



AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

TRADESMILL SUBDIVISION
Jefferson County, Kentucky

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for TRADESMILL SUBDIVISION (the “Subdivision”) is made as _____, 2008 by TRADESMILL HOMEOWNERS ASSOCIATION, INC., a Kentucky non-profit Corporation (the “Association”).

WHEREAS, Trade Union Housing, LLC (“Developer”) was the developer for the Subdivision and filed the original Declaration of Covenants, Conditions and Restrictions, of record in Deed Book 7031, Page 202; and

WHEREAS, Control of the Association has now transferred from Developer to the homeowners of the Subdivision; and

WHEREAS, the homeowners wish to restate and amend the original Declaration of Covenants, Conditions and Restrictions, of record in Deed Book 7031, Page 202;

NOW, THEREFORE, the Association hereby declares that all of the real property subjected to this Declaration 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

Section 1.1 Subject Property. The real property which is subject to this Declaration is located in Jefferson County, Kentucky, and is more particularly described as follows:

BEING Lots 1 through 84 inclusive, as shown on the plat of Tradesmill Subdivision, of record in Plat and Subdivision Book 44, Page 23 & 24, in the office of the Clerk of Jefferson County, Kentucky.

BEING the same property acquired by Developer by Deed dated July 28, 1997, of record in Deed Book 6916, Page 73, in the Office of the Clerk of Jefferson County, Kentucky.

Section 1.2 The Association and Membership. The Association has incorporated as a not-for-profit corporation under the laws of the Commonwealth of Kentucky “Tradesmill Subdivision, Inc.”, or a similar name (the “Association”). Every owner of a Lot which is in the Subdivision shall be a member of the Association. Such owner and member shall abide by the Association’s Articles of Incorporation, Bylaw, rules and regulations, shall pay the assessments provided for in this Declaration when due, and shall comply with decisions of the Association’s Board of Directors. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to assessment.

ARTICLE II USE RESTRICTIONS

Section 2.1 Primary Use Restrictions. No Lot shall be used except for private single family residential purposes. No structure shall be erected, placed, altered or permitted to remain on any Lot except single family dwellings designed for the occupancy of one family not to exceed two and one-half stories in height and including a two (2) car garage for the sole use of the owner and occupants of the Lot. "Family," as used in this Section 2.1, shall include any domestic servants living on the premises.

Section 2.2 Clothes Lines; Fences and Walls; Antennae and Receivers/Transmitters; Firewood; Mailboxes; Swimming Pools; Deck(s).

(a) No outside clothes lines shall be erected, placed or used on any Lot.

(b) 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 a residence constructed on a Lot; all fences or walls, except with the written approval of the Association, shall be constructed of materials that have received prior written approval by the Association as set forth below. All fences, as structures, are subject to prior written plan approval by the Association under Section 3.5 of this Declaration. No fence shall exceed six (6) feet in height. The owner of any Lot on which any fence is constructed, whether the fence was constructed by the owner or the Association, shall be obligated to maintain such fence and keep such fence in a neat appearance. No decks shall extend past the width of house without prior written approval of the Association. All plans must have prior written approval of the Association before construction begins.

(c) revised to read as follows: No exterior antenna (except for a standard small television antennae not to exceed five (5) feet in height on a roof) or microwave or other receivers and transmitters (including those currently called "satellite dishes") shall be erected or placed on any Lot unless the design, placement and screening thereof are approved in writing by the Association, which approval shall be within the sole and absolute discretion of the Association. Subject to approving the design, placement and screening, the Association intends to approve only receivers with a diameter of 24 inches or less and must be placed on the house itself.

(d) No firewood shall be stored in a location that is visible from the front of the Lot on which it is stored.

(e) All mailboxes and paper boxes shall be of a uniform style as determined by the Association; provided the Association in its discretion may approve other mail and paper boxes, but no mail or paper box shall be placed on any Lot without the Association's prior written approval.

