

DEED BOOK 214
PAGE 472

**COVENANTS AND RESTRICTIONS
OF
THE ELM CORNER ESTATES SUBDIVISION**

Robert Walker (the "Developer") hereby creates, declares and imposes these COVENANTS AND RESTRICTIONS OF ELM CORNER ESTATES SUBDIVISION ("Covenants and Restrictions") applicable to the below-designated tracts of land composing Elm Corner Estates Subdivision located in Woodford County, Kentucky.

W I T N E S S E T H:

WHEREAS, the Developer owns the real property consisting of those tracts of land designated as Farm 1 through 3 (the "Farms") and the private road right-of-ways (the "Road Areas") of Elm Corner Estates Subdivision (Elm Corner) located in Woodford County, Kentucky a Plat prepared by H. Malcolm Endicott and attached hereto as Exhibit A (the "Plat") of which is attached to and made a part of each deed from the Developer to the Owners.

WHEREAS, for the beneficial interest of the Developer and of the future owners (the "Owners") of the Farms, it is desirable to subject said Farms to, and impose upon the Developer and Owners of the Farms, their successors and assigns, certain restrictions, conditions, limitations, reservations and covenants, in order to:

- (i) assure the beneficial, harmonious and attractive development and improvement of these Farms, The Farms are being subdivided from a larger acreage and by the Developer pursuant to the provisions of KRS 600.111 and applicable provisions of the Woodford County Zoning Ordinance for agricultural use;
- (ii) to prevent certain uses thereof which tend to diminish or be detrimental to the valuable and enjoyment, development and maintenance of said Farms; and

(iii) provide for future upkeep and maintenance of the Road Areas of Elm Corner Estates Subdivision..

NOW THEREFORE, the Developer hereby declares that Farm 1 through 3 of Elm Corner Estates in Woodford County, Kentucky, a plat of which is attached hereto, (it is understood that the plat of unsold Farms may be changed in accordance with the subsequent sale of such tracts) are and shall be held, transferred, sold and occupied subject to the following protective restrictions, conditions, limitations, reservations, covenants and agreements which are hereby declared to be covenants running with the land. However, in the event that any contiguous land owner (owner of land outside of the Association) of any of the Farms described herein, purchases or acquires a Farm that is contiguous with their land, then the provisions, limitations and covenants herein shall not apply, but shall be exempt for any such Farm or Farms purchased at the option of the purchaser, except as otherwise hereinafter provided. In the event that any such contiguous land owner, after purchasing a Farm, elects to utilize the road on a repetitive or continuous basis, then in such event they shall become a member of the association, shall be subject to all provisions, limitations, and covenants herein. In the event a contiguous land owner purchases a farm and elects not to utilize the road or become a member of the association, the Farm will be subject to the use restrictions set forth and contained in Article V contained herein and shall so be reflected in the deed for the purchaser of a Farm. The 72-acre track lying to the north of Elm Corner Estate Subdivision, shall be exempt from this agreement until such time as the 72-acre tract is purchased from the Developer and subject to the election of the Purchaser accessing the 72-acre tract from 33 Troy Pike utilizing the easement from the road adjacent to the east side of the Steve South/Sue Van Patten property.

ARTICLE I
DEFINITION

1. **"Association"** shall mean and refer to The Elm Corner Estates Owner Association, a Kentucky corporation, its successors and assigns.
2. **"By-Laws"** means the By-Laws of the Elm Corner Estate Owner Association as amended from time to time. All provisions contained in the body of this Declaration dealing with the administration and maintenance of the Farms are deemed to be a part of the By-Laws.
3. **"Developer"** shall mean and refer to Robert Walker, or his successors or assigns.
4. **"Farm"** shall mean and refer to any numbered parcel of the Property as shown on the Plat.
5. **"Member"** shall mean and refer to every person or entity who holds membership in the Association.
6. **"Owner"** shall mean and refer to the record owner, whether one or more persons or entitles, of a fee simple title to any Farm which is a part of the Property but excluding those having such interest merely as security for the performance of an obligation and excluding any Farm owned by the Developer.
7. **"Person"** shall mean any individual, corporation, partnership, joint venture, trustee, or other legal entity.
8. **"Plat"** shall mean the plat of survey of Elm Corner Estates Subdivisions attached hereto as Exhibit A, showing the number of Farms and expressing their area, location and other data necessary for identification.
9. **"Road"** shall mean the private roads located on the Farm which are designated on the plat of Elm Corner Estate Subdivision.

