

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
GLENMARY ESTATES, (SECTION 19 OF GLENMARY)
JEFFERSON COUNTY, KENTUCKY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GLENMARY ESTATES, (SECTION 19 OF GLENMARY) (the "Declaration") is made on the 7th day of October, 2003, by Glenmary Ridge, LLC, a Kentucky limited liability company, with principal office and place of business at 8401 Shelbyville Road, Louisville, Kentucky 40222 ("Developer").

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

NOW, THEREFORE, Developer hereby declares that all of the property described in this instrument, and such additional property as may be hereafter made subject to this Declaration 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 – DEFINITIONS

Section 1. ARC shall refer to the Glenmary Ridge, LLC Design Review Committee, and its successors and assigns that are designated in writing and are designated at Developer's option.

Section 2. Articles shall mean the Articles of Incorporation of Glenmary Ridge, LLC, as the same may be amended or supplemented from time to time.

Section 3. Assessments shall mean all of the following: Common Expense Assessments, Individual Assessments, Special Assessments and Penalty Assessments.

Section 4. Assessment Year shall mean the calendar year or such other period of twelve (12) consecutive months selected by the Developer for the levying, determining and assessing of the annual Assessments under this Declaration.

Section 5. Board of Directors shall mean the Board of Directors of Glenmary Ridge, LLC.

Section 6. Bylaws shall mean the Bylaws of Glenmary Ridge, LLC, as the same may be amended or supplemented from time to time.

Section 7. Common Areas shall mean all real property (including the improvements thereto) owned or leased by the Community Association for the common use and enjoyment of the Owners.

Section 8. Common Expenses shall mean (i) expenses of administration, operation, management, maintenance, repair, and replacement of the Common Area; (ii) expenses declared Common Expenses by the Community Association; (iii) all sums lawfully assessed against the Lots by the Board of Directors; and (iv) expenses agreed upon as Common Expenses by the Members of the Community Association.

Section 9. Community Association shall mean and refer to the Glenmary Homeowners' Association, Inc. a corporation not-for-profit, its successors and assigns.

Section 10. Declaration shall mean this document, together with all exhibits attached hereto, and all amendments and supplements hereto.

Section 11. Developer shall mean and refer to Glenmary Ridge, LLC, a Kentucky limited liability company, its successors and assigns. A person or entity shall be deemed a "successor and assign" of Glenmary Ridge, LLC as the Developer only if specifically designated in writing by Glenmary Ridge, LLC as a successor Developer or assignee of Glenmary Ridge, LLC rights as the Developer in whole or to part of the Property and if such written instrument is duly recorded in the real estate records of Jefferson County, Kentucky.

Section 12. Household Pets shall mean and refer to tropical fish, small pet rodents (gerbils or hamsters) dogs, cats and small birds, kept as pets that are normally kept inside the home.

Section 13. Lot shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property as a "Lot," and all improvements now or hereafter constructed thereon, with the exception of any Common Area and any dedicated roadways, utility easements, drainage ways, parks, and open space.

Section 14. Member shall mean every person or entity who is a record owner of a fee or undivided interest in any Lot, including Developer and contract sellers, but not including contract purchasers.

Section 15. Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding contract purchasers and those having such interest merely as security for performance of an obligation.

Section 16. Plat shall mean any recorded plat for any portion of the Property, and any supplements, amendments, or modifications thereto. Developer reserves the right to amend the Plat, at any time and from time to time, until December 31, 2006, to conform the Plat according to the actual location of any of the constructed improvements and to establish, vacate, or relocate easements.

Section 17. Project shall mean all of the Property, including real property and improvements annexed thereto pursuant and all improvements thereon, together with all rights, duties, easements, and appurtenances belonging thereto submitted by this Declaration and any amendments and supplements thereto.

Section 18. Property shall mean and refer to that real property described in Article II herein, and all improvements and structures thereon, and such additional real property as may hereafter be brought within the jurisdiction of the Community Association.

ARTICLE II – 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 (the "Property"):

BEING LOTS 1 through 61, inclusive as shown on the plat of Glenmary Estates, (Section 19 of Glenmary), of record in Plat and Subdivision Book __, Page __, in the office of the Clerk of Jefferson County, Kentucky.

BEING a part of the same property acquired by Developer by Deed dated November 1, 2002, of record in Deed Book 7994, Page 976, 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 61 buildable Lots a part of a larger community being developed in accordance with current plans and known as Glenmary ("Glenmary").

The Common Area initially covered by this Declaration shall inure to the benefit of the owners of any new Lots within Glenmary Estates (Section 19 of Glenmary) which may become subjected to this Declaration or a similar set of deed restrictions and the Common Area allocable to the Owners of all Lots within Glenmary 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.

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 to 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 Area which are not presently a part of the general plan of development of Glenmary Estates, (Section 19 of Glenmary), but may be annexed to Glenmary Estates, (Section 19 of Glenmary), by Developer.

Section 3. Lots 101 and 102. Lots 101 and 102 as shown and designated on the Plat of Glenmary, Section 15-A, of record in Plat and Subdivision Book 45, Page 44, in the Office of the Clerk of Jefferson County, Kentucky, as "Open Space Non-Buildable Lots" represent access easements established for adjacent property owners as set out in Deed Book 5244, Page 809, Deed Book 341, Page 337, Deed Book 3891, Page 556, Deed Book 3626, Page 558 and Deed Book 3976, Page 270, all in the Office of the Clerk of Jefferson County, Kentucky. The access easements encumbering Lots 101 and 102 are not intended for use by, and shall not be used by, the Owners or residents of any Lots in Glenmary Estates (Section 19 of Glenmary), and no Lot in Glenmary Estates (Section 19 of Glenmary) shall have any direct vehicular access thereto. Lots 101 and 102 are not part of the open space land within Glenmary Estates (Section 19 of Glenmary) and shall not be maintained by the Community Association, as hereinafter defined, and such Lots are subject to the terms and conditions of the access easements as set forth above.