(f) No in-ground or above ground swimming pools shall be placed or erected on any Lot in the Subdivision unless the design, placement and screening are approved in writing by the Association before construction takes place.

Section 2.3 Use of Other Structures and Vehicles

(a) No structure of a temporary character shall be permitted on any Lot, except temporary tool sheds, without the written approval of the Association. Temporary tool shed is defined as a tool shed that can be moved (i.e. not attached to foundation) and is 100 sq. ft. or less.

(b) No outbuilding, trailer, basement, tent, shack, garage, barn or structure other than the main residence shall be erected on a Lot unless approved in writing by the Association, and then no such structure shall at any time be used as a residence, either temporarily or permanently.

(c) No automobile, trailer, boat, truck, recreational vehicle or other shall be habitually or

continuously parked on any street or right-of-way in the Subdivision *including Common Areas or Yard*. **Habitually is defined as any vehicle parked in front of any lot, common area or on a dead end street for more than 24 hours in a seven (7) day period.** Maintenance or other work on vehicles (except washing) may not be performed on any Lot, including in the driveway or on any street, unless such work is performed entirely in the enclosed garage area. No in-operable vehicles shall be parked on driveways, street or right-of-way or *any Common Area or Yard*. No vehicle in excess 18,000 GVW shall be parked on driveway, street or right-of-way. ***The Association may impose a fine of not more than \$100 on any Lot Owner not abiding by this requirement.***

(d) Portable Storage Units (i.e. PODS etc.) shall not be allowed for more than two (2) thirty (30) day instances for a total of sixty (60) days per calendar year. The Unit must be on the driveway, not blocking the sidewalk or protruding into the street. ***The Association may impose a fine of not more than \$100 on any Lot Owner not abiding by this requirement.***

Section 2.4 Nuisances. No noxious or offensive 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 2.5 Solicitation. Only Residents can solicit for charitable fundraisers (i.e. schools; church, Girl Scouts etc.) in Trademill Subdivision.

Section 2.6 Animals. No animals, including reptiles, livestock or poultry of any kind, shall be raised, bred or kept on any Lot outside, except that dogs, cats or other household pets (meaning the domestic pets traditionally recognized as household pets in this geographic area) may be kept, providing they are not kept, bred or maintained for any commercial purposes. All household pets, including dogs and cats, shall at all times be confined to the Lot occupied by the owner of such pet; provided, however, that household pets may be walked within the Subdivision so long as such animals are at all times under the control of a resident and so long as the owner or handler of such pet cleanup and removes any animal feces from any area in which it is deposited other than the owner's Lot. The Louisville Metro Code of Ordinance addresses the Sanitary Disposal of Animal Feces No. 97-2003, approved 6/15/03. ***The Association may impose a fine of not more than \$100.00 on any Lot owner not abiding by this requirement.***

Section 2.7 Disposal of Trash. No Lot shall be used or maintained as a dumping ground of rubbish, trash or garbage. Trash, garbage or other waste shall not be kept except in sanitary containers. Trash, garbage or other waste shall not be kept except in sanitary containers which must be either inside or concealed from view on three (3) sides by either shrubbery or fencing of some type. No trash containers should be viewable from the street or neighbors home. No trash, garbage or other waste in sanitary containers shall be kept or allowed to remain outside, except same may be placed outside after 6:00 p.m. of the evening before any regular trash or garbage collection day, and until it is collected on that day. Container cannot exceed 100 gallons in size. ***The Association may impose a fine of not more than \$100 on any Lot Owner not abiding by this requirement.***

Section 2.8 Drainage. Drainage of each Lot shall conform to the general drainage plans of the Developer and MSD for the Subdivision. No storms, water drains, roof downspouts or ground water shall be introduced into the sanitary sewage system. Plumbing connections on each Lot shall be made with watertight joints in accordance with all applicable plumbing code requirements.