10. "Agricultural Subdivision" shall mean Elm Corner Estate Subdivisions.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment; Exceptions.

Each Owner shall have a right and easement of enjoyment including without limitation, the right of vehicular and pedestrian ingress and egress, in and to the Road which shall be appurtenant to and shall pass with the title to each Owner's Farm as defined and set forth in Owner's deed subject to Developer approval. This right and easement shall also be deemed granted to the Owners' families, guests, invitees, servants, employees, tenants, developers, and contract purchasers. The right of enjoyment is subject to: (a) the right of the Association to suspend the voting rights of an Owner for any period during which any assessments for maintenance and/or repair of the Street or Common Areas, as provided by Article III herein, remains unpaid and for a period of time for any infraction of its published rules and regulations; and (b) the right of the Association to dedicate or transfer all or any part of the Street to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by a majority of the Association provided the Owners' easements of ingress and egress and any public utility easements previously established shall not be affected, and (c) Owner shall have the duty and obligation for maintenance and up keep of the Road within the Elm Corner Estate Subdivision in proportion to the percentage of said Road lying adjacent to Owner's Farm in relation to the total expense of improvement of the Elm Corner Estate Subdivision Road System, up keep and maintenance of the Roads within the Elm Corner Estate Subdivision. The periodic expenditure for improvement, up keep and maintenance of the Road System shall be determined by the Association in accordance with Article IV, Section 2. As recognized, in

accordance with the plat, that there will be a single entrance as designated on the plat which has been approved by the Commonwealth of Kentucky, Transportation Cabinet. The remaining right of way that is owned by each owner/member shall grant an easement to the owner of the property on Route 33, which easement is adjacent to the property owner and Route 33. It is understood that the property owner will have the obligation for the maintenance and upkeep of the unpaved portion of the roadway frontage and in exchange will have the right thereupon and across said paved roadway easement. In addition, the owner of the property adjacent to the road and Route 33 may utilize the roadway entrance in connection with the use of his property as an agricultural operation. In the event that such property owner elects to use the entrance and/or roadway, the owner shall be responsible for payment of prorated annual cost of maintenance in proportion to the amount of road utilized by the property owner divided by four.

Section 2. Developer's Right of Easement.

The Developer shall have a right and easement and the Owners and their successor-in-title hereby grant to the Developer an easement over and upon so much of each Farm as lies within the roadway established by a Plat of the subdivision (attached as Exhibit B) and actually constructed upon such Farms for the enjoyment of each Farm owner, their guests and invitees. An easement is hereby reserved in favor of the Developer and each owner of a tract for the purpose of construction, maintaining and repairing all utilities, including but not limited to electricity, underground pipes, cable television and the like, at the location as indicated on the survey to be designated and the right is hereby reserved to enter upon said property at any and all reasonable times for the purpose of installing, maintaining and repairing these utility services, all utility services located on these tracts shall be constructed underground. This grant of easement shall run with the land and shall revert to the Association when all Farms of the subdivision are

sold. It is understood and agreed that each home owner has an individual easement/entrance from Route 33, Troy Pike on or to their subject property that the Developer within his sole discretion shall construct a 12 foot wide gravel farm road lying in the general vicinity of such easement right of ways, which shall constitute the road defined herein and shown on the attached plat. It is intended that the utility easement will lie in the vicinity of the road, but such utility easement may deviate in accordance with good and efficient construction techniques subject to the discretion of the Developer.

