

**DECLARATION
OF
COVENANTS AND RESTRICTIONS
OF
GLENNLAKE ESTATES SUBDIVISION**

Glenn Baker, 717 Kentucky Boulevard, Hazard, Kentucky 41701 (the Developer"), hereby creates, declares, and imposes these **COVENANTS AND RESTRICTIONS OF GLENNLAKE ESTATES SUBDIVISION** (the "Covenants and Restrictions") applicable to the below-designated tracts of land composing Glennlake Estate Subdivision located in Fayette 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 Lots 1 through 10 and 16 through 20 of Unit 1 and Lots 11 through 15 and 21 through 27 of Unit 2 (the "Lots"), which Lots include the private street right-of-ways, the Lake Easements, Lake Access Easements, Permanent Drainage Easements and Non-Buildable Area (which private street rights of way, Easements and Non-Buildable Area are collectively designated herein as the "Common Areas") of Glennlake Estates Subdivision located in Fayette County, Kentucky, as shown on the Plats of record as described in Article 1.8 below; and

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

- (a) assure the beneficial, harmonious, and attractive development, maintenance and improvement of the Lots and Common Areas;
- (b) cause the construction of residences and improvements of exterior scale, design quality, and appearance which will be harmonious with other residences and enhance the aesthetic appearance and value of the Lots and residences; and
- (c) prevent certain uses thereof which tend to diminish or be detrimental to the valuable and enjoyable use, development and maintenance of said Lots and Common Areas; and

WHEREAS, the Developer desires to reserve for itself the sole discretion to review and approve certain aspects of the plans and specifications for the improvement of the Lots, alterations to such improvements and certain uses to be permitted or prohibited upon said Lots, all as set forth more specifically hereinafter in order to accomplish the above-described purposes.

NOW, THEREFORE, the Developer hereby declares that the Lots 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.

ARTICLE 1

DEFINITION

1.1 "Association" shall mean and refer to Glennlake Estates Association, Inc., a Kentucky non-profit corporation, its successors and assigns.

1.2 "Bylaws" means the Bylaws of the Association as amended from time to time. All provisions contained in the body of this Declaration dealing with the administration and maintenance of the Lots are deemed to be a part of the Bylaws.

1.3 "Developer" shall mean and refer to Glenn's Trucking Company, Inc., a Kentucky corporation.

1.4 "Lot" shall mean and refer to any numbered parcel as shown on the Plats.

1.5 "Member" shall mean and refer to every person or entity who holds membership in the Association.

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

1.7 "Person" shall mean any individual, corporation, partnership, joint venture, trustee, or other legal entity.

1.8 "Plats" shall mean the (i) the Final Record Plat of Glennlake Estates-Unit 1 of record in Plat Cabinet M, Slide 249, (ii) the Final Record Plat of Glennlake Estates-Unit 2 of record in Plat Cabinet M, Slide 250 and (iii) the Corrected Amended Minor Plat of Glennlakes Estates-Unit 2, Lots 24, 25, 26 & 27 of record in Plat Cabinet M, Slide 475, in the Fayette County Clerk's office for Fayette County, Kentucky.

1.9 "Street" or "Streets" shall mean the private streets located on the Lots as shown on the Plats.

1.10 "Subdivision" shall mean Glennlake Estates Subdivision as shown on the Plats.

ARTICLE 2

PROPERTY RIGHTS

2.1 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 Streets which shall be appurtenant to and shall pass with the title to every Lot. This right and easement shall also be deemed granted to the Association and the Owners; families, guests, invitees, servants, employees, tenants, 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 assessment for maintenance and/or repair of the

Common Areas, or any parts thereof as provided by Article 3 herein, remains unpaid and for a period of time for infraction of its published rules and regulations; and (b) the right of the Association to dedicate or transfer all or any part of the Streets to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by two-thirds (2/3) of the Owners of Lots provides the Owners' easements of ingress and egress and any public utility easements previously established shall not be affected.