Section 2.9 Business; Home Occupations. No trade or business of any kind (including any practice of medicine, dentistry, chiropractic, osteopathy and other like endeavors) shall be conducted on any Lot. Notwithstanding the provisions hereof or of Section 2.1, new houses 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 24 months from completion of the house or upon such additional period of time as may be expressly agreed to in writing by the Association. Also, until such time as Builder has sold all of its Lots, it may maintain a sales office within the Subdivision. ***The Association may impose a fine of not more than \$100 on any Lot Owner not abiding by this requirement.***

Section 2.10 Signs. No Sign for advertising or for any other purpose shall be displayed on any Lot, Common Area or on a building or a structure on any Lot, except one sign advertising the sale or rent thereof which sign shall not be greater in area than nine (9) square feet; provided, however, a builder shall have the right (i) to place signs on Lots designating the Lot number of any Lot, and (ii) following the sale of a Lot, to place signs on such Lot indicating that it has been sold and 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. A builder must get written approval from the Association to erect larger signs when advertising the Subdivision.

Section 2.11 Duty to Repair and Rebuild.

(a) Each Lot owner shall, at the Lot owner's sole cost and expense, maintain and repair his or her residence, keeping it in condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear. All Lot owners, including absentee owners, must furnish a phone number and contact person for each Lot to the Association. The Lot owner shall promptly notify the Association of any change in this information.

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

Section 2.12 Duty to Maintain Lot

(a) After the date of purchase, 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 and to keep it otherwise neat and attractive in appearance. This requirement includes, without limitation, performing such duties in all areas of the Lot subject to easements. Should any Lot owner fail to do so, then the Association may take such action as it deems appropriate, including mowing, in order to make such Lot neat and attractive, and the owner shall, immediately upon demand, reimburse the Association or other performing party for all expenses incurred in so doing, together with allowable statutory interest, and the Association shall have a lien on that Lot and the improvements thereon to secure the repayment of such amounts. Lot owners renting the property shall be responsible for the Occupants on their Lot. Such lien may be enforced by foreclosure against that Lot and the improvements thereon, but such lien shall be subordinate to any first mortgage lien thereon.

(b) The Lot owner shall indemnify and hold harmless the Association for any liability, loss or damage as a result of the entry by the Association onto the owner's Lot in accordance with subparagraph (a) of this Section 2.11.

Section 2.13 Underground Utility Service.

(a) Each Lot owner's electric utility service lines shall be underground at locations designated by Louisville Gas & Electric (LG&E) throughout the length of service from LG&E's point of delivery to customer's building, and title to the service lines shall remain in and the cost of installation or maintenance thereof shall be borne individually by the respective owner upon whose Lot the service line is located. Appropriate easements are hereby dedicated and reserved to each Lot owner, together with the rights of ingress and egress over abutting Lots or properties to install, operate and maintain electric service lines to LG&E's termination point. Electric service lines, as installed, shall determine the exact location of the easements. The electric and telephone easements shown on the plat of the Subdivision shall be maintained and preserved in their present condition and no encroachment therein and no change in the grade or elevation thereof shall be made by any person or owner without the

express written consent of LG&E, South Central Bell Telephone Company and any cable television company with easement rights, and their respective successors and assigns

(b) Easements for overhead electric transmission and distribution feeder lines, poles and equipment appropriate in connection therewith are reserved over, across and under all spaces (including park, open and drainage space area) outlined by appropriate lines on the plat and designated for underground and overhead facilities. Above ground electric transformers and pedestals may be installed at appropriate locations in electric easements where described and directed by the Association. In consideration of LG&E bringing service to the property shown on plat of the Subdivision, it is granted the right to make further extensions of its lines from all overhead and underground distribution lines.

(c) The electric and telephone easements hereby dedicated and reserved to LG&E and South Central Bell Telephone Company, as shown on a recorded plat of the Subdivision, shall include easements for the installation, operation and maintenance of cable television service to the owners, including the overhead and/or underground installation and service of coaxial cables, cable drop wires, converters, home terminal units and other necessary or appropriate equipment, as well as easements for the installation, operation and maintenance of future communication, telecommunication and energy transmission mediums.

