

**DECLARATION OF RESERVATIONS AND RESTRICTIVE COVENANTS
LAURELWOOD AND THE VILLAGE AT LAURELWOOD**

Dated: April 10, 2003

State of Kentucky

County of Pulaski

This declaration made this the 10th day of April, 2003, by WATERFRONT GROUP LLC, a Kentucky Corporation, hereinafter called Declarant;
WITNESSETH:

THAT WHEREAS, the declarant is the owner of the real property described in Article I of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall apply to and bind the successors interest of any owner thereof.

NOW, THEREFORE, the Declarant hereby declares that the real property described in and referred to in Article I hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below.

ARTICLE I.

The real property which is, and shall be, held, transferred, sold and conveyed subject to the protective covenants set forth in the various articles of this Declaration is located in Pulaski County and Wayne County, Kentucky, and is more particularly described as follows:

ALL of Lots One (1) through Thirty Five (35) of the subdivision named LAURELWOOD as more fully shown on that certain plat prepared by Berkley-Howell & Associates, Kentucky Registered Land Surveyor, dated March, 2003 and recorded in the Office of the Register of Deeds of Pulaski County, Kentucky, in Cabinet D, at Slides 57 & 58, and in the Office of the Register of Deeds of Wayne County, Kentucky in Cabinet B, at Slides 85 & 86, and lots One (1) through twenty-five (25) in the subdivision named THE VILLAGE AT LAURELWOOD as more fully shown on that certain plat prepared by Berkley-Howell & Associates, Kentucky Registered Land Surveyor, dated March, 2003 and recorded in the Office of the Register of Deeds of Pulaski County, Kentucky, in Cabinet D, at Slides 57 & 58, in the Office of the Register of Deeds of Wayne County, Kentucky in Cabinet B, at Slides 85.

No property other than that described above shall be subject to this Declaration until specifically made subject thereto.

ARTICLE II.

The real property described in Article I hereof (hereinafter called Lot or Lots as applicable) is subjected to the protective covenants and restrictions hereby declared in order to provide enforceable standards of improvement and development whereby aesthetics, living conditions and property values may be enhanced.

ARTICLE III.

No lot shall be used except for residential and recreational purposes. No swine, livestock, poultry, horses, or ponies shall be raised or bred on any lot, however household pets, such as, cats or dogs are permissible provided they are not bred or maintained for commercial

purposes. Each lot owner shall maintain any such improvements placed upon any lot and no unsightly or dilapidated buildings or other structures shall be permitted on any lot.

No residence shall be erected, constructed, maintained or used or permitted to remain on any lot other than one single-family dwelling of not less than 1,600 square feet for a one-story structure or 2,000 square feet for a multi-level structure. All multi-level structures are required to have a minimum foot print of 1,200 square feet. Once construction is begun on said dwelling, all exterior construction must be completed within one (1) year of the commencement of construction. Driveways must be paved or asphalted within one (1) year of commencement of constructions.

No more than one outbuilding may be constructed on any lot. Said outbuilding shall be only for the purposes of housing boats, cars, RV's, lawn and garden equipment. Said building must be constructed in a workman-like manner and may not be constructed more than one year prior to construction of the main residence. Any out building must be enclosed on at least three sides and the top and with some sort of door, which would thus close in all four sides of the building. All out buildings must conform generally in appearance with any dwelling upon a lot, although such improvements need not be constructed of materials identical to a existing structure.

No boats, boat trailers, jet skis or RV's are permitted to be parked on any lot or driveway within Laurelwood or The Village at Laurelwood for longer than 7 consecutive days.

There shall be no single-wide mobile homes, manufactured homes, no double-wide mobile homes, no modular buildings, no previously constructed homes, systems built homes or buses situated on any lot as a residence or for storage, either temporarily or permanently. Only stick built or log homes are permitted to be built within Laurelwood Subdivision. The Village at Laurelwood square footage minimum is 600 sq. ft. and building plans must be selected from the Timberline Cabins-Cottages& Cabiminiums plan book containing ten different floor plans and home sizes. A plan book can be obtained from the Architectural Control Committee or the POA President.

