

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
THE RESERVE AT PARAMONT, PHASE 1
PLAT AND SUBDIVISION BOOK ____ PAGE ____
OLDHAM COUNTY, KENTUCKY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE RESERVE AT PARAMONT, PHASE 1, is made on _____, 2024, by CAY Properties, LLC, a Kentucky limited liability company, (herein named Developer"), 2801 Mayo Lane, Prospect, Kentucky, 40059.

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

NOW, THEREFORE, Developer hereby declares that all of the property described in this instrument, and such additions as may be 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 Oldham County, Kentucky and is more particularly described as follows:

BEING Lots 1 through _____, inclusive, as shown on the plat of THE RESERVE AT PARAMONT, Phase 1, of record in Plat and Subdivision Book _____, at page _____, in the Office of the Clerk of Oldham County, Kentucky.

Being a portion of the same property acquired by Developer by deed dated March 29, 2023, of record in Deed Book 1353 page 278, in the Office of the Clerk of Oldham 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 44 lots a part of a larger community being developed in accordance with current plans and known as THE RESERVE AT PARAMONT. Additional land described in instruments recorded in Deed Book 1353 page 278 in the Clerk's Office of Oldham County, Kentucky is owned by the Developer and may be included by Developer as other sections of THE RESERVE AT PARAMONT, including certain common properties which may contain recreational facilities. Developer reserves the right to create cross easements and to restrict all of 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.

All additions shall be made by filing with the Office of the Clerk of Oldham 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 THE RESERVE AT PARAMONT by Developer.

ARTICLE II - USE RESTRICTIONS

Section 1. Primary Use Restrictions. No residential lot in this phase shall be used except for private single family residential purposes. No structure shall be erected, placed or altered or permitted to remain on any lot except 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. No house trailers, mobile homes, motor campers, camper trailers, basements, tents, garages, outbuildings or temporary structures shall be used as a residence on any lot enumerated above, either temporarily or permanently.

Section 2. Temporary Structures. No structure of a temporary character shall be permitted on any lot except temporary tool sheds or field offices used by a builder or Developer, which shall be removed when construction or development is completed.

Section 3. Outside Storage or Outbuilding. No outside storage or outbuilding of any kind will be permitted. Gazebos or like recreational structures may be permitted upon design and location being approved by the Developer or Architectural Review Committee.

Section 4. Vehicles and Boats.

(a) No trailer, truck, (except small pickup trucks), motorcycle, recreational vehicle, 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 vehicle which is inoperable shall be habitually or repeatedly parked or kept on any lot (except in the garage) or on any street in THE RESERVE AT PARAMONT. No trailer, boat, truck, or other vehicle, except an automobile, shall be parked on any street in THE RESERVE AT PARAMONT, except moving vans or service vehicles being attended.

(b) No automobile shall be continuously or habitually parked on any street or public right-of-way in THE RESERVE AT PARAMONT. All automobiles shall be parked in designated parking areas or garaged, except as provided in Section 5.

(c) **[intentionally omitted]**

Section 5. Gatherings. If any resident has a social gathering, then on-street parking shall be permitted for a reasonable period of time. Such parking shall not block streets or driveways nor occupy any grass or landscape areas, nor occur so often as to be considered a nuisance to the neighbors or the community.

Section 6. Pets and Animals. No animals of any kind shall be kept on a lot or within a residence on a lot except dogs, cats, birds and other pets of a customary household variety; and no animal may be kept, bred or maintained for commercial purposes. No other animals, livestock or poultry of any kind, shall be kept, raised or bred on any part of the above-described property; Dogs must be kept within the confines of the house from 9:00 p.m. until 6:00 a.m. unless being walked on a leash or let out into the confines of an enclosed patio or courtyard for short periods of time. Otherwise, at all times dogs are to be walked on a leash by a responsible party who has the obligation to keep the dog under control, or dogs may be kept within a fenced patio or garden area at the rear of and contiguous to the rear wall of the residence. No dog runs, dog houses or like structures are permitted on any lot. Pit bulls or any other dog of known vicious nature shall not be kept on the premises. All cats not kept in a house at all times must be "belled" (a collar with a warning bell to all birds and small animals).

Section 7. Nuisances. No noxious or offensive trade or activity shall be conducted on any lot, nor shall anything be done which may *be* or become an annoyance or nuisance to the neighborhood.

Section 8. Clothes Lines. No outside clothes lines shall be erected or placed on any lot.

Section 9. Fences and Head Walls. No fence or wall of any nature may be extended toward the front or street side property line beyond the front or side wall of the residences. No retaining walls, head walls, fences, hedges, courtyards or other obstructions may be placed anywhere on a lot unless Developer approves in writing the placement, material and design of such structures. Fences must be 48 inches high and be constructed of black aluminum or black wrought iron material, unless approved by Developer.

Section 10. Tennis Courts. No tennis court fence shall be erected on any lot in the subdivision unless the fencing is coated with black or green vinyl and the location is approved by the developer.

Section 11. Swimming Pools. No aboveground swimming pools shall be erected or placed on any lot unless its design and placement are approved in writing by Developer.

Section 12. Antennas. No antennae, microwave or other receiver or transmitters, except for satellite dishes, shall be placed on the exterior of any house or on any lot. No antennae utilization of any transmitters shall be allowed to unreasonably interfere with television reception. Care should be taken to minimize the view of satellite dishes from the street.