Section 2.14 Seasonal Decorations.

(a) Holiday decorations must be removed within 60 days following the holiday that is being celebrated. If decorations are not removed within this timeframe, *the Association may impose a fine of not more than \$100 on any Lot Owner not abiding by this requirement.*

ARTICLE III ARCHITECTURAL CONTROL

Section 3.1 Building Materials; Roof; Builder.

(a) The exterior building material of all structures shall be brick, stone, brick veneer, stone veneer, vinyl siding, or a combination of same. All fronts of house must be primarily stone, brick, brick veneer or a combination of same. The Association recognizes that the appearance of other exterior building materials (such as wood, other siding, stucco and stucco-type materials such as "dryvit") may be attractive and innovative and reserves the right to approve in writing the use of other exterior building materials.

(b) The Association reserves the right of prior approval of each general contractor, contractor, or builder which proposes, or is contracted with, hired or otherwise retained by any Lot owner, to build a residential or other structure on any Lot, which approval must be obtained prior to the commencement of any such construction in the Subdivision. The Association reserves the right of prior approval in order to ensure (i) the maintenance of a quality construction within the Subdivision, (ii) that the economic value of other Lots and structures within the Subdivision will not be impaired by the construction of residential structures not of similar or comparable quality as already exists in the Subdivision, and (iii) the maintenance of the aesthetic quality of the Subdivision. The Association's approval of any contractor or builder for any particular Lot shall not be considered approval to build on any subsequent Lot, nor does the Association waive any right to disapprove any builder on any subsequent Lot because of approval on a previous Lot.

(c) Any approval by the Association of any general contractor, contractor or builder shall in no manner whatsoever serve as a guarantee, warranty or representation of the quality of workmanship by said general contractor, contractor or builder, nor of the ability of the general contractor, contractor or builder to fully perform the work for which the owner contracted, nor the owner's satisfaction therewith

Section 3.2 Setbacks. No structure shall be located on any Lot nearer to the front Lot line or the street side Lot line than the minimum building setback lines shown on the recorded plat of the Subdivision, except steps may project into said areas, and open porches may project into said areas not more than six (6) feet. The Association may vary the established building lines, in its sole discretion, where not in conflict with applicable zoning regulations. These setback requirements are in addition to any setbacks required by applicable setback or building limit lines imposed by any recorded plat creating a Lot, or by applicable regulations of the Louisville and Jefferson County Planning Commission, and where there is any variation, the most restrictive shall apply.

Section 3.3 Minimum Floor Areas. The following shall be the minimum floor areas for residences to be constructed on any Lot subject to this Declaration:

(a) The total floor area of any residence constructed on any Lot shall be a minimum of 1,500 square feet. The Association must approve, in writing, all future house plans before construction begins.

(b) Basement areas (finished and unfinished, garages, decks and open or screened-in porches) shall not be included in calculating floor areas.

The restrictions in this Section 3.3 shall not apply to any reconstruction due to casualty loss of a residence in existence as of the date of filing hereof.

Section 3.4 Garages; Carports.

(a) A two car attached garage on each Lot is required, provided that the location of each garage complies with any-and all setback requirements. All garages shall have doors that must be maintained by the owner in usable condition. Garages, as structures, are subject to prior plan approval under Section 3.5.

(b) No carport shall be constructed on any Lot.

Section 3.5 Approval of Construction, Fencing and Landscaping Plants.

