835 Page 673; Deed Book 5853 Page 25; Deed Book 5680 Page 380; Deed Book 5705 Page 256; Deed Book 5905 Page 113.

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

(b) Other Additions. Additional residential property and common areas which are not presently a part of the general plan of development may be annexed to Springhurst by Developer.

## ARTICLE II -- USE RESTRICTIONS

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

Section 2. Nuisances. No noxious or offensive trade or activity shall be conducted on any lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

Section 3. Use of Other Structures and Vehicles.

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

(b) No outbuilding, trailer, basement, tent, shack, garage, barn or structure other than the main residence erected on a lot shall at any time be used as a residence, temporarily or permanently.

(c) No trailer, truck, motorcycle, commercial vehicle, camper trailer, camping vehicle or boat shall be parked or kept on any lot at any time unless housed in a garage or basement. No automobile which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in the garage) or on any street in the subdivision. No trailer, boat, truck, or other vehicle, except an automobile, shall be parked on any street in the subdivision for a period in excess of twenty-four hours in any one calendar year.

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

Section 4. Animals. No animals, including reptiles, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept, provided they are not kept, bred or maintained for any commercial or breeding purposes.

Section 5. Clothes Lines; Fences and Walls; Tennis Courts; Swimming Pools; Antennae and Receivers/Transmitters; Yard Ornaments.

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

(b) No fence or wall of any nature may be extended toward the front or street side property line beyond the front or side wall of a residence. As a "structure" no fence or wall of any nature may be erected, placed or altered on any lot until construction plans are approved as provided in Article III, Section 1 of these restrictions.

(c) No tennis court fence shall be erected on any lot in the subdivision unless the fencing is coated with black or green vinyl.

(d) No aboveground swimming pools shall be erected or placed on any lot from the date hereof unless its design and placement are approved in writing by Developer.

(e) No antennae (except for standard small television antennae) or microwave and other receivers and transmitters (including those currently called "satellite dishes") shall be erected or placed on any lot unless its design and placement are approved by Developer.

(f) No ornamental yard objects, statuary or sculpture, etc. shall be placed on any lot unless its design and placement are approved in writing by Developer.

Section 6. Duty to Maintain Lot.

(a) From and after the date of purchase of a lot until construction of a single family residence is begun, Developer shall have the exclusive right to perform all maintenance on the lot, including but not limited to mowing. Each owner shall be assessed an annual fee payable in January at the rate of \$10.00 per month for the first year following the date the lot owner acquires title to a lot; thereafter, Developer may assess the lot owner at an amount Developer determines necessary to maintain the lot.

(b) From and after the date construction of a single family residence on a lot is begun, it shall be the duty of each lot owner to keep the grass on the lot properly cut, to keep the lot free from weeds and trash, and to keep it otherwise neat and attractive in appearance. Should any owner fail to do so, then Developer may take such action as it deems appropriate, including mowing, in order to make the lot neat and attractive, and the



owner shall, immediately upon demand, reimburse Developer or other performing party for all expenses incurred in so doing, together with allowable statutory interest, and Developer shall have a lien on that lot and the improvements thereon to secure the repayment of such amounts. Such lien may be enforced by foreclosure against that lot and the improvements thereon, but such lien shall be subordinate to any first mortgage thereon.

Section 7. Duty to Repair and Rebuild.

(a) Lot owners shall, at their sole cost and expense, repair their residence, keeping it in a condition comparable to that at the time of its initial construction, excepting only normal wear and tear.

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

Section 8. Business; Home Occupations. No trade or business of any kind (and no practice of medicine, dentistry, chiropody, osteopathy and other like endeavors) shall be conducted on any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Notwithstanding the provisions hereof or of Section 1, a new house may be used by a builder thereof as a model home for display or for the builder's own office provided said use terminates within eighteen months from completion of the house or upon such additional period of time as may be expressly agreed to in writing by Developer.