Section 13. 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, including but not limited to mowing. Each owner shall be assessed an annual fee payable quarterly to cover all Association operating and maintenance dues which shall include a rate to mow all undeveloped lots.

(b) From and after the date construction of a single family residence on a lot is started, it shall be the duty of each lot owner to keep the grass on the lot properly cut, to keep the lot free from weeds and trash, maintain and repair sidewalks on said lot, and to keep it otherwise neat and attractive in appearance and safe. Should any owner fail to do so, then Developer may take such action as it deems appropriate, including mowing, sidewalk repairs (if necessary) in order to make the lot neat, safe and attractive, and the owner shall, immediately upon demand, reimburse Developer or other performing party for all expenses incurred in so doing, together with allowable statutory interest, and the Developer shall have a lien on 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.

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

Section 14. Duty to Complete, Repair and Rebuild Remedies.

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

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

(c) When construction or reconstruction is begun, work thereon must be pursued diligently and completed within Fifteen (15) months. If for any reason work is discontinued and there is no substantial progress towards completion for a continuous three (3) month period, then the Reserve at Paramount Community Association shall have the right to notify the owner of record of the premises of its intentions herein, enter upon the premises, and take such steps as may be required to correct an undesirable appearance, specifically including the right to demolish a partially completed structure and remove the debris from the lot; the reason for such correction shall be solely in the discretion of the Reserve at Paramount Community Association and may include, but not be limited to, purely aesthetic grounds. The owner of the property shall be liable for all costs incurred in any such action. The total cost thereof shall be a lien on his property, which lien may be foreclosed in the manner provided for in these Articles and by the laws of the State of Kentucky. Nothing herein shall be construed to interfere with the rights of a mortgage holder to have a reasonable time to

foreclose on a property in default and take or assign ownership of same. However, upon securing clear title said mortgage holder or other buyer must commence diligent construction towards completion within three (3) months of securing title.

Section 15. Business; Home Occupations. No trade or business of any kind (including but not limited to the practice of medicine, dentistry, chiropractic, chiropody, osteopathy and other like endeavors) shall be conducted on any lot other than personal and private business which does not increase traffic to the property, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Notwithstanding the provisions hereof or of Section 1 of this Article II, 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. No home shall be used as a rental property for a term less than six (6) months.

Section 16. Signs. No sign for advertising or for any other purpose shall be displayed on any lot or on a building or a structure on any lot, except 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 a lot, place signs on such lot indicating the name of the purchaser of that lot. This restriction shall not prohibit placement of occupant name signs and lot numbers as allowed by applicable zoning regulations.

Section 17. Drainage. Drainage of each lot shall conform to the comprehensive drainage plans approved by appropriate governmental authorities and Developer for THE RESERVE AT PARAMONT 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 18. Disposal of Trash. No lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other Waste shall not be kept except in sanitary containers and shall be picked up by a single garbage collection firm designated by the Developer and the Paramount Estates Homeowners Association who by agreement with the Reserve at Paramount Homeowner's Association will bill and collect trash collection fees from individual homeowners in The Reserve at Paramount.

Section 19. Underground Utility Easements and Other Easements.

All lots and common areas of THE RESERVE AT PARAMONT are subject to easements for electrical, water, sanitary sewers, telephone lines, television cables, gas service and drainage easements, all of which except drainage easements must be located underground as shown or reserved on the recorded plat, unless specifically provided for otherwise on the recorded plat. Aboveground electric transformers, pedestals, telephone connection boxes and gas metering and valves may be installed at appropriate points in any easement.

Appropriate easements are hereby dedicated and reserved to each property owner, the Developer, Association and utility companies, together with the right of ingress and egress over abutting lots or properties to install, operate, and maintain all utilities and drain ways. Title to service lines across lots from termination points of service by utilities, the Developer, or Reserve at Paramount Community Association shall be with the lot owner and installation and maintenance thereof shall be borne by the respective lot owner who installs or owns same.

In addition to easements set forth on the recorded plat, the Developer retains an easement along all non-street lot lines being ten (10) feet wide and contiguous with said lot lines for the purpose of construction and maintenance of any utility service line or drain way that may be needed in the future. Developer, by recordable instruments, may designate any portion of said easements as an exclusive easement for the benefit of any utility or service to be constructed underground except drain ways, which may be aboveground.

Section 20. Privately Owned Services. There shall be no private or individual owned sewage disposal system or water supply system allowed or maintained on any lot without approval of the Developer. Sanitary sewer services shall be provided by the Paramount Services Corporation and monthly fees shall be billed and collected by the Paramount Estates Homeowners Association, Inc. by agreement with the Reserve at Paramount Homeowner's Association. All such fees charged by Paramount Services Corporation shall be at a commensurate rate to that charged by the Louisville Metropolitan Sewer District (MSD).

Section 21. Rules for Common Area. The Reserve at Paramount Community Association is authorized to adopt rules for the use of the common areas and such rules shall be furnished in writing to the lot owners, and such rules shall not be in conflict with this Declaration, the Articles of Incorporation or By-Laws of the Association, a copy of which is attached hereto as Exhibit A.