(a) Except as provided in this subparagraph (a) of Section 3.5, no structure may be erected, placed or altered on any Lot until the construction plans and building specifications and a plan consisting of (i) a survey of the Lot prepared by a land surveyor, licensed in the Commonwealth of Kentucky, (ii) the location and specifications of all improvements including any building, fence, wall or other structure on the Lot; (iii) the grade elevation (including rear, front and side elevations); (iv) the type of exterior materials (including delivery of a sample thereof); (iv) the location and size of the driveway, which shall be poured concrete or brick, and the driveway apron, which shall be poured concrete; and (vi) such other data as the Association may request shall have been approved by the Association in its sole discretion. In addition to the foregoing, no structure may be erected, placed or altered on any Lot until a plot plan depicting the location of all improvements, setbacks and easements has been approved by the Association in its sole discretion. In reviewing any proposed structure, the Association shall have the right to take into consideration the suitability of the structure to the site, the harmony thereof with the surroundings, and the effect of the structure on the view from adjacent or neighboring Lots. The Association, in its sole discretion, shall have the right to accept or reject construction plans and building specifications solely on the basis of aesthetics,

(b) To maintain the aesthetic quality of the Subdivision, Lot owners shall not interfere with the natural growth of any and all trees planted by the Association and Developer in common areas. Lot owner must remove dead trees, dead bushes and other dead landscaping plants. All trees and plants must not extend within 1

foot of sidewalks and owner is responsible for cutting branches, limbs and foliage that extend into the 1 foot boundary area.

(c) References to "the Association" in this Article III shall include any entity, person or association to whom the Association may assign the right of approval. References to "structure" in this Section 3.5 shall include, but not be limited to, any building (including a garage), fence, wall, antennae, microwave and other receivers and transmitters (including those currently called "satellite dishes"), swimming pool(s), gazebos and mail and paper boxes.

Section 3.6. Subdividing Lots. No Lot owner shall subdivide any Lot in the Subdivision without the prior written consent of the Association.

ARTICLE IV COMMON AREAS AND THE ASSOCIATION

Section 4.1 Every Lot owner in the Subdivision shall have a right and easement of enjoyment in and to any "Common Area", which right and easement shall be appurtenant to and shall pass with the title to every Lot. The term "Common Area" means and refers to all non-residential Lots and areas designated as "common area" or "Open Space" on the plat of any section of the Subdivision and shall also mean any area intended and designated by the Association for the common use and enjoyment of Lot owners in the Subdivision, whether or not so designated on a plat, including any areas containing recreational facilities and other improvements owned or to be owned by the Association (defined below). Such Common Area may also mean and include, to the extent necessary and appropriate for the enjoyment of or maintenance by the Association, certain areas dedicated to public use or certain easement areas on a Lot or Lots in the Subdivision, including without limitation areas where signature walls or entrances may be located. Without limiting the generality of the foregoing, the area designated on the plat of the Subdivision as "signature entrance easement" shall be deemed Common Area for the purposes of maintaining that area, even though located on Lot I, and the Association shall have an easement over, under and across Lot 1 for the purpose of maintaining the signature entrance feature and for landscaping around it.

The right of enjoyment is subject to the following provisions:

- (a) The right of the Association to borrow money for the purpose of improving the Common Area or for constructing, repairing or improving any facilities located or to be located thereon, and to give a security for the payment of any such loan a mortgage on all or part of the Common Area.
- (b) The right of the Association to suspend the voting rights and the right to use and enjoy the Common Area, including any recreational facilities located thereon, by any Lot owner for any period during which an assessment against the owner's Lot remains unpaid, and for a period of time for any infraction of its published rules and regulations.
- (c) The right of the 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 Association.
- (d) The right of the Association to make rules and regulations governing the use of the Common Area. Un-buildable lots that have turned over to the Homeowners Association are considered Common Areas. These lots are #47, #69, the island and the areas at the front of the subdivision.
- (e) Common Area, including open space, private roads, islands in dedicated rights-of-way, and signature entrances shall not be dedicated to a unit of local government without

the acceptance of the unit of local government involved and the approval of the Louisville and Jefferson County Planning Commission, or its successors or assigns (by the Association may not amend this restriction without approval from the Louisville and Jefferson County Planning Commission, or its successors or assigns.

Section 4.2 Delegation of Use. Any Lot owner may delegate, in accordance with the Association's bylaws or rules and regulations, his or her right of enjoyment to the Common Area and facilities to the members of his or her family or to tenants or contract purchasers who reside on that owner's Lot. Membership in the Association may not be conveyed separately from ownership of the Lot.