ARTICLE IV.

No trade, commerce or other activity which may be considered a nuisance to the neighborhood may be carried out upon any Lot. It is permissible to operate a home-based internet business, provided that deliveries to the home do not exceed two (2) UPS, Federal Express or similar express carrier per day. No trade materials or inventories may be stored upon any Lot and no tractor trailer type trucks, house trailers or mobile homes may be stored or regularly parked on any Lot. No junk or unsightly vehicles of any type or description or unsightly buildings may be placed upon any Lot. Home-based internet businesses shall be allowed to store small inventories within the residence or enclosed out building situated on the Lot. No advertisements of any kind will be permitted on any Lot for home-based businesses.

The Declarant reserves the right to erect signs in Laurelwood and The Village at Laurelwood. Signs may be erected by individual lot owners, but are limited to name, address, and "For Sale" signs, three (3) feet by three (3) feet in size and must be affixed to a wooden or metal pole. Signs shall not be attached to any tree within Laurelwood of The Village at Laurelwood. Signs can be placed only on individual lots and only one sign per lot is permitted. No vendor or trade advertisement signs are permitted on any lot at any time. Directional signs at the entrance and road intersections are prohibited. Signs must be neat, clean and must be made of metal or wood material. Any exceptions of this covenant must be approved by a majority vote the elected officers of the Laurelwood Property Owners Association. No for sale signs may be erected on any lot until the election of the Laurelwood POA Board of Directors.

ARTICLE V.

No Lot or Lots shall be subdivided in Laurelwood or The Village at Laurelwood.

ARTICLE VI.

No structure, other than a fence, may be built within fifteen (15) feet of any property line. Easements for installation and maintenance of utilities and drainage facilities are reserved fifteen (15) feet in width over all side lot lines and lot lines along any road in said Subdivision. In addition, the property described in Article I hereof is subject to easements, set backs and road rights-of-way as shown on that certain plat recorded in the Pulaski County Registry in Cabinet D, Slides 57 & 58 and in the Office of the Register of Deeds of Wayne County, Kentucky in Cabinet B, at Slides 85 & 86. Declarant hereby reserves unto itself, its successors and assigns, the right to erect and maintain any utility lines, electric lines or to grant any easements or rights-of-way therefore, together with the right of ingress and egress for the purpose of installing and maintaining the same.

ARTICLE VII.

This development is not a campground. Lot owners are not, however, prohibited from overnight stays in professionally manufactured equipment, provided the camping equipment is not left on any Lot for more than seven (7) out of any thirty (30) day period and is not in violation of any local ordinance. Permanent residence in any type of camping equipment is strictly forbidden.

ARTICLE VIII.

The roadways and rights-of-way constructed throughout the Laurelwood and The Village at Laurelwood are for the common use of the grantor, Lot owners and their respective heirs, successors or assigns. There shall be no hunting from any roadway or designated easement.

ARTICLE IX.

The Declarant shall form a non-profit, non-stock corporation known as Laurelwood Property Owners Association, Inc. prior to the conveyance of any lot within Laurelwood subdivision or The Village at Laurelwood. The title owners of lots within Laurelwood and The Village at Laurelwood shall become members of the Association at time of settlement. The Declarant shall administer the Association until the Declarant has conveyed 90% of the lots within Laurelwood and The Village at Laurelwood, at such time Laurelwood Property Owners Association will elect its own administrators of the Association and shall operate freely within the restrictions herein contained. Each lot owner shall be entitled to one vote concerning election of administrators and other association matters such as special assessments, dues, etc.