ARTICLE III - ARCHITECTURAL CONTROL

Section 1. Approval of Construction 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); and (iv) the location and size of the driveway and sidewalks on the lot (which shall be concrete), shall be approved in writing by Developer (Canfield Development LLC, manager of Cay Properties, LLC, its successor or assigns). Reference to "structure" in this paragraph shall include any building, garage, fence, wall, retaining wall, head wall, patio, mailbox, driveway, sidewalks, swimming pools, tennis courts, gazebos, or any other structure placed upon a lot.

(b) It is the purpose of the Developer of the subdivision to provide that only residences and other improvements of traditional, timeless design and suitable material be erected on the lots in said subdivision. **No contemporary home plans will be**

permitted. The plans and specifications for the erection or alteration of any building, fence, wall, or other structures, and for the grading of the land, must be approved by Developer or the architectural control committee of Reserve at Paramount Community Association to whom it may assign the right before the work is begun. The plans submitted must be accompanied by a diagram of the lot setting forth the exact location of all proposed structures and of the grading plan of the lot. Copies of the plans and specifications must be left with the Developer or its assigns and they shall have the right to refuse to approve in whole or in part any such plans and specifications which are deemed by it not to be suitable or desirable, and in so passing upon such plans and specifications, the approving entity shall take into consideration the suitability of the proposed structures to the sites upon which they are erected, the harmony thereof with the surroundings, the preservation of the natural setting, and the effect of the proposed building on other structures or roadways and the outlook from the neighboring property. Normally houses of near identical design will not be allowed within view of each other or on the same street. If a residence is started prior to the approvals, a stop order will be immediately put on the house until all the approvals are obtained. The Oldham County Planning and Zoning Board shall be instructed to not approve plans not certified by the Developer or its assigns. Failure to get construction plan or Landscaping plan approval in writing will result in a fine of not less than twenty-five hundred (\$2,500.00) dollars and not more than Ten Thousand (\$10,000.00) dollars to be decided on by the Developer. Unless otherwise agreed by amendment hereto, all plans and approvals shall be reviewed and obtain written approvals required by the Developer, successors and assigns until October 1st, 2043 and thereafter by the Architectural Review Committee.

Section 2. Building Materials; Roof; Builder.

(a) The exterior building material of all structures 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. All colors of exterior walls shall be subject to approval by Developer.

(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 for structures with more than one story, and a plane of 8 inches vertical for every plane of 12 inches horizontal for one story structures. Developer may require a higher pitch for solely aesthetic reasons.

(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. The Developer shall have the sole right to approve or disapprove the Builder. The Developer makes this requirement to maintain a high quality of construction within THE RESERVE AT PARAMONT and reserves the right to waive these standards of experience.

Section 3. Minimum Floor Areas. All single-family residences erected on the lots enumerated herein shall contain the following minimum square feet of living space; when measured on outside walls and all plans shall be approved or disapproved not only on the basis of technical compliance but also on esthetic grounds to be an attractive addition to the neighborhood:

(a) A one-story residence shall have a minimum of two thousand three hundred (2,300) square feet of living space; not including basement, garage, breezeway and/or open porch. One story residences shall have a minimum frontage of 70 feet wide. The intent is to keep smaller square footage homes looking statelier from the street. Frontage to be measured from the front left corner to the front right corner of the house. The use of a wing wall to achieve this 70 foot width requirement may be used subject to the approval of the developer or architectural review committee.

(b) A tri-level residence shall not be permitted.

(c) A bi-level residence shall not be permitted.

(d) A 1.5 Story residence shall have a minimum of Twenty-Seven hundred and Fifty (2,750) square feet of living space, not including basement, garage, breezeway and/or open porch; Sixteen hundred (1,600) square feet of which shall be located on the first floor.

(e) A two-story residence shall have a minimum of Three thousand (3,000) square feet of living space, not including basement, garage, breezeway and/or open porch; a minimum of Fifteen hundred (1,500) square feet of which shall be located on the first floor.

Section 4. Setbacks. No structure shall be located on any lot nearer to the front lot line or the side street line than the minimum building setback lines shown on the recorded plat, side setback shall be a minimum of 15 feet, and backyard setback line shall be a minimum of 30 feet. Developer may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations or upon approval of a variance by the proper public agency.

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 of this Article III. Operable doors shall be provided on all garages. Garage doors shall be closed except when vehicles are entering or exiting.

(b) No carport shall be constructed on any lot in THE RESERVE AT PARAMONT without Developer / Architectural Review Committee approval as required herein.

Section 6. Landscaping; Sidewalks; Driveways; Trees.

(a) After the construction of a residence, the lot owner shall grade and sod that portion of the lot between the front and street side walls of the residence and the

pavement of any abutting streets. Mulching and sowing of grass instead of sod in some areas may be approved by Developer.

(b) In addition, a landscape plan shall be submitted to 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. Each landscape plan for a lot submitted to the Developer shall obligate the lot owner to install (to the extent the same are not already located on the lot), trees, shrubs and other plantings, and owner shall also cause to be planted an Oak tree (at least Three inches in diameter) in the front yard, and any side yard that adjoins a street for every 50 feet of road frontage of the lot. These street trees shall be planted between the street curb and sidewalk. If there is no sidewalk, the street tree shall be planted approximately Ten (10) feet behind the street curb. Street trees shall be approved by the Developer. No tree shall be removed from any lot without the prior written approval of Developer, unless such tree is creating an immediate hazard to persons or property. Homeowners are responsible for maintaining and replacing any street trees that may die and repair of sidewalks when needed to be determined by the Developer/Association.