2.2 Developer's Easement. The Developer shall have a right and easement and the Owners and their successors-in-title hereby grant to the Developer an easement over and upon so much of each Lot as lies within the Common Areas established by the Plats. This grant of easement shall run with the land and shall revert to the Association when all Lots of the Subdivision are sold.

2.3 No Partition or Subdivision. Except as is permitted in this Declaration or amendments hereto, there shall be no physical partition of any Streets or any part thereof, nor shall any person acquiring an interest in a Lot have the right of judicial partition thereof. No Lot shall be subdivided so as to reduce its area to less than ten (10) acres.

ARTICLE 3

GLENNLAKE ESTATES ASSOCIATION

3.1 Membership. Every person or entity who is the Owner of record of a fee simple or undivided interest in any Lot 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.

3.2 Voting Rights. Each member shall be entitled to voting rights as provided in the Bylaws.

3.3 Purpose, Rights and Obligations of the Association.

(a) The Association, at its expense, shall maintain, keep and improve the Common Areas, and facilities and structures thereon, including but not limited to the Streets, landscape areas, Lake Easements, Lake Access Easements, Permanent Drainage Easements and the Non-Buildable Area as shown on the Plats in good condition and repair, unless such obligation is assumed by any municipal or governmental agency having jurisdiction thereof. The Association's obligations include, but is not limited to, repairs, maintenance, renovation, replacement, mowing, planting, snow removal, paving and drainage, except as otherwise provided in Article 5.8 below.

(b) All rights reserved by the Developer in this Declaration shall automatically pass to the Association when title to at least seventy-five percent (75%) of the Lots has been conveyed by the Developer to Owners.

ARTICLE 4

MAINTENANCE

4.1 Obligation for Assessments. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be expressed in such deed, covenants and agrees to pay to the Association an assessment equal to one twenty-seventh (1/27) of the expense of the activities described in Article 3 (including but not limited to, the cost of labor equipment, and materials); or any other costs associated therewith from time to time, as required by the Association. Each such assessment together with interest, costs, and reasonable attorneys' fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person(s) or entity who was the Owner of such Lot at the time the assessment fell due and to an Owner's successor(s)-in-title.

4.2 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.

4.3 Administration of Assessments. The Developer shall administer the assessments and receipts therefrom, which shall be placed in a bank account in the name of the Association. Such assessments shall only be used as described in these Articles, Bylaws and the Declaration.

4.4 Effect of Non-Payment of Assessments; Remedies of Glennlake Estates Association. Any assessment not paid within thirty (30) days of written notice of the due date of such assessment 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 assessments, or foreclose the lien against the 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 the liability for the assessments provided for herein by non-use of the street or abandonment of his Lot.

4.5 Subordination of the Lien to Mortgages and Deeds of Trusts. The lien of the Assessments provide for herein shall be subordinate to the lien of any first mortgage, Vendor's lien or first deed of trust. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding sections. No. sale or transfer shall relieve such Owner from liability for any assessments thereafter becoming due or relieve such Lot from the lien for any assessments thereafter becoming due.

4.6 Capitalization of Association. Upon acquisition of record title to a Lot by the first purchaser thereof other than the Developer, a contribution of Five Hundred and No/100 Dollars (\$500.00) shall be made by or on behalf of the Purchaser to the account described in Article 4.3 above 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 Fifty Dollars (\$50), each Owner shall contribute an additional One Hundred Dollars (\$100) to said fund within thirty (30) days notice therefore from the Association.

ARTICLE 5

USE RESTRICTIONS

5.1 Use. No Lot shall be used except for residential purposes consisting of one single-family residence, a garage for not less than two vehicles, one pool house, one out-building for not more than three horses, one dock only for owners of a Lot having a Lake Easement on their Lot and accessory uses, all as permitted herein. The garage entrances shall not directly face the street. No part of any garage shall be located closer to the front street than the front entrance wall of the residence which is closest to the garage. The attached garage shall, as a minimum, contain sufficient space to accommodate two automobiles. No structures or other improvements shall be constructed or maintained by a Lot Owner in any Streets, Lake Easements, Lake Access Easements, Permanent Drainage Easements, Non-Buildable Area, Utility Easements or Set-Back areas, except as specifically permitted herein.

5.2 Plan Approval. Prior to the beginning of construction of any improvements upon a Lot (defined to be the beginning of any excavations, grading, or placement of improvements), there shall be submitted to, and approved by, the Developer in its sole discretion, duplicate copies in writing of the following:

(a) Plans, specifications and elevations of all buildings (the "Building Plans") to be constructed, including a description of all exterior building and roof materials (including the color and type of exterior building and roof materials). One complete set of the Building Plans shall be retained by the developer. All exterior walls of the Residence, the attached garage, mailboxes and any other buildings on the Lot that are visible from any portion of another Lot shall be of brick in colors of red, bronze, brown, and/or similar and compatible colors or mixtures, or painted brick of white, tan, off-white and/or similar and compatible colors or mixtures or stone or frame or mixed construction or other acceptable materials within the sole discretion of Developer. No bedford stone or sandstone exterior walls shall be allowed. All walks, steps, porches, patios, and other non-vehicular, non-planted surfaces in front of the Residence shall be of brick, flagstone, pavers, or other approved surface (concrete shall not be permitted) compatible with the exterior surfaces of the Residence. All Residences to be constructed shall be of a traditional, ranch or classical contemporary architectural character. Walk-out lower level residences are permitted. Split-level, split-foyer, and ultra-modern residences are not permitted.

(b) Plot plan (the "Plot Plan") showing the location and dimensions of all buildings, driveways, porches, patios, terraces, mailboxes, pools, pool house, for other permitted accessory buildings or structures, tennis courts, Gazebos, or any other permanent exterior structures or improvements, the approximate location of existing trees (marked to designate which are proposed to be cut down and which are to be retained), all applicable affront, side, and rear lot lines and easements, floor level elevations, roof slopes (roof pitches shall not be less than 6 on 12), and the type and location of the front yard landscaping required herein. Within one hundred twenty (120) days after completion of the Residence on each Lot, whether occupied or not, and in addition to any trees already existing on the Lot at the time of conveyance by the Developer or subsequently planted or proposed to be planted by the

Developer, there shall be planted on each Lot in front of the Residence not less than ten (10) shrubs and/or trees.

(c) All proposed alterations, additions, or changes to the Building Plans or Plot Plan (as previously approved) shall be submitted to the Developer in writing and shall conform to all of the conditions above. The Developer shall have the right to approve, at its sole discretion, the proposed alterations, additions, or changes.

(d) The approvals of the Developer as provided above shall be valid only if construction is begun in accordance thereto within one (1) year from the date of such approvals. If construction has not begun within said time, then the approvals shall lapse and re-approval by the Developer shall be required prior to the beginning of such construction or improvements.

5.3 Size. Any Residence constructed upon any Lot shall contain a minimum living area measured from the outside of the exterior walls, exclusive of porches, basements, attics, patios, and garages as follows:

(a) One story residence: 3500 square feet on the ground floor.

(b) One and one-half and two story residences: 2000 square feet on the ground floor.

5.4 Utilities. The Owner of the Lot shall have the responsibility to preserve and protect underground utilities located on the Lot. No utilities may be above ground unless approved by the Developer.

5.5 Driveways. All entrance ways, driveways, and parking areas shall be located with the consent and approval of the Developer and must be finished with asphalt, concrete, brick or other approved hard surface construction materials.

5.6 Sod and/or Seed. Within thirty (30) days after completion of the residence (weather permitting) on each Lot, all areas disturbed by construction shall be finish graded and seeded or sodded, and all non-disturbed areas shall be seeded or otherwise similarly planted or landscaped in full as necessary, excepting only driveways, parking areas, sidewalks, walkways, patios, terraces, porches, tennis courts, garden areas, etc.

5.7 Trees. No trees shall be removed or cut except (i) dead or diseased trees, or (ii) unless the prior approval of the Developer is obtained in writing and for reasons caused by the construction of improvements and/or the beneficial development and use of the Lot. The Developer is not responsible for the life or soundness or any trees.

5.8 Association Easements. The natural ground areas on a Lot comprising run-off and drainage areas and drainage ways, including, but not limited to, the Permanent Drainage Easement as shown on the Plats shall be maintained by the respective Owners of the said respective Lots in accordance with the provisions relating thereto as described on the Plats, except as are specifically described herein as the responsibility of the Association. The Lake Easements, Lake Access Easements and Non-Buildable Area as designated on the Plats, and

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 Plats and in this Declaration and the obligations of the Association shall be primary for such work. Only Lake Access Easement areas shall be used for lake access by Lot Owners, except a Lot Owner shall also have access wherever a Lake Easement exists on such Lot Owner's Lot.

5.9 Set-Backs. No buildings or structures of any nature excepting only permitted fences, mailboxes and drainage facilities shall be constructed, placed or maintained near the Streets or other features than the set back restrictions as shown on the Plats.

5.10 Other Vehicles. No trailers, inoperative automobiles or other vehicles, motor homes, boats, campers, trucks (excepting pick-up trucks) or other similar vehicles or property shall be allowed to remain on any Lot unless kept within an approved enclosed garage or approved enclosed storage area (i.e., within approval walls or fences) so as not to be visible from any other Lot or Street. Notwithstanding the foregoing, vehicles reasonably necessary during construction, repairs or alterations of any buildings or other improvements upon the Lot are permitted.

5.11 Tanks. No gas, fuel oil, propane, or other holding tanks of any type shall be permitted to remain on any Lot without the prior approval of the Developer as to the location and character of enclosure or barriers surrounding such so as not to be visible from any other Lot or Street.

5.12 Clotheslines. No exterior laundry or clotheslines which are visible from any other Lot or Street shall be permitted to remain.

5.13 Antennas. No antenna larger than a two-foot cube may be affixed to, or maintained on, the Residence, garage, or any other building or structure, nor shall it extend higher than the highest point of the building or structure to which it is attached. No other antenna or satellite dish not so attached shall be located on the ground of any Lot.

5.14 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot except dogs, cats, or other small animals or birds customarily kept for occasional sales or as household pets and horses (not to exceed three), provided such animals are not raised, bred or kept for commercial purposes. All such permitted animals shall be kept within an approved enclosed area and not permitted to run or stray upon any adjacent Lots.

5.15 Temporary shelters. No buildings or structures of a temporary character, including, but not limited to, storage huts, trailers, tents, shacks, out-buildings, or other such structure shall be constructed or permitted to remain upon any Lot unless reasonable, necessary, and incident to construction, repairs or alterations, excepting only one out-building for any permitted horse(s).

5.16 Gardens. No vegetable gardens upon any Lot shall be planted or permitted to remain which extends nearer to any Street than the rear yard of any residence on the Lot, and in no event, shall be nearer than one hundred (100) feet from the right-of-way line of any Street.

5.17 Signs. No sign of any kind shall be displayed on any Lot except (i) one sign not more than three square feet for advertising the Lot and/or any Residence thereon for sale or rent except signs of the Developer located on the Common Areas or lots of the Developer advertising the sale of Lots by the Developer, (ii) one sign not more than three square feet advertising the contractor constructing, repairing or alterations on the Residence on the Lot and/or the Lender financing construction, repair or alteration thereof, or (iii) one sign not more than three feet square identifying the Lot.

5.18 Fences. All fencing shall be four (4) plank oak black fence and shall be not closer than twenty-five (25) from the edge of the pavement of the nearest Street(s).

5.19 Maintenance. Each Lot shall be maintained in a neat and orderly condition, whether having improvements thereon or vacant. Weeds and grass shall be cut regularly, and leaves, broken limbs, and other debris shall be removed when necessary. In the event that an Owner of a Lot fails to maintain the Lot in a neat and orderly condition, the Developer or the Association may, at its discretion, enter upon such Lot without liability and proceed to put it into an order condition, billing the cost of such work at the rate of two and one-half (2.5) times the cost of the labor and materials used. Said costs shall be a valid debt of the Owner (and all successor Owners of the Lot), and shall constitute a lien on the Lot as provided in this Declaration and upon failure of the Owner to pay said cost in full within thirty (30) days from receipt of a bill therefore, shall be collectable by appropriate legal action together with late charges at the rate of Five Dollars (\$5,00) per month or fraction thereof, and reasonable attorneys' fees and expenses related thereto.

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

5.21 Boats. Canoes, oar boats and small sailboats are permitted. No other type of boats are allowed. No gasoline, diesel or other motors of any kind (except electric motors) shall be permitted to be maintained or used on any Lake. The Lakes shall be for the exclusive use of the Owners of Lots as otherwise permitted herein.

5.22 Docks. Only one dock shall be permitted on each Lot, not exceeding 625 square in size nor extending more than 25 into a Lake from all points of the shoreline. Plans and specifications for Docks must be submitted to the Association prior to construction thereof for approval by the Association.

ARTICLE 6

MISCELLANEOUS

6.1 Developer Responsibility. The Developer shall not be responsible for the life or health of any trees upon any Lot or the Common Areas, at the time of conveyance by the Developer. After completion of all improvements, utilities, retention and storm drainage improvements, streets, etc. by the Developer in accordance with all governmental requirements, the Developer shall not be responsible for any repairs, maintenance, reconstruction, or other work thereon all of which thereafter shall become the responsibility and obligation of the Association.

6.2 Restrictions. Each Lot shall be conveyed subject to this Declaration and the covenants and restrictions herein, the easements and restrictions and conditions shown on the Plats, all provisions of the Articles of Incorporation and Bylaws of the Association, the statutes, ordinances, rules and regulations of all governmental entities, and the Rules and Regulations adopted by the Association.

6.3 Enforcement. Each and all of the above covenants and restrictions of this Declaration, including but not limited to the rules and regulations adopted by the Association, shall be enforceable by injunction or other appropriate legal action available to the Developer, the Owner of any Lot, Glennlake Estates Association and their respective successor and assigns.

6.4 Run with the Land. This Declaration and covenants and restrictions herein 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 automatically extended for four (4) 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 Lots changing these Covenants and Restrictions is recorded in the Fayette County Clerk's office.

6.5 Validity. Invalidation of any one or more of the covenants and restrictions in this Declaration or any Rules or Regulations of the Association by judgment of court order shall in no way affect the validity of any of the other provisions hereof or of such Rules and Regulations which shall remain in full force and effect.

6.6 Assignment. Subject to the provisions of Article 3.3(b) above, the Developer, at its sole discretion, may earlier assign to the Association 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 all rights to enforce compliance with the Declaration or Rules and Regulations of the Association. Upon such assignment, the Association shall thereafter have any and all rights, power, privileges and duties herein granted to the Developer.

IN WITNESS WHEREOF,the Developer has hereunto caused its name to be subscribed this the day and year first above written.

Glenn Baker

STATE OF _____)

COUNTY OF _____)

The foregoing Declaration of Covenants and Restrictions of Glennlakes Subdivision was acknowledged before me this ____ day of _____, 2005 by Glenn Baker.

My Commission expires: _____.

NOTARY PUBLIC, Kentucky State at Large

Prepared by:

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