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 Lot), 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. For purposes of this Declaration, there shall be specifically excluded from the meaning of the phrase "private single family residential purposes," and shall not be permitted on any Lot within Glenmary Estates, (Section 19 of Glenmary), regardless of whether any of the same would otherwise be permitted by any applicable zoning regulations, or other governmental laws, rules or regulations, any uses which constitute or relate to (1) boarding houses, (2) lodging houses, (3) fraternities or sororities, (4) clubs, (5)

hotels, (6) residences or homes for social rehabilitation, (7) nursing homes, (8) residences or homes for the aged or infirm, (9) programs with respect to which admission to residency in or occupancy of the premises is limited to or intended in whole or in part for persons in the custody of the criminal justice system or the juvenile justice system and/or persons engaged in the care, custody, nurturance or supervision of such persons, or (10) any "group home" or other similar use as determined by the Developer.

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 permanent or temporary character shall be permitted on any Lot except temporary tool sheds or field offices used by the Developer or a builder, which shall be removed when construction or development is completed, it being provided however, that nothing herein contained shall prevent any Owner from constructing, erecting or maintaining any structure (such as a gazebo, storage shed, small playhouse, swing set, jungle gym or the like) on any Lot provided that the plans for such shall have been approved in writing by ARC, as defined herein, or any person or association to whom it may assign the right prior to the construction of any such structure.

(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, 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 that is inoperable shall be parked on any street in the subdivision for a period in excess of twenty-four (24) hours in any one calendar year.

(d) No automobile shall be continuously or habitually parked on any street or public right-of-way in Glenmary Estates, (Section 19 of Glenmary).

Section 4. Animals. No animals shall be raised, bred or kept on any Lot, except that Household Pets, as defined herein, may be kept provided that they are not kept, bred or maintained for any commercial or breeding purposes. All Household Pets, including dogs and cats, shall at all times be confined to the Lot occupied by the owner of such a pet or shall be restrained by a leash at all times when any such pet shall not be confined to the pet owner's Lot. The Owner keeping any such pets shall keep the Lot free of pet waste and feces, and any person in charge of a dog, cat or other pet in the Common Area or open space shall dispose of any

feces dropped by the pet, in a prompt and sanitary manner; provided that the foregoing shall not be construed to permit any person in charge of a pet or other animal to take the pet or animal on private property without the consent of the Lot Owner.

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

(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 or any Lot beyond the front or side wall of the residences, and all fences shall be constructed so that the finished side thereof shall face away from the Lot upon which such fence is constructed and shall not exceed forty-eight inches (48") in height unless otherwise approved in writing by the ARC, appointed at Developer's option, as defined in Section 1 of Article III or any person or association to whom Developer may, at its option, assign the right of approval. All fences, as structures, are subject to prior written plan approval by the ARC. No wire or chain link fences are permitted in Glenmary Estates, (Section 19 of Glenmary), except for tennis court fences permitted under Section 5(c) below. Developer reserves the right, in its sole discretion, however, Developer is under no obligation to do so, to place a fence on the outer perimeter of the subdivision or to replace existing wire or wood perimeter fences. Maintenance of any fence placed or replaced by the Developer on the perimeter of the subdivision shall be the responsibility of the Owner on whose Lot such portion of the fence is located. Notwithstanding any provision of this Declaration to the contrary, with respect to Glenmary Estates, (Section 19 of Glenmary), invisible fences to be installed on any Lot may not extend into the front or street side yard of any such Lot more than ten feet (10') beyond the applicable front or street side yard setback lines as shown on any plat of Glenmary Estates, (Section 19 of Glenmary).

(c) No tennis court fence shall be erected on any Lot in Glenmary Estates, (Section 19 of Glenmary), unless (i) the fencing is coated with black or green vinyl and (ii) the plan for such fence has been approved by the ARC in writing pursuant to Section 1, Article III.

(d) No aboveground swimming pools shall be permitted on any Lot in Glenmary Estates, (Section 19 of Glenmary). No in-ground swimming pools shall be erected or placed on any Lot from the date hereof unless its design and placement are approved in writing by ARC, which approval shall be within the sole and absolute discretion of the ARC or Developer, and may be arbitrarily and unreasonably withheld.

(e) No antennae (except for standard small television antennae) or microwave and other receivers and transmitters (including those currently called

"satellite dishes" provided, however, satellite dishes smaller than twenty inches (20") in diameter which are installed on the structure of the house above the first floor height and not on the front or any street side of the structure are acceptable) shall be erected or placed on any Lot unless its design and placement are approved in writing by ARC, which approval shall be within the sole and absolute discretion of ARC or Developer, and may be arbitrarily and unreasonably withheld.

(f) Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of adjacent or nearby Lots, as determined by ARC. All Owners and residents of Glenmary Estates, (Section 19 of Glenmary), are hereby advised that all exterior lighting, ornamental post lights and other ornamental yard decorations located or proposed to be located on any Lot are subject to the prior written approval of ARC in its sole discretion.

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 started, Developer shall have the exclusive right to perform all maintenance on the Lot, which Developer deems necessary, including but not limited to mowing; provided, that Developer shall have no obligation to remove damaged, dead or dying trees or limbs thereon, or fallen portions thereof from the Lot, although Developer may elect to do so in its discretion, and all of which the Owner shall promptly cut and remove from the Lot after falling, or otherwise after a determination and notice by Developer or the Community Association to the Owner that any of the same constitute a danger or are unsightly. Each Owner shall be assessed an annual fee payable in January at the initial rate of \$40.00 per month for the first two (2) years following the date the Lot owner acquires title to a Lot; thereafter, Developer may assess the Owner at an amount Developer, in its sole discretion, determines necessary to maintain the Lot. Such maintenance fees shall be appropriately prorated for partial year ownership of a Lot conveyed by Developer, and shall be paid by the Owner in any case within thirty (30) days of demand by Developer. All such fees due and payable to Developer from a Owner pursuant to the terms of this Section 6(a) shall bear interest from the due date thereof until paid at a fixed rate of twelve percent (12%) per annum, or such lower rate as may constitute the maximum then permitted by applicable law, and such amounts shall, together with all interest accrued and unpaid thereon, and all costs of collection incurred in connection therewith, including, without limitation, court costs and reasonable attorneys' fees, constitute a charge and lien on the Lot in favor of Developer to secure the repayment of such amounts which lien shall be of equal priority to the lien for assessments provided for in Article IV below.