Section 9. Signs. No sign for advertising or for any other purpose shall be displayed on any lot or on a building or a structure on any lot, except one sign by the builder and one sign by the realtor or owner advertising the sale or rent thereof, which shall not be greater in area than nine square feet each; provided, however, Developer shall have the right to (i) erect larger signs when advertising the subdivision (ii) place signs on lots designating the lot numbers, and (iii) following the sale of a lot, place signs on such lot indicating the name of the purchaser. This restriction shall not prohibit placement of occupant name signs and lot numbers as allowed by applicable zoning regulations.

Section 10. Drainage. Drainage of each lot shall conform to the general drainage plans of Developer for the subdivision. No storm water drains, roof downspouts or ground water shall be introduced into the sanitary sewage system. Connections on each lot shall be made with watertight joints in accordance with all applicable plumbing code requirements.

Section 11. Disposal of Trash No lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other waste shall not be kept except in sanitary containers.

Section 12. Underground Utility Service.

(a) Each property owner's electric utility service lines shall be underground throughout the length of service line from Louisville Gas & Electric's (LG&E) point of delivery to the customer's building. Title to the service lines shall remain in, and the cost of installation and maintenance thereof shall be borne by, the lot owner upon whose lot the service line is located.

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

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

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

Aboveground electric transformers and pedestals may be installed at appropriate points in any electric easement.

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

Section 13. Rules for Common Area. The Community Association is authorized to adopt rules for the use of common areas and such rules shall be furnished in writing to the lot owners.

## ARTICLE III -- ARCHITECTURAL CONTROL

Section 1. Approval of Construction and Landscape Plans.

(a) No structure may be erected, placed or altered on any lot until the construction plans and building specifications and a plan showing (i) the location of improvements on the lot; (ii) the grade elevation (including rear, front and side elevations); (iii) the type of exterior material (including delivery of a sample thereof); (iv) the color of paint or stain to be applied to any exterior surfaces (including delivery to Developer of a sample thereof); and (v) the location and size of the driveway (which shall be either asphalt or concrete), shall have been approved in writing by the Developer.

(b) In addition to the plans referred to in the previous paragraph, a landscape plan shall be submitted to the Developer for its approval in writing, which plan shall show the trees, shrubs and other plantings.

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

Section 2. Building Materials; Roof; Builder; Paint Colors.

(a) The exterior building material of all structure shall extend to ground level and shall be either brick, stone, brick veneer or stone veneer or a combination of same. Developer recognizes that the appearance of other exterior building materials (such as wood siding) may be attractive and innovative and reserves the right to approve in writing the use of other exterior building materials.

(b) The roof pitch of any residential structure shall not be less than a plane of 8 inches vertical for every plane of 12 inches horizontal.

(c) The general contractor constructing the residential structure on any lot shall have been in the construction business for a period of one year and must have supervised the construction of or built a minimum of six homes. Developer makes this requirement to maintain a high quality of construction within the subdivision, and reserves the right to waive these standards of experience.

(d) The color of any paint or stain to be applied to exterior surfaces, whether original application or later reapplication, must be approved by Developer or its successor (including the Community Association).

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

(a) The ground floor area of a one story house shall be a minimum of 2,000 square feet, exclusive of the garage.

(b) The ground floor area of a one and one-half story house shall be a minimum of 1,400 square feet, exclusive of the garage.

(c) The ground floor area of a two story house shall be a minimum of 1,250 square feet, exclusive of the garage.

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

Section 4. Setbacks. No structure shall be located on any lot nearer to the front lot line or the side street line than the minimum building setback lines shown on the recorded plat, except bay windows and steps may project into said areas, and open porches may project into said areas not more than six feet. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations.

Section 5. Garages; Carports.

The openings or doors for vehicular entrances to any garage located on a lot shall not face the front lot line unless otherwise approved in writing by Developer. All lots shall have at least a two car garage unless otherwise approved in writing by Developer. No detached garages or carports are allowed unless otherwise approved in writing by Developer. Garages, as structures, are subject to prior plan approval under Section 1 hereof.