(c) Each lot owner shall concrete the driveway prior to receipt of a certificate of occupancy of a single-family dwelling.

(d) Upon an owner's failure to comply with the provisions of this Article III, 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 fines, interest and reasonable attorney fees, 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; There shall be no mailboxes erected on any Lot. The Subdivision will provide a mail kiosk with a box assigned to each Lot Owner.

ARTICLE IV - RESERVE AT PARAMONT COMMUNITY ASSOCIATION

Section 1. Owners' Easements and Facilities of Necessity and Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot. The common area means and refers to all non-residential lots, areas, and easements which are shown on any recorded final subdivision plan within any portion of THE RESERVE AT PARAMONT made subject to the Reserve at Paramont Community Association, together with all improvements owned or to be owned by the Reserve at Paramont Community Association. In addition, every owner shall become a non-voting member of the Paramont Estates Homeowner's Association with certain rights to use of any portion of Paramont Estates made subject to that Reserve at Paramont Community Association, together with all recreational facilities, other improvements and common areas owned or to be owned by either Reserve at Paramont Community Association or the Paramont Estates Homeowners Association.

Although constructed in an area dedicated to public use, entranceways to THE RESERVE AT PARAMONT from U.S. 42 and from entranceways that abut Paramont Estates and the road medians are also part of the common area subject to maintenance by the Reserve at Paramont Community Association. Developer releases and quitclaims to the Reserve at Paramont Community Association its title to such common areas in this Phase 1 which are more specifically set forth on the final plat of Phase 1 as being Lots _____ (open space).

By acceptance of a deed to a Lot, any purchaser of a Lot shall be deemed to have accepted and approved the entire plans for the *Reserve at Paramont* Subdivision Development, and all improvements constructed by that date, including, without limitation, the utilities, drains, roads, sewers, landscaping, Common Area amenities, and all other improvements as designated on the plat and as may be supplemented by additional plats upon completion of development of any portion of the Subdivision. Such purchaser agrees that all improvements constructed after the date of purchase consistent with such plans, and at the same quality of then existing improvements, shall be accepted.

The right of enjoyment and ownership of the common areas within the Reserve at Paramont and the common areas and the recreational facilities within Paramont Estates is subject to the following provisions, rights, restrictions and reservations:

(a) The right of the RESERVE AT PARAMONT COMMUNITY ASSOCIATION, INC. (the 'Reserve at Paramont Community Association' or "Community Association") and The PARAMONT ESTATES HOMEOWNERS ASSOCIATION, INC. (the "Paramont Estates Homeowner's Association" or "Homeowner's Association")(collectively the "Associations") to permit the use of and to charge reasonable admission and other fees and to adopt rules for the use of the clubhouse and any recreational facilities situated upon the common areas (primarily within Paramont Estates). The Board of Directors of the Paramont Estates Homeowners Association, (in accordance with a memorandum of understanding between the Developer and the Paramont Estates Homeowner's Association) has agreed and shall permit resident members of THE RESERVE AT PARAMONT Community Association (non-residents of Paramont Estates subdivision) to use the clubhouse, recreational facilities, and other common areas of Paramont Estates in consideration of payment of a reasonable annual fee, payable by the residents of the Reserve at Paramont as set forth hereinafter.

(b) Until the two associations merge into one association at a future date, as agreed in the letter of understanding, the members of the Reserve at Paramont Community Association shall be non-voting members of the Paramont Estates Homeowners Association pursuant to that aforementioned "Memorandum of Understanding" with Paramont Estates Homeowners Association dated as of May _____, 2023.

(c) That upon completion of the Reserve at Paramont (defined as the earlier of the sale of 95% of all Reserve at Paramont lots or ten (10) years from the sale of the first home and lot, whichever first occurs), Developer will turn over operational control of the Reserve at Paramont Community Association, and at that time the Developer's rights (except

for initial building plan approvals for each lot, which shall continue for a period of 20 years from the date hereof), and control the Reserve at Paramount Community Associations operations will be assigned, and transition to the sole control of the Paramount Estates Homeowners entity and further, at that time, the organization known as the Reserve at Paramount Community Association, Inc. shall merge with Paramount Estates Homeowners Association, Inc. and the members of that organization shall become voting members of the Paramount Estates Homeowners Association. In other words, control of the Reserve at Paramount Community Association operations will be assigned, and transition to the Paramount Estates Homeowners Association and the homeowners in the Reserve at Paramount Subdivision shall then be voting members of the Paramount Estates Homeowner's Association, Inc.

(d) The Paramount Estates Homeowner's Association may publish regulations from time to time governing the use of all of the Common Areas and recreational facilities within Paramount Estates including all amenities located thereon. Such regulations shall be enforceable upon the resident homeowners of the Reserve at Paramount in the same manner as the provisions of this Declaration.

(e) No Lot Owner shall be allowed to make improvements on any portion of the Common Areas in either the Reserve at Paramount or Paramount Estates.