(b) From and after the date construction of a single family residence on a Lot is started, it shall be the duty of each 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 interest from the due date thereof until paid at a fixed rate of twelve percent (12%) per annum, or such lower rate as may constitute the maximum then permitted by applicable law, and such amounts shall, together with all interest accrued and unpaid thereon, and all costs of collection incurred in connection therewith, including, without limitation, court costs and reasonable attorneys' fees, constitute a charge and lien on the Lot in favor of Developer to secure the repayment of such amounts which lien shall be of equal priority to the lien for assessments provided for in Article IV below.

(c) Each Owner, by acceptance of a deed for the Lot, releases and shall indemnify and hold harmless Developer from and against all losses or damages that may accrue to such Owner's Lot, and the vegetation thereon, arising from any activities of Developer and/or Owner pursuant to this Section 6.

Section 7. Duty to Repair and Rebuild.

(a) Each Owner of a Lot shall, at its sole cost and expense, repair his residence, keeping the same in condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

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

Section 8. Business/Home Occupations. All home occupations must comply with applicable zoning regulations. Except for a permitted business activity as described in this Section 8, no trade, business or commercial activity shall be conducted, carried on or practiced on any Lot or in a home constructed thereon to be used or employed for any purpose that will constitute a nuisance in law or that will detract from the residential value of said Lot or the other Lots in Glenmary Estates, (Section 19 of Glenmary). Nothing herein shall prevent an Owner from renting or leasing his home for a single-family residence. The establishment of sale offices or model homes is deemed a permitted business activity, and exempt from this Section. A home occupation shall be allowed as a permitted accessory use provided all of the following conditions are met:

- (a) Such use shall be conducted entirely by the inhabitants living in the principal dwelling and/or one employee and no others;
- (b) Such use shall be clearly incidental and secondary to the use of the dwelling for dwelling purposes and shall not change the character thereof;
- (c) The total area used for such purpose shall not exceed 15% of the floor area of the user's dwelling unit;
- (d) There shall be no exterior advertising;
- (e) There shall be no offensive noise, vibration, smoke, dust, odors, heat or glare noticeable at or beyond the property line;
- (f) There shall be no exterior storage on the premises of material or equipment used as part of the home occupation; and
- (g) The operation shall not generate more than three (3) cars per average on a business day, nor more than two (2) cars at one given time, and off-street parking shall be provided to accommodate the parking needs of the occupation. The operation shall not require additional off-street parking.

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 for one sign for advertising the sale or rent thereof, which shall not be greater in area than nine square feet; provided, however, Developer shall have the right to (i) erect larger signs when advertising the subdivision, (ii) place signs on Lots designating the Lot number of the Lots, and (iii) following the sale of the Lot, place signs on such Lot indicating the name of the purchaser of that Lot. This restriction shall not prohibit placement of occupant name signs and Lot numbers as allowed by applicable zoning regulations.

Section 10. Drainage. Drainage of each Lot shall conform to the general drainage plans for Glenmary Estates, (Section 19 of Glenmary). It shall be the responsibility of each Owner to ensure that the grading of his Lot shall comply with the drainage plan. If the drainage plan is not followed and drainage is blocked or altered, the Owner shall correct the problem at his expense or the Developer may correct the problem and the Owner shall be responsible for any costs or expenses to correct the problem. 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. It shall be the responsibility of each Owner to prevent mud, dirt, silt, gravel or other debris from washing, draining, or being otherwise deposited upon or in any street, creek, stream, lake, pond, swale, other Lots or Common Areas, or otherwise from Owner's Lot upon any other Property in Glenmary Estates, (Section 19 of Glenmary). This requirement is in keeping with the Federal Clean Water Act that has been adopted in the Commonwealth of Kentucky.

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 on any Lot except in sanitary containers. There shall be no burning of trash or other refuse on any Lot. Such containers shall be placed at appropriate collection points not earlier than the night preceding a scheduled collection, and shall be promptly removed and returned indoors after each collection. The sanitary disposal company responsible for the collection of trash and garbage in Glenmary Estates, (Section 19 of Glenmary), shall be selected by the Community Association, and no other company shall be used without the express written approval of the Community Association.

Section 12. Underground Utility Service.

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

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

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

(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.

(c) The electric and telephone easements hereby dedicated and reserved to each Owner, as shown on any recorded plat of Glenmary Estates, (Section 19 of Glenmary), shall include easements for the installation, operation and maintenance of cable television service to the Owners, including the overhead

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

Section 13. Rules for Common Area. Glenmary Homeowners Association, Inc. (the "Community Association") is authorized to adopt rules for the use of the Common Area and such rules shall be furnished in writing to the Owners.

Section 14. Exclusive Water and Sanitary Sewer Service. Each Owner shall be obligated upon the construction of a residence on any Lot to connect to, and obtain service from, the central water and sewage disposal systems provided for Glenmary Estates, (Section 19 of Glenmary), by the Louisville Water Company and the Louisville and Jefferson County Metropolitan Sewer District, respectively, or their respective successors and assigns. No other water or sewage system shall be permitted on or for any Lot.

Section 15. Air Conditioning Units. Except as may be permitted from time to time, by Developer in its sole discretion, no window air conditioning units may be kept or used on any Lot.

ARTICLE III – ARCHITECTURAL CONTROL

Section 1. Architectural Review Committee

(a) Composition/Removal. Developer shall have the option to establish an Architectural Review Committee ("ARC") consisting of a minimum of three (3) members and a maximum of nine (9) members. The initial ARC shall be appointed by the Developer. The Developer shall have the right to appoint all members of the ARC until 50 of the 61 Lots are sold or until Developer sooner relinquishes its right of appointment by means of an instrument recorded in the real property records of Jefferson County, Kentucky. The office of the ARC shall be maintained at 8401 Shelbyville Road, Louisville, Kentucky 40222. Such members designated by Developer may be removed at any time by Developer and in the event of such removal or death, incapacity or resignation of any one of such members, Developer shall have full authority to designate a successor who, in like manner, may be removed at any time by Developer. Developer may designate a person to serve on ARC during the temporary absence of any member. The removal of members, the appointment of successor members, and the designation of such temporary members for such ARC shall all be made by Developer by the execution, acknowledgement and recording in the real estate records of Jefferson County, Kentucky, of an appropriate instrument in writing for such purpose.