Section 3. No Partition.

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Road or utility easement or any part thereof nor shall any person acquiring any interest in the Property have the right of judicial partition.

ARTICLE III

THE ELM CORNER ESTATES SUBDIVISION ASSOCIATION

Section 1. Membership.

Every person or entity who is the Owner of record of a fee simple or undivided interest in any Farm which is subject to this declaration shall be a member of the Association provided that any person who holds an interest merely as security for the performance of an obligation shall not be a member.

Section 2. Voting Rights.

Each member of the Association shall be entitled to one (1) vote for each Farm in which they hold the interest required for membership. If more than one person is an Owner of any Farm, all such persons shall be members; and the vote for such Farm shall be exercised as they

determine among themselves; but in no event shall more than one vote be cast with respect to any such Farm..

Section 3. Rights and Obligations of Elm Corner Estates Association.

(a) The Association shall improve, maintain and keep the Road in good repair. Unless such obligation is assumed by any municipal or governmental agency having jurisdiction thereof. This obligation includes, but is not limited to, ordinary repairs, maintenance and paving. The Association shall be responsible for the cost to mow any area not mowed by a Farm owner as provided hereinafter. The cost for such repair, maintenance and paving shall be determined by the Association and to be accessed to each Farm owner in accordance with Article III, Section 1.C of this Covenants and Restrictions.

(b) All rights reserved by the Developer in this Declaration shall automatically pass to the Association when title to one hundred percent: (100%) of the Farms which may be developed on the Property has been conveyed by Developer.

(c) The Developer shall convey title to all Areas and so much of the Road as does not lie within the boundary of any Farm by General Warranty Deed, at such time as title to one hundred percent (100%) of the Farms which may be developed on the Property has been conveyed by Developer.

(d) It is the express intention that the Association shall cause each Farm within the Subdivision, excluding the curtilage of each residence, together with all Areas, to be mowed periodically during the growing season. The cost and expense of such mowing shall be borne by each Owner of the Farm but the failure of a Farm Owner to mow shall be subject to the procedure set forth in Article IV.

ARTICLE IV **MAINTENANCE**

Section 1. Obligation for Assessments.

Each Owner, by acceptance of a deed for a Farm, whether or not it shall be expressed in such deed, covenants and agrees to pay to the Association an amount to the pro rata costs of any maintenance, repair, repaying, (including but not limited to, the cost of labor, equipment and materials); or any other costs associated with upkeep of the Road from time to time, as required by the Association as provided in Article II, Section 1.C and Article III, Section A herein. Each Owner shall be responsible to mow the area beside the road that lies adjacent to their property (Farm) during the mowing season (April 15 through September 15) once every ten days unless otherwise decided by the Association. Failure of an Owner to perform such mowing shall entitle the Associate to perform such and assess the Owner for the reasonable cost of such mowing. Each such assessment together with interest, costs and reasonable attorneys' fees shall be a charge on the Farm and shall be a continuing lien on the property against which each such assessment is made. Each such assessment, together with interest costs and reasonable attorneys fees, shall also be the personal obligation of the party who was the Owner of such property at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to any Owner's successor in title unless expressly assumed by them.

Section 2. Association Annual Budget.

The Association shall, at its annual meeting, prepare and adopt an annual budget which identifies by line item all classes of anticipated expenditure. The Association shall set the annual assessment and the terms of its payment at such meeting.

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Section 3. Administration of Assessments.

The Developer shall administer the assessments and receipts therefrom, which shall be placed in an interest-bearing escrow account, until such time as Developer has sold one hundred percent (100%) of the Farms. Such assessments shall only be used as described in Article III (3)(d) and Article IC(1) of these Covenants and Restrictions.

Section 4. Effect of Non-Payment of Assessments; Remedies of Association.