Every lot described on the Laurelwood plat map recorded in Cabinet D, Slide 57 & 58 of the Pulaski County registry and in the Office of the Register of Deeds of Wayne County, Kentucky in Cabinet B, at Slides 85 & 86, shall be subject to an assessment for maintenance and expenditures as listed below. The annual assessment for each lot owner within shall be the sum of three hundred dollars (\$300.00) per lot, per year. Declarant shall be exempt from any and all assessments for any Lot owned by Declarant, either now or in the future. The annual maintenance assessment may be increased at any time by an affirmative vote of seventy-five percent (75%) of Lot owners excluding Declarant. The collected funds shall be known as the Laurelwood Maintenance Fund. The Laurelwood POA shall administer, govern and have jurisdiction over all lots within Laurelwood subdivision and The Village at Laurelwood.

After election of officers, the Laurelwood Maintenance Fund shall be owned jointly by all the Lot owners of the property in Laurelwood and shall be used only for:

- a. maintenance expenses for entrance signs and entrance landscaping.
- b. maintenance of the common area, parking lot, fencing and boat storage area.
- c. electric bills, postage and insurance.
- d. community enhancement (mowing, etc)
- e. all reasonable administration costs for the perpetual continuation of the **Laurelwood Property Owners Association, Inc.**
- f. the payment of reasonable legal fees to enforce any violation of covenants contained or amended within this recorded document.

The Laurelwood POA shall have the power to file with the Register of Deeds of Pulaski County and the Register of Deeds of Wayne County a notice if an assessment has not been paid by March 1 of any year and such lien shall continue until the assessment is paid. The Laurelwood POA reserves the right to enter into litigation against any property owner that violates the current covenants and restrictions and any future amendments contained in this document.

ARTICLE X.

With this Declaration there is hereby established an Architectural Control Committee (hereinafter "ACC"), which shall be appointed by the Declarant. Declarant, in its discretion, may relinquish control of the ACC or Property Owners Association to the Association upon election of the Association's governing body.

No improvements shall be erected, placed, altered, maintained or permitted to remain on any Lot, nor shall any construction be commenced thereon until plans for such improvements have been approved by action of the ACC in accordance with the provisions herein. Improvements and alterations completely within the interior of a building may be completed without approval. The term "Improvements" shall mean construction of any kind.

Any lot owner who commences to build without written permission and stamped plan approval from the ACC is subject to a fine of \$100.00 per day for every calendar day from date of starting construction (i.e. digging footings, clearing lot to build) until receipt of approval letter from the ACC. The Laurelwood POA and the ACC reserves the right to bring legal action against lot owners who start building without approved plans.

The ACC has prepared and will maintain "Building Standards" which summarizes the construction standards to be used as the criterion for the approval of proposed improvements. A separate set of building standards shall apply to The Village at Laurelwood. There will be one ACC for both Laurelwood and The Village of Laurelwood and all terms and conditions are applicable to both subdivisions. The ACC or the Declarant, shall have the power to modify, alter, supplement or amend the Building Standards at any time. Any changes in the Building Standards shall not be effective as to improvements which have been previously approved. The actions of the ACC through its approval or disapproval of plans and other information submitted pursuant hereto, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

All communications and submittals shall be addressed to Laurelwood ACC, William N. Adkins, 230 Lexington Green Circle Suite 210, Lexington, KY 40503, or to any such address as the ACC shall hereinafter designate. The ACC shall reply in writing to all plan submittals within thirty (30) days of receipt hereof. The ACC shall have 30 days to approve complete plans that have been submitted by lot owner(s) or builder.

Neither the ACC, nor any member, employee or agent thereof, shall be liable to any owner of a lot or to anyone submitting plans for approval or to any other interested party by reason of mistake in judgment, negligence or nonfeasance in connection with the approval or

disapproval of plans. any such plans or for any other action in connection with its or their duties hereunder. Likewise, anyone who submits plans to the ACC for approval agrees not to bring any action or suit to recover any damages against the Declarant, the ACC or any partner, member, employee or agent of the Declarant or the ACC.

The ACC may make exceptions to the provisions herein, when, in its sole discretion, such exceptions would not be in conflict with the intended character of the property subject to this Declaration when fully developed and occupied in accordance with the developer's plans and objectives.

ARTICLE XI.