(b) Procedures. The ARC will charge a fee of \$50.00 payable to Glenmary Ridge, LLC for the review of each set of plans and specifications submitted for each Lot. The ARC may determine from time to time to alter the fees based upon the estimated cost of the proposed improvements. Such fee or charges shall be paid by the person or persons submitting such plans and specifications for approval to the ARC and such fees shall be paid upon the initial submission of such plans and specifications. A \$50.00 fee is also required for any subsequent plans for additions, new landscaping, or any other subsequent improvement requiring approval by the ARC.

The ARC shall, from time to time, issue guidelines (the "Architectural Guidelines") relating to the procedures, materials to be submitted and additional factors that will be taken into consideration in connection with the approval of any proposed improvements. The Architectural Guidelines may specify circumstances under which the strict application of limitations or restrictions under this Declaration will be waived or deemed waived in whole or in part because strict application of such limitations would be unreasonable or unduly harsh under the circumstances. The Architectural Guidelines may waive the requirement for approval of any one (1) or more improvements or exempt any one (1) or more improvements from the requirement of approval, if such approval is not reasonably required to carry out the purposes of this Declaration.

A quorum of any meeting of the ARC shall consist of two (2) members thereof and any decision shall be reached by the vote of a majority of members. The Committee's approval or disapproval, as required by any provision of this Declaration shall be in writing. The ARC shall approve or disapprove within thirty (30) days after plans and specifications have been actually received by it, unless such time period is extended by mutual agreement. The decision of the ARC shall be promptly transmitted to the persons or entity submitting the request for approval (the "Applicant") at the address of the Applicant furnished by the Applicant to the ARC. No plans shall be approved by the ARC unless said plans comply in every respect with the Architectural Guidelines, or the ARC grants a waiver, exemption or variance to the Architectural Guidelines. The ARC shall maintain written records of all applications submitted to it and of all actions it has taken. The ARC or its duly authorized representative shall not be liable, in any manner, for any action or failure of action taken in these premises.

(c) Arc's Discretion and Enforcement Powers. The ARC shall exercise its best judgment to see that all improvements, construction, landscaping and alterations of lands and structures thereon within the Project conform to and harmonize with existing surroundings and structures. The ARC shall not be liable in damage to any person submitting a request for approval or to any Owner within the Project by reason of any action, failure to act, approval, or disapproval with regard to such request. Approvals by the ARC are related to the aesthetics and no party shall rely upon such approvals as certifying structural integrity, safety,

engineering, soil conditions or absence of natural hazards and the ARC shall have no liability for any defects in the structural integrity, engineering or soils conditions or from effects of natural hazards. Regardless of any approval granted by the ARC or any governmental or quasi-governmental entity, if any improvements are made in the Project that do not comply in every respect with the Architectural Guidelines, then the Community Association may require removal of the nonconforming improvements. If the nonconforming improvements are not timely removed as required by the Community Association, then the Community Association may enter the Property and/or Lot and remove the nonconforming improvements and assess the Owner for the costs of said removal. If any of the above listed activities are commenced without the approval of the ARC as provided herein, the Owner shall also be subject to a fine of \$200.00 per day for every day the violation exists, which fine shall be paid to, and the collection of which as a Penalty Assessment may be enforced by the Community Association. By the purchase of a Lot, each Owner agrees, and by its acceptance of title, the Community Association agrees, that the Community Association or its designated representatives may enter upon any Lot or other portion of the Project at any reasonable time to remove the nonconforming improvements. The Community Association may, at its option, delegate its authority to the ARC. The Community Association and the ARC shall have all rights at law and equity to enforce these covenants and the selection of any one remedy shall not be deemed an exclusive remedy, and the Community Association or ARC may concurrently or subsequently utilize other remedies to enforce the covenants on the same matter.

(d) Appeal to Board. If the ARC denies, imposes conditions on, or refuses approval of a proposed improvement, the Applicant may appeal to the Board by giving written notice of such appeal to the Board and the ARC, within thirty (30) days after such denial, imposition of conditions or refusal. The Board shall appoint a tribunal and the tribunal shall hear the appeal and, based upon the tribunal's findings and recommendations, the Board shall decide whether or not the proposed improvement or conditions imposed by the ARC, or its successors or assigns designated in writing, shall be appointed, disapproved or modified.

Section 2. Approval of Grading, Construction and Landscape Plans.

(a) No clearing or grading of any Lot shall be permitted, and no structure may be erected, placed or altered on any Lot until a Lot grading plan showing proposed clearing limits, grading and house location, and 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), which must be in compliance with the drainage and grade plans for Glenmary Estates, (Section 19 of Glenmary); (iii) the type of exterior material (including delivery of a sample thereof); (iv) the location and size of the driveway (which shall be concrete and which shall be constructed in final finished form not later than thirty (30) days subsequent to the substantial completion of any residence on

a Lot, as determined by ARC or Developer in its sole discretion); and (v) the time frame within which all construction shall be completed, shall have been approved in writing by ARC or Developer in its sole discretion. Within twenty-four (24) months after the date of conveyance of a Lot without a dwelling thereon, if the Owner has not begun in good faith the construction of a single family dwelling approved according to this Section 1, upon each Lot conveyed, Developer may elect to repurchase any and all Lots on which construction has not commenced for the original purchase price in the deed of said Lot or Lots hereunder, in which event the Owner shall immediately reconvey and deliver possession of said Lot or Lots to Developer by deed of special warranty.

(b) In addition to the plans referred to in subparagraph (a) of this Section 2, a landscape plan shall be submitted to the ARC or Developer for its approval in writing, which plan shall show the trees, shrubs and other plantings then existing or to be planted on the Lot and the time frame within which such landscaping shall be completed. Each landscape plan for a Lot submitted to ARC or Developer shall obligate and this Declaration does so obligate, the owner to install (to the extent the same are not already located on the Lot) the two trees as provided in Article III, Section 6(d) hereof, and foundation shrubs and other plantings having a current fair market value of not less than \$1,500.00. The approved landscaping must be installed prior to the commencement of occupancy of the residence on the Lot; when seasonal limitations prohibit, the approved landscaping on and/or sodding of, the Lot must be installed within thirty (30) days from the time planting operations can be feasibly undertaken as determined by Developer. Moreover, when seasonal limitations do not permit planting, erosion control measures must be implemented in accordance with generally accepted practices in the real estate development industry, as approved by Developer, in its sole discretion, and as otherwise may be required by applicable laws, rules, regulations and ordinances, and as otherwise provided in this Declaration. Further, in the event that the Owner shall fail to diligently proceed with and/or complete the installation of the landscaping and/or sodding on a Lot within the time frame established pursuant to the landscape plans and specifications therefor approved by Developer, the Owner shall, within fifteen (15) days after written notice from Developer, complete such landscaping in a good, workmanlike and professional manner. Should such Owner fail to complete such landscaping within the applicable period provided above, Developer may, in its sole discretion, elect to complete such landscaping on such Lot in accordance with the approved plans therefor, and Developer, and their respective agents, employees and contractors, may enter upon the Lot and all improvements thereon at any time and from time to time in connection therewith, without liability or obligation of any kind to such Owner or any resident or lessee of such Lot, and the Owner shall reimburse Developer upon demand for all costs and expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees and court costs, and all such costs and expenses shall constitute a charge on the Lot, and Developer shall have a lien on such Lot to secure the payment thereof of equal

priority to the lien for assessments provided for in Article IV below. Developer reserves the right to waive these requirements.

(c) All approved construction activities, and landscape activities shall be completed by the Owner within the time frame specified in the approved plans contemplated in (a) above. Upon completion of all such construction, the Owner shall, at the Owner's cost, furnish to Developer upon request a written statement and certification of the Owner's builder and/or an engineer acceptable to Developer, to the effect that (i) the improvements constructed upon the Lot substantially conform to the plans and specifications approved pursuant to Section 1, and (ii) drainage of the Lot after improvement is in positive drainage compliance with the drainage plans for Glenmary Estates, (Section 19 of Glenmary). Developer reserves the right to require any builder to post separate deposits with Developer to ensure compliance with such approved construction plans and/or drainage plans and/or landscape plans for Glenmary Estates, (Section 19 of Glenmary), in such amount as Developer shall from time to time elect not in excess of Ten Thousand Dollars (\$10,000.00) for each such deposit.

(d) In the event any such structures or other improvements constructed on any Lot, and/or the final grade of any Lot, do not conform to the approved construction plans or drainage plans for Glenmary Estates, (Section 19 of Glenmary), the Owner shall, within thirty (30) days after written notice from Developer (or such greater period as Developer shall specify in such notice) cause such non-compliance to be fully remedied to the satisfaction of Developer. Further, in the event that the Owner shall fail to diligently proceed with and/or complete the construction of any improvements on a Lot within the time frame established pursuant to the construction plans and specifications therefor approved by Developer, the Owner shall, within thirty (30) days after written notice from Developer, complete such improvements in a good, workmanlike and professional manner or, if the existing status of the improvements on the Lot are such that the same cannot be reasonably completed within such thirty (30) day period, the Owner shall immediately commence and proceed with all due diligence and best efforts toward the completion of all such improvements, which shall in any case be completed within one hundred eighty (180) days of such notice from Developer or within such other period as shall be reasonably specified by Developer (which specification shall be deemed reasonable if confirmed in writing by at least two (2) Builders). Should such Owner fail to cure such non-compliance or to complete such construction within the applicable period provided above, Developer may in its sole discretion, elect to cause such non-compliance to be so cured, and may, in its sole discretion, elect to complete such construction on such Lot in accordance with the approved plans therefor, and Developer, and their respective agents, employees and contractors, may enter upon the Lot and all improvements thereon at any time and from time to time in connection therewith, without liability or obligation of any kind to such Owner or any resident or lessee of such Lot, and the Owner shall reimburse Developer upon demand for all costs

and expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees and court costs, and all such costs and expenses shall constitute a charge on the Lot, and Developer shall have a lien on such Lot to secure the payment thereof of equal priority to the lien for assessments provided in Article IV below.

(e) References to "Developer" shall include any entity, person or association to who Developer may assign the right of approval. References to "structure" in this Section 1 shall include any building (including a garage), fence, wall, antennae (except for standard small television antennae), microwave, and other receivers and transmitters (including those currently called "satellite dishes"), swimming pools and tennis courts.

(f) No occupancy of any residence shall be permitted prior to the completion thereof to the satisfaction of the Developer, and the compliance with the provisions of this Declaration, including, without limitation, this Article III, in connection with the construction thereof and other improvements on the Lot.

Section 2. Building Materials; Roof; Builder; Architectural Standards.

(a) The exterior building material of all structures shall extend to ground level and shall be brick, stone, brick veneer or stone veneer or a combination of same. Developer recognizes that the appearance of other exterior building materials 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 seven (7) inches vertical for every plane of twelve (12) inches horizontal for structures with more than one story, provided, however, the dormers on one and one-half story houses may have a roof pitch of less than seven (7) inches vertical for every twelve (12) inches horizontal with the prior written consent of Developer in its sole discretion, which consent may not be arbitrarily and unreasonably withheld by Developer, and a plane of eight (8) inches vertical for every plane of twelve (12) inches horizontal for one story structures.