Any assessment not paid within fifteen (15) days of notice of a request from the Association shall be subject to a late charge as determined by the Association. The Association may bring an action at law against the Owner personally obligated to pay the assessment, or foreclose the lien against the (Farm) Property and interest, costs and reasonable fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the street or abandonment of his Farm.

Section 5. Subordination of the Lien to Mortgages and Deeds of Trust.

The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any Farm shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any Farm pursuant to a first mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such owner from liability for any assessments thereafter becoming due or relieve such Farm from the lien for any assessments thereafter becoming due.

Section 6. Capitalization of Association.

Upon acquisition of record title to a Farm by the first purchasers thereof other than the Developer, a contribution of One Thousand (\$1,000) Dollars shall be made by or on behalf of the Purchasers to the escrow fund described in Section 2 of this Article for use in meeting unforeseen expenditures relating to maintenance and repair. At such time as the balance of said fund is equal to or less than Two Hundred Dollars, each Owner shall contribute an additional Five Hundred (\$500) Dollars to said fund upon notice from the Association.

ARTICLE V
USE RESTRICTIONS

Section 1. Use.

No Farm shall be used except for residential and/or agricultural purposes (excluded from such permitted purpose shall be the raising of pigs and/or meat processing plants) consisting of three single-family residence, with a garage and accessory uses, all as permitted herein. All buildings erected, altered, placed and or permitted to remain on said Farms shall be detached single-family residences. In the event that there is an "in-family conveyance", that conveyance shall not expand the right and limitation of three residences per tract.

Section 2. Utilities.

The Owner of the Farm shall have the responsibility to preserve and protect underground utilities located on the Farm, and allow construction and maintenance of such utilities as may be necessary.

Section 3. Trees.

No trees having a trunk diameter of 6 inches or more, shall be removed or cut except (I) dead or diseased trees, or (ii) unless the prior approval of the Development is obtained in writing

and for reasons caused by the construction of improvements and/or the beneficial development and use of the Farm. The Developer is not responsible for the life or soundness of any trees.

Section 4. Ground Water.

The natural ground areas comprising detention areas and the natural ground areas comprising run-off and drainage areas together with existing ditches, (excluding those ditches that run parallel with and are a part of the road way) shall be maintained by the respective Owners of the said respective Farm in accordance with the provisions relating thereto as described on the Plat. The structural storm drainage facilities including, but not by way of limitation, the storm drainage pipes, flow structures and flow ways, whether of finished material or rock material construction, shall be maintained, repaired, reconstructed and otherwise operated by and at the expense of the Association in accordance with the provisions relating thereto as described on the Plat and the obligations of the Association shall be primary for such work..

Section 5. Set Back from Road.

Owners shall be restricted from building within One Hundred Fifty (150) feet of the edge of the roadway.. This restriction shall include fencing, which shall have a minimum set back of 25 feet from the edge of the private road to any such fence that is constructed by the tract owner.

Section 6. Other Vehicles.

No inoperative automobiles shall be allowed to remain on any Farm unless kept within an approved enclosed garage or approved enclosed storage area so as not to be visible from any other Farm or the street. No house trailer shall be allowed to be kept on any Farm. Notwithstanding the foregoing, vehicles reasonably necessary during construction or alterations of any buildings upon the Farm are permitted.

Section 7. Antennas.

No television or radio towers may be placed on any track without the written approval of the association and in such event, only on such conditions as may be require, including conditions relating to design, placement, landscaping. No satellite dishes which exceed 20 inches in diameter may be placed on any tract without the written approval of the association and in such event only on such conditions as it may require, including conditions relating to design, placement or landscaping.

Section 8. Temporary Shelters.

No buildings or structures of a temporary character, including but not limited to, storage huts, trailers, tents, shacks, barns or other such structure shall be constructed or permitted to remain upon any Farm unless reasonable, necessary and incident to construction.

Section 9. Signs.