(f) The right of the Reserve at Paramount 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 part of the common area;

(g) The right of the Reserve at Paramount Community Association to suspend the voting rights and the right to use the recreational facilities located within Paramount Estates by an owner for any period during which any assessment against his lot remains unpaid, and for a period of time for any infraction of its published rules and regulations; and

(h) The right of the Reserve at Paramount 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 Reserve at Paramount Community Association.

(i) 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 of this Article IV, and so long as additions are permitted under Article I, Section 2(a) hereof.

(j) In order to make the future additions and expansions, the Developer reserves a perpetual easement, including the right of ingress and egress thereto at all times for the purpose of connecting additional services for electrical, water, sanitary sewers, telephone lines, television cables, gas service and drainage as described in Article II, Section 19, including, but not limited to, the right to erect, construct, install and lay, and use, operate, inspect, repair, maintain, remove and replace the then existing service. Further considerations made, or to be made by the Developer are as follows:

(i) Causing all permits to construct and operate any facilities or any expansions thereof to be granted to the Association at no net cost to the Association;

(ii) Causing a bond to be issued by the Association to Oldham County in the required amount to guarantee the proper operation of the facilities;

(iii) To subsidize the operation of such facilities as provided in Article IV, Section 4(b);

(iv) Intentionally omitted.

(k) All obligations of Developer as provided in (i)(a), (b), (c) and (d) above shall cease and become null and void upon any of the following occurrences:

(i) The maturing of the development to the point that there are sufficient paying members that no subsidy is required from the Developer;

(ii) The facilities are transferred to or merged into any new association formed for the sole purpose of owning, maintaining and operating the facilities for its own enjoyment and service and not for the benefit of the public with such decision to so merge to be agreed to by the Reserve at Paramount Community Association, upon evidence that such action will not cause an increase in membership fees; or

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

Section 2. Delegation of Use. Any lot owner may delegate in accordance with the Bylaws, his right of enjoyment to the common area and facilities to the members of his family or to his tenants or contract purchasers who reside on the lot. Membership in the Reserve at Paramount Community Association may not be conveyed separately from ownership of the lot.

Section 3. Reserve at Paramount Community Association's Right of Entry. The authorized representative of the Reserve at Paramount 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, of any equipment, facilities or fixtures affecting or serving other lots or the common areas or to make any alteration required by any governmental authority.

Section 4. Assessments; Creation of the Lien and Personal Obligation of Assessments. All Lot Owners by acceptance of a deed for any Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) any other amounts properly assessed against a Lot Owner by the Association, including fines, late fees or any other amounts. The annual and special assessments and any other amounts properly charged to a Lot Owner by the Association, together with interest, costs, and reasonable attorney's fees as hereinafter provided, shall be a charge on the Lot and shall be a

continuing lien upon the Lot against which each assessment is made from the date when due until the same is paid in full or otherwise discharged. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title of said person unless expressly assumed by them.

Section 5; Purpose of Assessments. The assessments levied by the Community Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Lot Owners, to provide for i) the maintenance of the Common area(s) and the use and enjoyment of the common area(s) including those common facilities and recreational areas within Paramount Estates permitted for use by residents of the Reserve at Paramount by agreement with Paramount Estates Homeowners Association, Inc.(included in the payment of the agreed upon amounts to the Paramount Estates Homeowner's Association for the right to utilize the recreational facilities and clubhouse in Paramount Estates); ii) to pay the fees of any management agent the Community Association may employ to manage the affairs of the Association; iii) to pay other reasonable and necessary expenses of the Community Association including but not limited to, the cost of repairs, replacements and additions, the cost of Labor, equipment, materials, management and supervision, payment of taxes assessed against the common area(s); iv) the procurement and maintenance of insurance in accordance with the Bylaws; v) the employment of attorneys to represent the Reserve at Paramount Community Association when necessary; vi) such other needs as may arise such as the improvement and maintenance of the common areas; vii) the repayment of any loans or advances from the Developer, and vii) an adequate reserve fund for the maintenance, repair, and replacement of items maintained by the Community Association pursuant to this section shall be established and funded by regular quarterly (or annual) payments.

The Reserve at Paramount Community Association shall maintain, operate and repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the common area, open spaces, entranceways, streets, crosswalks,

medians, storm drains, and basins. Services directly attributable to willing use by an owner, such as water consumption, sewage usage, or other like services or requested special services, shall be paid for by the user over and above the regular budgeted assessment.

Section 6. Maximum Annual Assessment. The Board of Directors of the Community Association shall fix the annual assessment.

(a) Initial Annual Assessments in the amount of One Thousand Six Hundred and Fifty (\$1,650.00) adjusted by annual escalations approved by the Board of Directors as set forth in the By-Laws of the Association shall be due for each lot in the Reserve at Paramount commencing at such time as the lot with a home constructed thereon is conveyed to a homeowner; escalations in annual assessments shall not exceed 15% per year or the cost of living indices as reported by the Federal Reserve Office at St. Louis, Missouri, whichever is greater, unless approved by a majority of each membership class.

(b) By agreement with the Reserve at Paramount Community Association, Paramount Estates Homeowner's Association will bill and collect the Community Association annual assessments for all lots on which a home is constructed and transferred in the Reserve at Paramount.

(c) Paramount Estates Homeowner's Association will assess and collect \$1,650 per year (billed on a quarterly basis) for each Reserve at Paramount lot, to be due on a pro-rata basis upon the sale and transfer of a home to a third-party owner.

(d) Developer or the builder of a lot in the Reserve at Paramount shall notify the Paramount Estates Homeowner's Association in advance of the closing date when a home and lot is going to be sold.

(e) Paramount Estates Homeowner's Association will allocate the \$1,650 in assessments collected from the residents of the Reserve at Paramount annually as follows:

- i) \$750 – to be paid the Reserve at Paramount Community Association;
- ii) \$900 – to be retained by Paramount Estates Homeowner's Association;

(f) In addition, Paramount Estates Homeowner's Association will bill and collect from Reserve at Paramount lot and homeowners for the Reserve at Paramount trash service and remit the payment to the trash service operator.

(g) Further, Paramount Estates Homeowner's Association, on behalf of Paramount Services Corporation, will bill and collect from Reserve at Paramount lot and homeowners monthly sanitary sewerage fees. The fees charged by Paramount Services Corporation will be at a rate commensurate to what would be similarly charged by the Metropolitan Sewer District (MSD).

(h) In the event the Board of Directors deems it necessary to raise its allocated annual assessment amount for services provided to Reserve at Paramount lot owners, the assessment portion allocated to Paramount Estates Homeowner's Association will rise by the same percentage. There shall be no allowance to lower the rate allocated to either entity.

(i) The Reserve at Paramount lots will be exempt from any special assessment which may be assessed by Paramount Estates Homeowner's Association for extraordinary expenses for a period of ten (10) years from the date that the first Reserve at Paramount home is sold.

(j) Unless otherwise permitted, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum as set forth above. The Board of Directors shall determine when the assessments shall be paid and whether they are to be used for immediate needs or accrued for planned repairs.

(k) The maximum annual assessments made and allocated between the Community Association and the Paramount Estates Homeowner's Association as set forth above, and not special assessments, shall cover the maintenance and operation of all common property within the Reserve at Paramount and that portion of the annual assessment retained by the Paramount Estates Homeowners Association shall be used to cover the maintenance and operation of common areas, clubhouse and recreational facilities within the

Estates of Paramont. The mowing of lots sold but not constructed upon shall be at the expense of the lot's owner.

Section 7. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Reserve at Paramont 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, and for the purpose of repaying any loans that have been made to the Association by the Developer as set forth in Article IV Section 10(b) below. Any such assessment shall have the assent of the members of the Reserve at Paramont Community Association in accordance with the Bylaws. The Reserve at Paramont Community Association members shall be exempt from special assessments made by the Paramont Estates Homeowners Association for a period of 10 years from the date of the first home occupied within Phase 1.

Section 8. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all lots except those owned by Developer. The Board of Directors may at its discretion waive the assessment or reduce the assessment for any year or part of a year for any lot not occupied as a residence, for a lot merged with another lot for one residence, or for any other reason deemed equitable.

Section 9. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall begin as to any home on any lot when it is occupied. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the home is occupied from the Developer. It shall be the responsibility of the lot owner (typically the builder but in some cases the home owner) to notify the Association of the completion and occupancy of a residence constructed on any lot within the Reserve at Paramont.

Failure to notify the Association of completion and occupancy of a residence shall not act to void the obligation of assessments that accrue but remain unpaid following occupancy. Any such accrued but unpaid assessments shall be paid together with interest at the then prime rate together with a late payment penalty of ten percent (10%).

Section 10. Working Capital Fund, Developer loans, and Lot Transfer Fee.

(a) One Time Assessment. Upon the closing of the initial conveyance of a Lot to an Owner other than the Declarant or a Builder, the purchaser of such Lot shall pay to the Community Association, in addition to any other amounts then owed or due to the Community Association, as a contribution towards its working capital and startup fund, an amount of Two Hundred Fifty Dollars (\$250.00), which payment shall be non-refundable and shall not be considered as an advance payment of any other assessment or other charge otherwise owed the Community Association with respect to such Lot. Such working capital and startup funds shall be held and used by the Association for i) payment of operating costs; ii) reimbursement to Developer for advances made to pay expenses of the Association for the early period of the operation of the Community Association; iii) property common area maintenance; iv) to enable the Association to have cash available to meet unforeseen expenditures; and v) to acquire addition equipment or services deemed necessary by the Board of Directors.

(b) Developer Loans. Pending the transfer of Control, to the extent that the Community Association is unable to pay all costs of maintaining the Common Areas and administering the Association, Developer agrees that it will loan monies to the Association on an interest free basis to fund any such deficits. Such loan is for operating costs deficits only. The working capital fund shall be held and disbursed for the following purposes in the order of priority:

- i) To fund costs of maintenance of the Common Areas and administration of the Community Association that cannot be defrayed by assessments;

ii) To reimburse the Developer for all amounts loaned by Developer to the Community Association to fund any operating deficits; and

iii) To assure that the Community Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors.

Any outstanding loan balances that remain due the Developer by the Community Association must be repaid on or before the Community Association merges with the Paramount Estates Homeowners Association as set forth in Article IV, Section 1(c) above. In the event sufficient funds are not available to retire such obligation at the time of merger a special assessment shall be imposed on the Reserve of Paramount lot owners in an amount sufficient to retire the outstanding loan amount.