(c) Developer reserves the right of prior approval, in its sole and absolute discretion, of each general contractor, contractor or builder (collectively, as so approved, the "Builders," and individually, a "Builder") which proposes, or is contracted with, hired or otherwise retained by any Owner, to build a residential structure on any Lot, which approval must be obtained prior to the commencement of any such construction. Developer reserves this right of prior approval in order to ensure (i) the maintenance of a high quality of construction within Glenmary Estates, (Section 19 of Glenmary); (ii) that the economic value of other Lots and structures within Glenmary Estates, (Section 19 of Glenmary), will not be impaired by the construction of residential structures not of the same or

comparable quality as now exist in Glenmary Estates, (Section 19 of Glenmary); and (iii) the maintenance of the existing high aesthetic quality of Glenmary Estates, (Section 19 of Glenmary). Nothing contained in this Section 2(c) or otherwise within this Declaration shall constitute or be deemed to be a representation or warranty by Developer with regard to any matter whatsoever pertaining to any Builder, or of the value or quality of any Lot, or any residence or other structure or improvement constructed thereon or otherwise within Glenmary Estates, (Section 19 of Glenmary).

(d) Developer reserves the right to issue and modify from time to time architectural and other standards and design guidelines to assist Owners in their initial design efforts prior to submitting plans and specifications for approval pursuant to Section 1 hereof. All Owners and their Builders and other contractors shall comply with the construction regulations portions, if any, or the design guidelines. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; work trailers; parking areas; outside storage; conduct and behavior of Builders; contractors, subcontractors and Owners; the conservation of landscape materials; and fire protection.

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 garage.

(b) The ground floor area of a one and one-half story house shall be a minimum of 1,200 square feet, with a total floor area of at least 2,250 square feet, exclusive of the garage.

(c) The ground floor area of a two-story house shall be a minimum of 1,300 square feet, with a total floor area of at least 2,600 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 any recorded plats of Glenmary Estates, (Section 19 of Glenmary), except bay windows and steps may project into said areas, and open porches may project into said areas not more than six feet. Side yard setbacks, unless otherwise shown on any recorded plats of Glenmary Estates, (Section 19 of Glenmary), shall conform to the applicable zoning regulations. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations.

Section 5. Garages; Carports.

(a) 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 are allowed unless otherwise approved in writing by Developer. Garages, as structures, are subject to prior plan approval under Section 1 or this Article III.

(b) No carport shall be constructed on any Lot in Glenmary Estates, (Section 19 of Glenmary).

Section 6. Sod; Sidewalks; Driveways; Trees.

(a) Within thirty (30) days after the construction of a residence, the Owner shall grade and sod that portion of the Lot located between the pavement of any abutting streets and the rear corners of any residence constructed on the Lot (generally the front yard, the side yard and any street side yard), and shall seed and straw the remainder of the Lot (generally the rear yard). For corner Lots, Developer reserves the right to require the Owner to grade and sod a greater portion of the Lot where it is adjacent to any street.

(b) If required by the Jefferson County Department of Public Works, each Owner shall cause a sidewalk to be constructed on his Lot at the first to occur of (i) prior to completion of construction of a residence on the Lot; or (ii) one year from the date construction of a residence on 80% of the Lots in Glenmary Estates, (Section 19 of Glenmary), as applicable, has begun, whether or not the Owner has begun construction on that particular Lot.

(c) Each Owner shall concrete the driveway, and thereafter maintain the same in good repair and condition, within thirty days after completion of a single family dwelling; that portion of the driveway from the pavement of any abutting street to the sidewalk shall be concrete and shall be constructed and maintained in good condition by the Owner; regardless, of whether located on the Lot or within a right-of-way and/or easement adjacent to the Lot.

(d) Upon construction of a residence, the owner shall cause to be planted two (2) trees (each with a minimum trunk diameter of three inches) in the front yard of the Lot. Such requirement may be waived by Developer if existing trees (at least 3" in diameter) are already growing in the front yard of the Lot. No tree shall be removed from any Lot, except in the case of emergencies, 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 cause compliance therewith, without liability of Developer, or any of its successors, assigns, officers, employees, stockholders, partners, agents, servants or contractors, or affiliates or related entities, to the Owner or others for trespass or otherwise, and the Owner shall immediately, upon demand, reimburse Developer or other performing party for all expenses incurred in so doing, together with interest at the same rate prescribed or permitted pursuant to Article II, Section 6(a), and Developer shall have a lien on that Lot and the improvements thereon to secure the repayment of such amounts which lien shall be of equal priority as the lien for assessments provided for in Article IV hereof.

Section 7. Mail or Paper Boxes; Hedges. No mailbox, 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 in its sole discretion. Each Owner is advised that Developer shall require that a uniform mail box and paper holder (with uniform letters and numbers) be purchased directly from Developer, a related entity, or a specified third party vendor in order to ensure uniform use and appearance in Glenmary Estates, (Section 19 of Glenmary).

Section 8. Design Guidelines. Notwithstanding anything to the contrary in this Declaration, Developer reserves the right to reject any plans that do not comply with such architectural and other standards set forth in any design guidelines which may be issued from time to time 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 that shall be appurtenant to and shall pass with the title to every Lot. The Common Area means and refers to all areas designated as "common area" or "open space" on any recorded final subdivision plat within any portion of Glenmary Estates, (Section 19 of Glenmary), (except as otherwise set forth in Article 1, Section 3 hereof) made subject to the Community Association. The right of enjoyment is subject to the following provisions:

(a) The right of the Community Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area. The Board of Directors of the Community Association may, as part of the operation of the recreational facilities, if any, permit nonresidents of Glenmary Estates, (Section 19 of Glenmary), to use the recreational facilities, if any, for a reasonable annual fee, payable to the Community Association. Such users shall not be members of the Community Association.

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

(c) The right of the Community Association to suspend the voting rights and the right to use the recreational facilities, if any, by an owner for any period during which any assessment against his Lot remains unpaid, and for a period of time for any infraction of its published rules and regulations.

(d) 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. Provided, however, no Common Areas, including medians in the right of way, open spaces or signature walls shall be dedicated to a unit of local government without the acceptance of the unit of local government involved and the approval of the Louisville and Jefferson County Planning Commission. The provisions contained in this paragraph shall not be amended by the Community Association.