No sign of any kind shall be displayed on any Farm except one sign nor more than three square feet for advertising the Farm for sale or rent except signs of the Developer located on the Common Areas or Farms of the Developer advertising the sale of Farms by the Developer; also excepted from this restriction shall be the right of Farm owner to display a sign with the name of the owner's farm and name of the Farm owner, which shall not exceed two square feet.

Section 10. Fences.

Should the owner elect to construct a fence around the perimeter of their Farm, then in such event any fencing that borders the roadway shall be four plank oak black fence or rock wall fencing.

Section 11. Maintenance.

Each Farm shall be maintained in a neat and orderly condition, whether having improvements thereon or vacant. Weeds and grass shall be cut when necessary. In the event that an Owner of a Farm fails to maintain his Farm in a neat and orderly condition, the Developer may, at its discretion, enter upon such Farm without liability and proceed to put it into an orderly condition, billing the cost of such work at the rate of two and one half (2.5) times the cost of labor and materials used. Said costs shall be a valid debt of the Owner (and all successor Owners of the Farm), and shall constitute a lien on the Farm as provided in the recorded declaration of lien and upon failure of the Owner to pay said cost in full within thirty (30) days from receipt of a bill therefor, shall be collectable by appropriate legal action together with late charges at the rate of Twenty-Five (\$25) Dollars per month or fraction thereof, and reasonable attorneys' fees and expenses related thereto.

Section 12. Conduct.

No immoral, improper, unlawful, noxious or offensive use shall be made or carried on in any building or upon any Farm, nor shall anything be done in any building, or upon any Farm which may be, or which may become, an annoyance or nuisance to the public or any other Owner.

Section 13. Developer Responsibility.

The Developer shall not be responsible for the life or health of any trees, upon any Farm or the Common Areas, at the time of conveyance by the Developer. After completion of all improvements, utilities, retention and storm drainage improvements, roads etc. by the Developer, the Developer shall not be responsible for any repairs, maintenance, reconstruction or other work thereon except during such time as the Developer retains legal title thereto.

Section 14. Restrictions.

Each Farm shall be conveyed subject to these Covenants and Restrictions, the easements and restrictions and conditions shown on the Plat, all provisions of the Declaration of The Elm Corner Estates Subdivision Covenants and Restrictions and the regulations and restrictions of all governmental entities.

Section 15. Enforcement.

Each and all of the above Covenants and Restrictions shall be enforceable by injunction or other appropriate legal action available to the Developer, the Owner of any Farm and their respective successor and assigns.

Section 16. Run with the Land.

The Covenants and Restrictions shall run with the land, shall be binding upon all parties and all persons claiming under them for a period of thirty (30) years from and after the date upon which they have been recorded and shall be automatically extended for four (40 successive periods of ten (10) years each, unless an instrument in writing signed by not less than the owners of two-thirds (2/3) of the Farms changing these Covenants and Restrictions.

Section 17. Validity.

Invalidation of any one or more of these Covenants and Restrictions by judgment or court order shall in no way affect the validity of any of the other provisions hereof which shall remain in full force and effect.

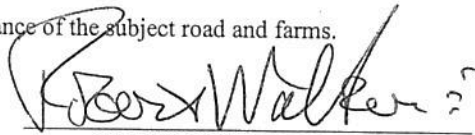
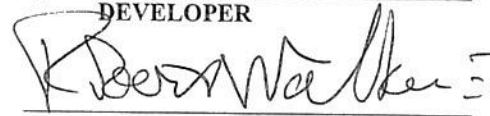
Section 18. Assignment by Developer.

The Developer, at its sole discretion, may assign to the Association, person or entity of Developers choosing, all of the rights and privileges retained by the Developer hereinabove, including those relating to the right to approve or disapprove any specified items and any rights

to enforce compliance with these Covenants and Restrictions. Upon such assignment, the Association shall thereafter have any and all rights, power privileges and duties herein granted to the Developer and the Developer at that time will have no further duties or obligation under this Agreement

Section 19. Amendment of Covenants and Restrictions.