(c) Lot Transfer Fee. **Excepting the initial Lot transfer of a Lot to a builder and the first transfer of a newly completed residence,** a lot transfer fee of Two Hundred and Fifty Dollars & 00/100 (\$250.00) shall be charged to the buyer upon the sale or transfer of any Lot, except sales or transfers by or to a Builder or by or to an affiliate of a Builder and except transfers by deed in lieu of foreclosure or transfers by foreclosure. Such Lot Transfer Fee shall be assessed automatically, without action by the Developer or the Board of Directors. All fees and assessments charged herein, whether for a specific sum of money or otherwise calculated, shall be deemed to be reasonable and necessary under the circumstances, as determined by a simple majority of the Developer or Board of Directors and ratified by the requisite votes of the classes of Owners. This payment shall be paid to The Reserve at Paramount Community Association, Inc. at 2801 Mayo Lane, Prospect, KY 40059 until such time as the Community Association merges with the Paramount Estates Community Association at which time the transfer fee shall be paid to that merged *entity as instructed*.

Section 11. Effect of Nonpayment of Assessments; Remedies of the Reserve at Paramount 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 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 12. Membership. Developer and every owner of a lot which is subject to an assessment shall be a member of the Reserve at Paramount Community Association. Such owner and member shall abide by the Reserve at Paramount Community Association's Bylaws, Articles of Incorporation recorded in the Office of the Clerk of Oldham County, Kentucky, rules and regulations, shall pay the assessments provided for in this Declaration, when due, and shall comply with decisions of the Reserve at Paramount 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 Reserve at Paramount 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, and shall be entitled to one vote for each lot owned. Said Class A members shall become voting members of the Paramount Estates Homeowners Association, Inc. upon the occurrence of the event set forth in Article IV section 1(c).

(b) Class B. The Class B member shall be the Developer and any assignee of the Developer to whom such rights have been assigned in writing. The Class B member shall be entitled to ten (10) votes for each Lot owned. For voting purposes, any and all Lots shown on the Master Plan but not yet platted shall also be counted as Lots owned by the Developer or its assignee and the Owner of any such unplatted Lots shall be entitled to ten (10) votes for each Lot owned prior to the termination of the Class B Membership and one vote for each such unplatted Lot thereafter. The Class B memberships shall continue until (i) Developer has closed (sold) all lots described in Article I and made a part of THE RESERVE AT PARAMONT by the filing of a plat subject to this Declaration; (ii) the Developer's election by notice to the Association to relinquish such additional voting rights

(hereinafter referred to as the “Transfer of Control”) after which time the Class B membership interest shall terminate or (iii) upon the occurrence of the event set forth in Article IV section 1(c) above.

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. Additionally, each lot owner shall be responsible for costs or charges associated with the enforcement of the declarations, bylaws, rules and regulations of the association, and any provision of this section, including but not limited to reasonable attorney fees, costs, and other expense.

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 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 67% approval from each class of membership subject to these restrictions, but Developer shall retain the

sole right to approve the building plans within the Reserve at Paramont and to appoint the architectural approval committee until the last lot is Sold.

Section 4. Amendments to Articles and Bylaws. Nothing in this Declaration shall limit the right of the Reserve at Paramont 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 Reserve at Paramont 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. Whenever in this document the entity termed "Developer" is used it shall apply to the assigns of same whether affected by written deed, assignment, delegation or appointment to carry out and exercise the authority of said Developer reserved in this document.

Section 7. Board's Determination Binding. In the event of any dispute or disagreement between any owners relating to the property, or any questions of interpretation or application of the provisions of this Declaration, the Articles of Incorporation, or the Bylaws, the determination thereof by the Board of Directors of the Reserve at Paramont Community Association shall be final and binding on each and all such owners. In exercising its authority, the Board of Directors of the Reserve at Paramont Community Association shall always consider the decisions necessary to maintain an attractive and harmonious community for the benefit of the owners and shall restrict those actions or inactions that unreasonably affect the rights and enjoyment of others.

WITNESS the signature of Developer by and through its Manager on the _____ day of _____, 2024.

CAY PROPERTIES, LLC

R. STEPHEN CANFIELD, MANAGER

COMMONWEALTH OF KENTUCKY)

) SS

COUNTY OF OLDHAM)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2024, by R. STEPHEN CANFIELD, duly authorized manager of CAY Properties, LLC, a Kentucky limited liability company, on behalf of said company.

My notarial commission expires:

KYNP # _____

PREPARED BY:

Anthony Waits
Attorney at Law
4208 Taylorsville Road
Louisville, KY 40220
502-396-3509

anthony.waits@gmail.com

EXHIBIT " ___ "

BY-LAWS
OF
RESERVE AT PARAMONT COMMUNITY ASSOCIATION

ARTICLE I
DEFINITIONS

The following words, when used herein, shall have the following meanings:

Section 1. "Association" shall mean **RESERVE AT PARAMONT COMMUNITY ASSOCIATION**, a Kentucky not-for-profit corporation, its successors and assigns, which has as its members all owners of Lots in the Property. "Charter" shall mean the Articles of Incorporation of the Association as filed with the Office of the Secretary of State for the Commonwealth of Kentucky.