Section 2 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Community Association, his right of enjoyment to the Common Area and facilities to the members of his family or to his tenants or contract purchasers who reside on the 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 of Directors of the Community Association 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 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 annual assessments or charges, such assessments to be established and collected as provided in this Article IV. The annual assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who

was the owner of such Lot 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. The annual assessments may only be used for purposes generally benefiting the Community Association. The Community Association will maintain the Common Areas or open spaces and signature walls which are an integral part of the subdivision community and development and it is specifically provided that notwithstanding any article, paragraph, sentence, clause or other provision which may be contained in this Declaration, that in the event that this Declaration shall be amended, altered, modified, or canceled, then in such event, the Owners shall continue to be obligated to maintain the Common Areas, open spaces and signature walls of Glenmary Estates, (Section 19 of Glenmary), unless and until the Common Areas, open spaces and signature walls shall have been transferred to and accepted by a governmental agency for upkeep and maintenance.

Section 6. Annual Assessment. Every Owner, except Developer, shall pay an annual assessment on February 1, which assessment shall be \$300.00 per Lot for 2003. This same amount shall automatically be charged annually until the Community Association gives notice of an increase or decrease. The annual assessment shall be paid within thirty (30) days of written notice, and shall thereafter be considered delinquent. All annual assessments shall constitute a lien upon the Lot and any improvements thereon, but shall be subordinate to the lien of any first mortgage or vendor's lien and shall be enforceable against the real estate by foreclosure or otherwise. A notice of lien or lis pendens as notice of a nonpayment of an assessment may be recorded, but failure to record shall not invalidate or extinguish the lien.

Section 7. Uniform Rate of Assessment. Annual assessments shall be fixed at a uniform rate for all Lots except those owned by Developer. The Board of Directors of the Community Association may at its discretion waive the assessment for any year or part of a year for any Lot not occupied as a residence.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall begin as to any Lot subject to the assessment at the time the Lot is acquired by someone other than Developer. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the Lot is first acquired.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Community Association. Any assessment not paid by the due date shall bear interest from the due date at the maximum rate of interest then allowable by Kentucky law. The Community Association may bring an action at law against the owner personally obligated to pay the assessment, or foreclose the lien against the

Lot, 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 in non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to First Mortgage. 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 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 that 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 11. Membership. Developer and every owner of a Lot that 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, and 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 that is subject to assessment.

Section 12. Classes of Membership. Effective with the occupancy of a house on any Lot, the Owner will automatically be a Class A member of the Community Association.

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. Any such Owner, Developer and/or the Community Association enforcing this Declaration shall be entitled to recover all costs and expenses incurred in connection with such action, including, without limitation, court costs and reasonable attorneys' fees. Any award or damages received by Developer or the Community Association in connection with any such action, and all costs and expenses incurred by Developer or the Community Association in connection therewith, shall constitute a lien upon the Lot, of equal priority to the lien for assessments provided for in Article IV, and any award of damages received by any Owner in connection with any such action shall accrue to the sole benefit of the Community Association.

Section 2. Liens. All liens created and/or imposed against any Lot pursuant to the provisions of this Declaration may be enforced in accordance with the applicable provisions of Kentucky law, including judicial foreclosure thereof and sale of Lot encumbered thereby, with the Owner and any other persons responsible therefor remaining liable for any deficiency.

Section 3. 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 4. Restrictions Run With Land. Unless canceled, altered, or amended under the provisions of this Section 4, 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 canceled, altered or amended at any time by the affirmative action of the owners of 75 percent of the Lots subject to these restrictions.

Section 5. Amendments to Articles and Bylaws of the Community Association. Nothing in this Declaration shall limit the right of the Community Association to amend, from time to time, its Articles of Incorporation or Bylaws.

Section 6. Non-Liability of the Directors. Neither Developer nor the directors of the Community Association shall be personally liable to the owners of the Lots for any mistake of 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 their respective heirs, executors, administrators, successors and assigns in accordance with the Articles of Incorporation of the Community Association.

Section 7. Board of Directors of the Community Association's Determination Binding. In the event of any dispute or disagreement between any owners relating to the Property subject to this Declaration, or any questions of interpretation or application of the provisions of this Declaration or the Bylaws of the Community Association, the determination thereof by the Board of Directors of the Community Association shall be final and binding on each and all such owners.

Section 8. Incorporation by Reference on Resale. Upon the sale or other transfer of any Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, conditions, restrictions,

charges, liens, assessments and other provisions set forth in this Declaration; provided, however, that the failure of any such deed to so incorporate by reference this Declaration shall not affect the validity of such deed nor shall it be deemed to release the Lot conveyed thereby from the effect of this Declaration.

Section 9. Reservation of Easement. Developer hereby reserves, grants and conveys unto itself, its successors and assigns, a perpetual easement five (5) feet in width within and along the boundaries of each Lot, plus rights of ingress and egress and access on and over each Lot to such easement, for utility services, access, drainage, construction, grading and fill, and such other use as Developer shall determine in its reasonable discretion, which easement is reserved, granted and conveyed for the benefit of Developer, its successors and assigns, and of any Lot or other portion of Glenmary Estates, (Section 19 of Glenmary), and other persons or entities, selected by Developer in its sole discretion; provided that sidewalks, driveways and other structures approved pursuant to Article III hereof, and utilities to serve such Lot, shall be permitted to cross such easement.

Section 10. Developer's Right to Complete Development. No provision of this Declaration shall be construed to prevent or limit Developer's rights to complete the development, construction, promotion, marketing, sale and leasing of Lots developed from the Property; to construct or alter improvements on any real property owned by Developer; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Developer; or to post signs incidental to the development, construction, promotion, marketing, sale and leasing of the Property. Nothing in this Section 10 shall limit or impair the reserved rights of Developer as elsewhere provided in this Declaration, and Developer shall be generally exempt from the application of the covenants, conditions and restrictions imposed by this Declaration except as it may from time to time elect in writing in its sole discretion.

Section 11. Reservation of Additional Easements, Exceptions and Exclusions. Developer reserves to itself and hereby grants to the Community Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area or open spaces for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions consistent with the ownership of Glenmary Estates, (Section 19 of Glenmary), for the best interest of the Owners and the Community Association, in order to serve the Lots owners within Glenmary Estates, (Section 19 of Glenmary). Developer further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, and to create other reservations, exceptions and exclusions convenient or necessary for the use and operation of any other property of the Developer, as long as it does not unduly hamper the enjoyment of Glenmary Estates, (Section 19 of Glenmary), as built or expanded, by the Owners.

Section 12. Drainage Easement. An easement is hereby reserved to the Developer and granted to the Community Association, and their respective offices, agents, employees, successors and assigns, to enter upon, across, over, in and under all Lots and any portion of the Common Area or open space for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Common Area or open space so as to improve the drainage of water on the Common Area or open space. Reasonable efforts shall be made to use this easement so as to disturb as little as possible the uses of the Owners of their Lots, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work. Developer, or its officers, agents, employees, successors and assigns must inform and obtain the approval of the Community Association prior to undertaking such drainage work, which approval shall not be unreasonably withheld, delayed or conditioned.

Section 13. Glenmary Golf Course and Club. The Glenmary Golf Course and Club is a private golf course and club, with separate, private and limited membership, and the Glenmary Golf Course and Club and its attendant golf course and facilities shall not constitute an amenity or recreational facility of Glenmary Estates, (Section 19 of Glenmary), and will not be conveyed to, or otherwise made subject to the control or jurisdiction of the Community Association, nor will the same be otherwise used in common by, or be subject to any right of enjoyment in favor of, the Owners or the owners of any other Lots in Glenmary Estates, (Section 19 of Glenmary). No Owner or any other person or entity shall obtain or be entitled to any membership or other right, title or interest, or right of enjoyment or use, in or to the Glenmary Golf Course and Club or its facilities, including, without limitation, the Glenmary Golf Course, by virtue of ownership of any Lot or Lots, membership in the Community Association or residence in Glenmary Estates, (Section 19 of Glenmary).

All Owners, and other residents of Glenmary Estates, (Section 19 of Glenmary), are hereby advised, and by acceptance of a deed for a Lot, and/or residence in Glenmary Estates, (Section 19 of Glenmary), as applicable, hereby acknowledge and agree, that the Glenmary Golf Course and Club, and its attendant facilities, are situated in Glenmary, and that such Owner or other person or entity is aware of, accepts and assumes the risks and hazards of a golf course and of residence within a community bordering and/or containing a golf course and hereby releases from all such risks and hazards Developer and the Community Association, and all entities affiliated with or related to any of the foregoing, and all of the respective successors, assigns, officers, partners, employees, agents and contractors of all of the foregoing (collectively, the "Released Parties"). These risks and hazards include, by way of illustration and not limitation, the possibility of personal injury and/or property damage occasioned by stray or errant golf balls and/or trespass upon a Lot by golfers. Provided, that

in no event shall the provisions of this Section be construed to relieve golfers for liability under Kentucky law for damage caused by or resulting from errant golf balls and/or trespass without right. Further, all such persons and entities constituting the Released Parties shall have no responsibility or liability to any Owner or resident of Glenmary Estates, (Section 19 of Glenmary), for any claims or liability based upon or related to (i) the design, layout or construction of the Glenmary Golf Course or other facilities, or (ii) the activities and/or acts of any golfers or other persons present on or using the Glenmary Golf Course or other facilities.

In the event any Owner sells or transfers any Lot subject to this Declaration, the contract for sale therefor and any deed purporting to effect such transfer shall contain a provision agreed to by the purchaser of the Lot and acceptable to Developer incorporating the terms of this Section; provided, however, the failure of any deed to so incorporate by reference such provisions shall not affect the validity of such deed nor shall such failure be deemed to release the Lot conveyed, or the purchasers of such Lot, from the effect hereof or of the other provisions of this Declaration.

Developer does not represent, warrant or guarantee, and hereby expressly disclaims, that the Glenmary Golf Course and facilities, as a private club, will remain open as a county club, private or otherwise, or will continue to be used for such purposes.

All owners of the Lots bordering on or backing up to the golf course, shall during construction on the Lot, place a fabric silt fence at least eighteen inches (18") in height with a minimum of four inches (4") underground, along the perimeter of the Lot contiguous to the golf course. This silt fence shall remain in good repair during the entire construction period, removed only when the Lot is seeded and grass is established. The purpose of the silt fence is to keep silt from contaminating the golf course. No dumping of dirt, trees, wood or any material will be permitted on the golf course land. No paper debris shall be allowed to blow from the Lot to the golf course land. Removal or clean up of the above-referenced items shall be at Owner's sole cost and expense.

WITNESS, the signature of Developer by its duly authorized Administrative Member on this 7th day of October, 2003.

GLENMARY RIDGE, LLC
a Kentucky limited liability company

By: 

David W. Nicklies
Administrative Member

COMMONWEALTH OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me this 7th day of October, 2003, by David W. Nicklies, as Administrative Member of Glenmary Ridge, LLC, a Kentucky limited liability company, on behalf of said limited liability company.

My commission expires: 1-27-2005

Donna M. Hindman
Notary Public

This instrument was prepared by:

George E. Riggs Jr.
George E. Riggs Jr.
Attorney at Law
8401 Shelbyville Road
Louisville, KY 40222

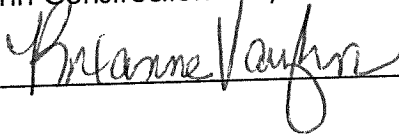
EXHIBIT C
AGREEMENT TO COMPLY WITH FEDERAL CLEAN WATER ACT

For and in valuable consideration, the receipt and sufficiency of which is hereby acknowledged, as set out in the Sales and Purchase Agreement for Lot(s) 34 and 41 in Glenmary Estates Subdivision, Section 19 of Glenmary, to which this Amendment is attached it is agreed as follows:

1. Buyer by its signature below does hereby covenant and agree to comply with the terms and conditions, mandates and requirements of the Federal Clean Water Act as adopted by the Commonwealth of Kentucky during any construction upon any lot that is the subject property of the Sales and Purchase Agreement.
2. Buyer does hereby indemnify and hold Glenmary Ridge, LLC harmless from any and all liability of any nature whatsoever by reason of Buyer's failure to comply with Federal and Kentucky Clean Water Act.

Vaughn Construction Co., LLC

By: _____



Glenmary Ridge, LLC

By: _____