Section 6. Landscaping; Sidewalks; Driveways; Trees.

(a) Within sixty days of the final completion of construction of a residence, the lot owner shall grade, sod, and landscape that portion of the lot between the front and street side walls of the residence and the pavement of any abutting streets. Developer in its sole discretion may extend or postpone this sixty day period to allow for weather conditions.

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

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

(d) Upon final completion of construction of a residence, the lot owner shall cause to be planted two trees (at least three inches in diameter) in the front yard of the lot. These trees shall be in addition to any trees planted in the right-of-way by Developer or other performing party. No tree shall be removed from any lot without the prior written approval of Developer.

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

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

#### ARTICLE IV -- COMMUNITY ASSOCIATION

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot. "Common area(s)" means and refers to all non-residential lots and areas, including Lots 65 and 66 designated as Open Space on the plat for Springhurst Subdivision Phase I, which are shown on any recorded final subdivision plat within any portion of Springhurst made subject to the Community Association, together with all other improvements owned or to be owned by the Community Association. Developer releases and quitclaims to the Community Association its right and title to the common areas. The right of enjoyment is subject to the following provisions:

(a) The right of the Community Association to borrow money for the purpose of improving the common areas or for constructing, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a mortgage conveying all or a part of the common areas;

(b) The right of the Community Association to suspend the voting rights and the right to use common areas for any period during which any assessment against a lot remains unpaid, and for a period of time for any infraction of its published rules and regulations; and

(c) The right of the Community Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Community Association and such agency, authority or utility. Developer may dedicate utility or service easements at its sole discretion so long as there is in existence the Class B membership in accordance with Section 13, and so long as additions are permitted under Article I, Section 2(a).

Section 2. Delegation of Use. Lot owners may delegate, in accordance with the Bylaws, their right of enjoyment to the common areas to the members of their families or to their tenants or contract purchasers who reside on the property. Membership in the Community Association may not be conveyed separately from ownership in the lot.

Section 3. Community Association's Right of Entry. The authorized representative of the Community Association or the Board shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of property on an individual lot or in the event of an emergency or in connection with the maintenance of, repairs or replacements within the common area, or any equipment, facilities or fixtures affecting or serving other lots or the common area or to make any alteration required by any governmental authority.

Section 4. Assessments; Creation of the Lien and Personal Obligation. Each lot owner, except Developer, by acceptance of a deed for the lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Community Association (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as provided in this Article IV. Developer shall be responsible for the maintenance costs of the Community Association, incurred over and above assessed amounts payable to the Community Association by the lot owners, until Developer transfers control of the Community Association. Maintenance cost overruns funded by Developer are an obligation of the Community

Association, which shall be repaid to Developer from future surpluses. The annual and special assessments, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

#### Section 5. Purpose of Assessments.

(a) The assessments levied by the Community Association shall be used exclusively to promote the health, safety and welfare of the residents and in particular for the acquisition, improvement and maintenance of properties and services devoted to this purpose, or for the use and enjoyment of the common areas, including but not limited to, the cost of labor, equipment, materials, management and supervision, payment of taxes assessed against the common areas, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Community Association when necessary, and such other needs as may arise. The Community Association shall maintain, operate and repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the common areas, open spaces, gatehouse, entranceways, streets, cross-walks, medians, berms, storm drains, basins, lakes and other improvements.

(b) An affiliate of Developer or a third party may own and operate a swim and tennis club in Springhurst outside of Phase I. All lot owners shall have the right to join upon such terms and conditions as may be established by the owner of the club. The club owner shall have the right to admit members who are not lot owners in Springhurst.

(c) Until Class B membership ceases and is converted to Class A membership pursuant to Section 13, Developer or its nominee shall administer the assessments and receipts therefrom, which may only be used for purposes generally benefiting Springhurst Subdivision as permitted in this Declaration.

#### Section 6. Maximum Annual Assessment.

(a) Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be set at a rate not to exceed \$15.00 per month per lot. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than 20%

above the maximum assessment for the previous year without a vote of two-thirds of each class of members pursuant to the Bylaws.

(b) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum. The Board of Directors shall determine when the assessments shall be paid.

Section 7. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Community Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto. Any such assessment shall have the assent of the members of the Community Association in accordance with the Bylaws.

Section 8. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all lots except those unimproved and unoccupied lots owned by Developer or a builder. The Board of Directors may at its discretion waive the assessment for any year or part of a year for any lot not occupied as a residence.

Section 9. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall begin as to any lot subject to the assessment at the time the lot is occupied as a residence. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the lot is first occupied as a residence.

Section 10. Enforcement of Assessments. Any assessment not paid by the due date shall bear interest from the due date at the maximum rate of interest then allowable by Kentucky law. The Community Association may bring an action at law against the owner personally obligated to pay the assessment, or foreclose the lien against the property, and interest, costs and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessments. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his Lot.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to



payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien.

Section 12. Membership. Developer and every owner of a lot which is subject to an assessment shall be a member of the Community Association. Such owner and member shall abide by the Community Association's Bylaws, Articles of Incorporation to be recorded in the office of the Clerk of Jefferson County, Kentucky, rules and regulations, shall pay the assessments provided for in this Declaration, when due, and shall comply with decisions of the Community Association's Board of Directors. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 13. Classes of Membership. The Community Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all lot owners, with the exception of Developer.

(b) Class B. The Class B member shall be Developer. The Class B membership shall cease and be converted to Class A membership on the happening of any of the events specified in paragraph (c) below whichever occurs earlier.

(c) Each member shall have one vote with respect to each lot owned by such member, but Class A members shall not be entitled to exercise any vote until the earlier of

(i) When, in its discretion, Developer so determines;

(ii) When 100% of the lots which may be developed as described in Article I Sections 1 and 2 have been sold by Developer; or

(iii) January 1, 2010.

#### ARTICLE V -- GENERAL PROVISIONS

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

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

Section 3. Restrictions Run with Land. Unless cancelled, altered or amended under the provisions of this paragraph, these covenants and restrictions are to run with the land and shall be binding on all parties claiming under them for a period of thirty years from the date this document is recorded, after which time they shall be extended automatically for successive periods of ten years, unless an instrument signed by a majority of the then owners of the front footage of all lots subject to these restrictions has been recorded agreeing to change these restrictions and covenants in whole or in part. These restrictions may be cancelled, altered or amended at any time by a written instrument signed by the owners of the lots with 75 percent of the votes in the Community Association and recorded in the office of the Clerk of Jefferson County, Kentucky.

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

Section 5. Non-Liability of the Directors and Officers. Neither Developer nor the directors or officers of the Community Association shall be personally liable to the owners for any mistake or judgment or for any other acts or omissions of any nature whatsoever while acting in their official capacity, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The owners shall indemnify and hold harmless each of the directors and officers and their respective heirs, executors, administrators, successors and assigns in accordance with the Bylaws.

Section 6. Board's Determination Binding. In the event of any dispute or disagreement between any owners relating to the Property, or any questions of interpretation or application of the provisions of this Declaration or the Bylaws, the determination thereof by the Board shall be final and binding on each and all such owners.

WITNESS the signature of Developer by its duly authorized partner on this 7th day of November, 1989.

STM/SPRINGHURST, INC.  
a Kentucky corporation

By: *Robert N. Merritt*  
Title: President

COMMONWEALTH OF KENTUCKY )  
COUNTY OF JEFFERSON )

The foregoing instrument was acknowledged before me on November 7th, 1989, by Robert N. Merritt, as President of STM/Springhurst, Inc. a Kentucky corporation, on behalf of the corporation.

*Susan A. Field*  
Notary Public

Commission expires: 8-31-92



This instrument prepared by

BROWN, TODD & HEYBURN  
Mark B. Davis  
Paul B. Whitty  
1600 Citizens Plaza  
Louisville, Kentucky 40202

*Mark B. Davis*

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