Section 2. "Board of Directors" shall mean the Board of Directors of the Association as described in Article IV hereof.

Section 3. "Declaration" shall mean the instrument headed "Declaration of Covenants, Conditions and Restrictions" recorded simultaneously herewith in the County Clerk's Office for Oldham County, Kentucky, as hereafter amended.

Section 4. "Developer" shall have the meaning given it in the Declaration.

Section 5. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

Section 6. "Common Area" shall have the meaning given it in the Declaration.

Section 7. "Lot" shall have the meaning given it in the Declaration.

Section 8. "Lot Owner" shall have the meaning given it in the Declaration.

Section 9. "Plat" shall have the meaning given it in the Declaration.

Section 10. "Property" shall have the meaning given it in the Declaration.

ARTICLE II
NAME AND LOCATION

The name of the Association is **Reserve at Paramount Community Association**. The principal office of the Association shall be located at management company office or at such other place as may be designated by the Board of Directors, meetings of members and directors may be held at such places within the Commonwealth of Kentucky, Oldham County, as may be designated by the Board of Directors.

ARTICLE II
MEETING OF MEMBERS

Section 1. Annual Meetings. The first regular annual meeting of the Members may be held, subject to the terms hereof on any day, at the option of the Board of Directors; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events:(a) Twelve (12) months after all the Lots have been sold by the Developer or (b) Five (5) years following conveyance of the first Lot by the Developer. Each subsequent regular annual meeting of the Members shall be held within fifteen (15) days of the anniversary of the first regular annual meeting each year thereafter at such time as set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty-three percent (33%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Further, as provided in the Declaration, if a quorum is not present a

subsequent meeting may be called and the required quorum shall be reduced by half at such meeting and such procedure may be repeated until a quorum is established although in no event may the required quorum be less than 10% of the total number of eligible votes.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Action Taken Without A Meeting. The members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of the number of members which would otherwise be required to approve such action. For instance, if an action required the approval of members holding three-fourths (3/4ths) of the total votes, then a writing signed by members holding three fourths (3/4ths) of the total votes of all members would be effective as if such approval was given at a meeting duly called for such purpose. Any action so approved shall have the same effect as though taken at a properly called meeting of the members.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors of the Association shall consist of three (3) persons, who need not be Members of the Association, who shall be appointed by the Developer and who shall serve until the Transfer of Control (as defined in the Declaration). After the Transfer of Control (as defined in the Declaration), the Board of Directors shall consist of five (5) directors each of whom must individually be a member of the Association or be an owner, officer, trustee or otherwise affiliated with a member of the Association.

Section 2. Term of Office. Directors shall be elected for terms of two (2) years or until their successor is elected. In addition, the Directors shall be grouped into three (3) separate classes so that approximately one-third of the existing total number of Directors are up for reelection each year. Thus, as to the initial Directors, certain Directors will serve for one year terms, certain Directors shall serve for two year terms, and certain Directors shall serve for three year terms as may be determined by the initial Directors elected by the Owners. Thereafter, Directors shall be elected for two year staggered terms so that only one third of the directors are up for reelection in any one year.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association, or in the case of the initial Board, by the Developer. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board, or in the case of the initial Board, by the Developer, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation from any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at intervals established by the Board upon at least three (3) days written notice, (or without notice if the time and place has been previously fixed by the Board), at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish, assess and collect penalties and fines for the infraction thereof;

(b) Suspend the voting rights and right to use recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended and a reasonable financial assessments made after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Charter or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote.

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

- (c) As more fully provided in the Declaration, to:
- (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) Send written notice of each assessment to every Lot Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Lot Owner personally obligated to pay the same.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability, hazard, and other insurance on property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as required by the Declaration;
- (g) Cause the Common Area to be maintained.
- (h) Exercise all discretion as provided in the Declaration regarding enforcement of all terms, restrictions and provisions contained in the Declaration and to take any and all enforcement actions as may be required pursuant thereto. Whenever discretion is granted to the Board to act upon any matter as required under the Declaration of these Bylaws, such discretion may be exercised by the president of the Association although any such action by the president shall be subject to change upon review by the Board.

ARTICLE VIII **OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of this Association shall be a president , who shall at all times be a member of the Board of Directors, a vice-president, a

treasurer, and a secretary, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall together with another officer sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX **COMMITTEES**

The Board shall appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X **BOOKS AND RECORDS**

The books, records, papers of the Association and the Declaration, Charter and Bylaws shall be available for inspection by any Member or to the holder, guarantor or insurer of any first mortgage at the principal office of the Association, during normal business hours where copies may be purchased at reasonable cost.

ARTICLE XI **ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual (as may be increased annually as set forth in the Declarations) and special assessments as well as any other amounts assessed against a Lot Owner by the Association (including utility fees as set forth in Article IV Section ___ of the Declarations) which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late charge in an amount established by the Board of Directors and shall bear interest from the date of delinquency at the maximum rate allowed by applicable law. The Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Lot 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.

ARTICLE XII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person, or by proxy.

Section 2. In the case of any conflict between the Charter and these Bylaws, the Charter shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The above Bylaws of this Corporation were adopted by the Board on ____ ____, 2024.

Secretary