Prior to the sale and conveyance of 100% of the Farms, subject to these covenants and restrictions, the Developer from time to time may amend the covenants and restrictions to make reasonable provisions and accommodations to develop the subject property. After the sale of 100% of the Farms of the Elm Corner Estate Subdivision, a majority of the members of the association may amend the covenants and restrictions herein so as to make reasonable provisions and accommodations for the upkeep and maintenance of the subject road and farms.


DEVELOPER

OWNER


Lexlibrary/193119.1

STATE OF KENTUCKY
COUNTY OF WOODFORD

The foregoing instrument was this the 16th day of May, 2003, subscribed and sworn to before me by Robert Walker, III, Developer and Owner of The Elm Corner Estates Subdivision.

MY COMMISSION EXPIRES:

June 10, 2003

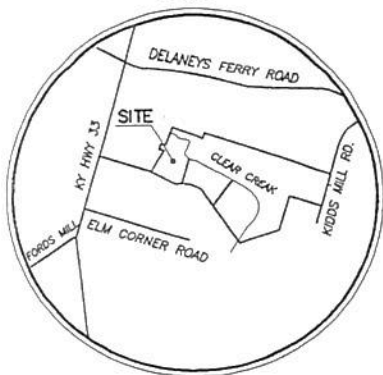

NOTARY PUBLIC

PREPARED BY:



ROBERT WALKER, III
250 West Main Street
Lexington, KY 40507

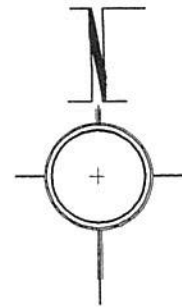
(EXHIBIT A)



VICINITY MAP

DR. WILLIAM & MARSHA PARELL
D.B. 134, P. 66

WESTOVER RIDGE, LLC



ROBERT WALKER III
(REMAINING)
D.B. 55, P. 526

47+- ACRES

C.L. OLD ROADWAY
& 50' ROBERT WALKER III ACCESS E.

40+- ACRES

CLEAR CREEK

CENTERLINE
ROBERT WALKER III
50' ACCESS EASE.

40+- ACRES

ROBERT WALKER III
(REMAINING)
D.B. 32, P. 427

CATHERINE E. ZAJAC
MICHAEL D. HALL

CLINTON H. NEWMAN
D.B. 23, P. 480

PIPELINE EASEMENT

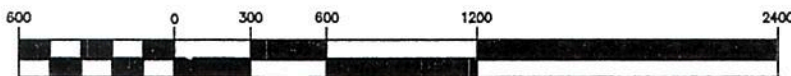
ROBERT WALKER III
(REMAINING)
D.B. 55, P. 526

C.L. KENTUCKY HIGHWAY NO. 33
TROY PIKE

ROBERT WALKER III
(REMAINING)
D.B. 32, P. 427

STATE OF KENTUCKY, COUNTY OF WOODFORD, SCT.
I, CORRINE C. WOOLUMS, CLERK OF WOODFORD COUNTY,
HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT HAS BEEN
FILED IN MY OFFICE FOR RECORD, AT 3:47 P.M. ON THE
16 DAY OF May 2003
CORRINE C. WOOLUMS, CLERK
BY: *Donna Carter* D.C.

GRAPHIC SCALE



(IN FEET)
1 inch = 600 ft.

PLAN OF DIVISION

ELM CORNER ESTATES
TROY PIKE

WOODFORD COUNTY, KENTUCKY

PREPARED BY:

MALCOLM ENDICOTT & ASSOCIATES

126 SOUTH MAIN STREET
VERSAILLES, KENTUCKY 40383

FAX (606) 873-8534 OFFICE
MOBILE (606) 229-0523
HOME (606) 846-4118

MAY 13, 2003