Section 4.3 The Association's Right of Entry. The authorized representative(s) of the Association or its Board of Directors shall be entitled to reasonable access to the individual Lots as may be required in connection with the preservation of property on an individual Lot or in the event of an emergency or in connection with the maintenance of, repairs or replacements within the Common Area, or any equipment, facilities or fixtures affecting or serving other Lots or the Common Areas or to make any alteration required by any governmental authority.

Section 4.4 Assessments; Creation of Lien and Personal Obligation. Each Class A Lot Owner, as defined in Section 4.13 below, by acceptance of a deed for a Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as provided in this Article IV. The Association shall be responsible for the maintenance costs of the Association incurred over and above assessed amounts payable to the Association by Class A Lot Owners. The annual and special assessments, together with interest, cost and reasonable attorney fees, shall be a charge on each owner's Lot and improvements thereon and shall be a continuing lien upon such property against which each such assessment is made. Each such assessment, together with interest, cost and reasonable attorney fees shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment fell due. Lien will be placed against the Lot owner six (6) months after assessment, together with interest, for the costs and reasonable attorney fees that have not been paid. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them; provided, however, the lien shall remain effective against a Lot for delinquent assessments notwithstanding any transfer of the Lot.

Section 4.5 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose, and for the use and enjoyment of the Common Area, 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, the procurement and maintenance of insurance in accordance with the Bylaws of the Association, the employment of attorneys, accountants and other professionals to represent and advise the Association, and such other needs as may arise, and for the improvement and maintenance of the Common Area. The Association shall maintain, operate and repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Area.

Section 4.6 Assessment Amounts. The Board of Directors of the Association may fix the annual assessment at an amount determined by the Board to be reasonably necessary to meet the budgeted expenses of the Association. The Board of Directors shall determine whence assessment shall be due, and whether the assessment shall be paid monthly, quarterly or annually. The Board of Directors may establish from such assessments a reserve account.

Section 4.7 Special Assessments. In addition to the annual, regular assessments authorized

above, the 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 capital improvement upon the Common Area, including fixtures and personal property related thereto. As determined by the Board of Directors, any such special assessment may be payable in a lump sum or the Board of Directors may allow installment payments, such installment payments to bear interest at a rate set by the Board of Directors.

Section 4.8 Uniform Rate of Assessment. The Board of Directors may at its discretion waive the assessment for any year or part of a year for any Lot not occupied as a residence.

Section 4.9 Date of Commencement. The annual assessments provided for shall begin as to any Lot subject to the assessment at the time the Lot is occupied as a residence. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year when the Lot is first occupied as a residence.

Section 4.10 Effect of Non-Payment; Remedies. Any assessment not paid by the due date shall bear interest from the due date at a rate of interest established from time to time by the Board of Directors of the Association. Until such rate is established, the interest rate shall be 10% (unless such rate is usurious under applicable law, in which event the interest rate shall be automatically deemed to be the maximum rate allowed by applicable law. The Association may bring an action at law against the owner personally obligated to pay the assessment, and/or the Association may foreclose the lien against a nonpaying Lot owner's Lot and improvements thereon, and interest, cost 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 by nonuse of the Common Area or abandonment of a Lot.

Section 4.11 Subordination to Mortgages. The lien of the assessment provided for in this Declaration shall be subordinate to the lien of any first mortgage. No sale or transfer of any Lot shall not affect the assessment lien or liens provided for in this Declaration. No sale or transfer shall relieve such Lot from liability for any assessments thereafter due or from the lien.

Section 4.12 The Association and Membership. The Association has incorporated as a not-for-profit corporation under the laws of the Commonwealth of Kentucky "Tradesmill Subdivision, Inc.", or a similar name (the "Association"). Every owner of a Lot which is in the Subdivision shall be a member of the Association. Such owner and member shall abide by the Association's Articles of Incorporation, Bylaws, rules and regulations, shall pay the assessments provided for in this Declaration when due, and shall comply with decisions of the 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 4.13 Classes of Membership. The Association shall have two classes of membership:

(a) Class A. Class A members shall be all individual owners owning their lot as their primary residence ("Voting Lot Owner"). Each Voting Lot Owner shall be entitled to one vote for such Lot owned. If more than one person or entity owns a Lot, they shall vote their vote together and, if they cannot agree, no vote shall be cast. That is, no votes may be split.

(b) Class B. Class B members shall be any developer, contractor or builder owner not owning the lot for construction of said developer's, contractor's or builder's primary single family residence. Class B members shall not be entitled to vote on any Association matters, however, they shall have no duty to pay annual Association dues.

ARTICLE V GENERAL PROVISIONS

Section 5.1 Restrictions Run with Land; Amendments. Unless canceled, altered or amended under the provisions of this Section 5.1, the covenants, conditions and restrictions set forth in this Declaration are to run with the land and shall be binding on all parties claiming under them for a period of twenty (20) years from the date this document is recorded, after which time they shall be extended automatically for successive periods often (10) years, unless an instrument signed by a majority of owners prior to the date of extension is placed of record in the Jefferson County Clerk's office canceling such automatic extension. These restrictions may be canceled, altered or amended at any time by the affirmative vote of the owners of Lots of more than sixty percent (60%) of the lot owners in the Subdivision in attendance of a duly called meeting. Anything to the contrary in this Declaration notwithstanding, the Association (and Lot owners) shall be responsible for the maintenance of the Common Area, private roads (if any), islands in the rights-of-way, and signature entrances, so long as the property subject to this Declaration is used as a residential subdivision or until properly dedicated to a unit of local government; this provision may not be amended.

Section 5.2 Severability; Modification. The provisions of this Declaration are severable. While the covenants, conditions or restrictions set forth above are considered to be reasonable in all circumstances, it is recognized that covenants, conditions or restrictions of this nature may fail for reasons unforeseen, and accordingly it is hereby declared that if any of such covenants, conditions or restrictions shall be adjudged void as going beyond what is reasonable in all circumstances, the said covenant, condition or restriction shall apply with such modifications as may be necessary to make it valid and effective. In the event any provision or portion of this Declaration shall be held or adjudged invalid or unenforceable and incapable of reasonable modification to make it valid and effective in accordance with this Section 5.2, the remaining provisions or portions of this Declaration shall not be invalidated thereby, but shall remain in full force and effect.

Section 5.3 Non-Liability of the Association and Board of Directors. The Association shall not be personally liable to the owners of the Lots for any mistake of judgment or for any other acts or omissions of any nature whatsoever while acting within the scope of the rights and duties specified in this Declaration, except for any acts or omissions found by a court to constitute gross negligence or actual fraud. The Lot owners shall defend, indemnify and hold harmless the Association and Board of Directors and their respective successors and assigns from and against any damages, costs and/or other expenses (including reasonable fees of counsel of the indemnified party's choice) arising out of or in connection with any actions taken in good faith in accordance with this Declaration.

Section 5.4 Enforcement. Enforcement of these restrictions shall be by proceeding at law or in equity, brought by the Association, any Lot owner 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 the Association, any Lot owner, or and Board of Directors to demand or insist upon observance of any of these restrictions or covenants, or to proceed for restraint of violations, shall not be deemed a waiver of a violation, or the right to seek enforcement of this Declaration at another time. Fines are limited to no more than \$100 per infraction.

Section 5.5 Discretion. At any time that the Association is granted a right of approval herein, such right of approval shall be exercisable within the sole and absolute discretion of the Association.

Section 5.6 Amendments to Articles and Bylaws. Nothing in this Declaration, shall limit the right of the Association to amend, from time to time, its Articles of Incorporation or Bylaws.

WITNESS the signature of the Association as of _____, 2008, but actually on the dates set.

By: _____

Title: _____