The common use areas consisting of the park, pavilion, pond and boat storage area are for the sole use of the Declarant, Laurelwood and The Village at Laurelwood Property Owners. These common areas are intended to remain private and not for public use. The boat storage area is to be used for the storage of boats and personal watercrafts with trailers only. No RV's, horse trailers, cargo trailers, tractor trailers or automobiles are not permitted to use the boat storage at any time.

ARTICLE XII.

Community appearance will be maintained by the Declarant until formation of the Laurelwood Property Owners Association's governing body. The Declarant and Property Owners Association shall use Association funds to maintain the green space/grassy area of undeveloped lots within Laurelwood and The Village at Laurelwood until the lot(s) has been built upon. Maintenance will consist of mowing/bush hogging all undeveloped lots a minimum of 3 times per calendar year and the frequency of mowing/brush hogging may be increased at the discretion of the Declarant and/or Property Owners Association. Individual lot owners may elect to exclude their lots from maintenance by the Declarant and/or the Property Owners Association with a written request to the Declarant or Property Owners Association. If a lot owner chooses to exclude a lot(s) from maintenance, the lot owner shall become responsible for maintenance of lot(s) to the same or better conditions as lots maintained by Association. If the lot has been improved (built upon), then the owners of the improved lot shall maintain their lot(s) to neatly kept and mowed condition. All stumps, brush piles and debris shall be removed from lot(s) or hidden from site from the roadways.

ARTICLE XIII.

The property which lies between the lake side property line of lots and Lake Cumberland is owned by the U.S. Army Corp. of Engineers, and said property is designated as an area to be undisturbed and shall be left and continued in such condition as complies with the pre-existing condition and neither the Association nor any owner, including owners of lake view lots, shall take any action contrary to such preserved status.

ARTICLE XIV.

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2005, at which time said covenants shall be automatically extended to successive periods of Ten (10) years unless, by vote of a majority of the then owners of the Lots described herein, it is agreed to change said covenants in whole or in part.

If the parties hereto, or any of them, or their heirs, successors, or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning lot or lot (S) described herein to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such covenant and either to prevent it, her, him or them from so doing to recover damages or other dues for such violation.

ARTICLE XV.

Invalidation of any of these covenants or any part thereof by judgments or Court order shall in no way effect any of the other provisions which shall remain in full force and effect, and the failure of any person or persons to take action to restrain the violation of any of these covenants and restrictions shall not be construed as waiver of any enforcement rights and shall not prevent the enforcement of such covenant or covenants in the future.

ARTICLE XVI.

No commercial timbering will be permitted upon any lot. Clearing for homesites will be permitted. However, no more than twenty-five (25%) percent of any lot may be cleared without prior approval of the Declarant or the ACC of the Laurelwood Property Owners Association Inc.

ARTICLE XVII.

The Declarant may waive or modify any of the provisions of these restrictions in its sole discretion, until the last lot in the subdivision is sold, at which time the Property Owners Association holds such discretion.

IN WITNESS WHEREOF, WATERFRONT GROUP, LLC has caused this instrument to be executed in its name by its Agent, all by authority of its Managers and Members first duly given, this the day and year first above written.

WATERFRONT GROUP, LLC.

By: William N Adkins
William N. Adkins, Agent

STATE OF TN
COUNTY OF: KNOX

I, GAIL FERGUSON, a Notary Public of the State and County aforesaid, certify that William N. Adkins personally appeared before me this day and acknowledged that he is an agent for WATERFRONT GROUP, LLC, a Kentucky Corporation, and by authority duly given and as the act of the LLC.

WITNESS my hand and official seal, this the 10th day of April, 2007.

Gail Ferguson
Notary Public

My commission expires: 7/30/06

STATE OF KENTUCKY §
COUNTY OF WAYNE

I, Carol Jones, Clerk of the Wayne County Court, certify that on the 11th of April 2003, at A.M./P.M. the foregoing Restra was produced to me certified as above and lodged for record. Whereupon I have recorded the same, together with this certificate, this 16 day of April 2003 in Book Plat No. B Page SLIDE 85-86

Attest, Carol Jones

By: