

**ARTICLE V**  
**MAINTENANCE STANDARDS**

Section 5.1. Adoption and Amendment. In furtherance of the purposes outlined in Section 4.1, the Board shall have the right to adopt, and may from time to time amend, Maintenance Standards pertaining to the maintenance, repair and appearance of all Parcels, and the exterior of all Structures thereon, If any provision of any applicable building inspection, housing inspection or similar maintenance statute, ordinance, resolution, regulation or order of the State of Kentucky, any other political subdivision or governmental instrumentality of the State of Kentucky, the Board, or any homeowners association located within the Property is more stringent with regard to a Parcel than a comparable provision of the Maintenance Standards, such more stringent provision shall be deemed incorporated in the Maintenance Standards.

Section 5.2. Obligation to Keep Premises in Good Repair. Each Owner during his period of ownership and, during his tenancy, each Tenant leasing a Parcel, shall keep each Parcel owned or leased by him and all Structures thereon in such maintenance, repair and appearance as shall comply with the Maintenance Standards.

Section 5.3. Periodic Inspection. Periodically as needed, but not less frequently than once every three years, the Association shall inspect each Parcel and the exterior of each structure thereon to determine whether such Parcel and Structure comply with the Maintenance Standards. After each such inspection, the Association shall, if any defects are found, issue an inspection report to the Owner with a copy to the Tenant, if applicable, listing the defects, if any, and the reasonable time within which they may be corrected. Such Owner shall correct such defects or cause them to be corrected within such reasonable period as is stated in the inspection report.

Section 5.4. Drainage Swales. Each open storm water drainage way on any Parcel shall be maintained by the Owner of such Parcel in good condition and repair so that there will be no interference with the normal flow of water therein. Neither the Owner nor anyone claiming under the Owner shall, except in an emergency, alter the location or grade of any such drainage way without (a) an appropriate amendment of the Planning Brief for such Parcel as provided in Section 7.7 and (b) the prior written consent of the Association.

Section 5.5. Right of Entry. The Association, through its authorized officers, employees, and agents, shall have the right to enter upon any Parcel at all reasonable times and upon reasonable advance notice for the purpose of making inspection required by this Article without the Association or such officer, employee or agent being deemed to have committed a trespass or wrongful act solely by reason of such entry or such action or actions.

Section 5.6. Failure to Comply. Failure to comply with the Maintenance Standards or to correct the defects listed in any inspection report issued by the Association or to pay any fee hereunder shall constitute a Default. Upon any such violation the Association may take any and all legal steps necessary to remedy and abate the violation, and all such fees, included, but not limited to fine, court costs, and attorney and related fees shall be charged to the Owner.

**ARTICLE VI**  
**PROPERTY RIGHTS**

Section 6.1. Owner's Right of Enjoyment. Every Owner and, in the case of rented Living Units, such Owner's tenants, shall have a right to and easement for the enjoyment of, in, and to the Community Facilities, and such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

- A. The right of the Association, in accordance with its Articles of Incorporation and Regulations, to borrow money for the purpose of improving the Community Facilities, and in aid thereof to mortgage said property. The Association shall not mortgage the Community Facilities except by resolution approved by sixty-seven percent (67%) of the total number of votes held by the owners;
- B. The right of the association to levy annual general and special assessments and to charge reasonable admission and other fees for the use of any recreational facility which may be situated upon the Community Facilities;
- C. The right of the Association to suspend the voting rights and the rights to use the Community Facilities for any period during which any assessment remains unpaid for any infraction of published rules and regulations. Assessments shall continue during any suspension period;
- D. The right of the Association to grant easements over or to dedicate or transfer all or any part of the Community Facilities to any public agency, authority, utility, or other persons or entities for such purposes and subject to such conditions as may be determined by the Board of Directors.
- E. The rights of the Association and Owners of Lots to a perpetual easement over any Community Facilities and upon other Lots for gas, electric, telephones, water, sewer, drain, cable, television connections, and other utility conduits, with right to repair, maintain, and replace same, as they may be established over, upon and through the Community Facilities or other Lots, which rights are hereby expressly established, granted, and reserved for the benefit of the individual Lots;
- F. The right of the Association, acting by and through the Board of Directors or any of its committees, to prescribe and enforce reasonable rules and regulations governing the use of the Community Facilities.

Section 6.2. Title to Community Facilities. Title to the Community Facilities belongs to the Association free and clear of all liens and encumbrances.

Section 6.3. Delegation of Use and Rental of Living Units. Any Owner may delegate, in accordance with the applicable Regulations of the Association, their right of enjoyment of the Community Facilities to the members of their family residing in the Living Unit, guests, tenants, or contract purchasers who reside in the Living Unit.

Owners must have resided in the Living Unit for 2 years prior to being eligible for their Living Unit becoming a rental property. (The Association reserves the right to use its discretion to allow for variances in unusual situations.)

Any lease or rental agreement must be in writing and be subject to the requirements of the Declaration, the By-Laws and the policies of the Association. The Association, through the Board, shall have the power to create and amend such policies. This policy becomes effective any time ownership is transferred.

A copy of the lease or purchase agreement must be filed with the Association. The lease must include the names and contact information of the occupants.

No living Unit may be leased or rented for less than 12 months and no less than the total Living Unit may be rented. Subletting of the Living Unit is not allowed, including Airbnb and Vrbo rentals.

When an Owner opts to rent their Living Unit, the Owner continues to have the responsibility of maintenance of the Living Unit and the property (as well as the renters use of amenities such as the pool, ponds, lake, playground and clubhouse). The Owner maintains their voting rights in the Association provided there are no assessments against the property. The Owner must sign any rental agreement with the Association for the renters to rent the clubhouse.

When an Owner is a non-occupant and so delegates their rights herein to a tenant or contract purchaser, such Owner will forfeit their right to use of the Common Area during such non-occupancy. The renter or contract purchaser shall have the rights to the amenities.

Prior to the conveyance of any Living Unit, sex-offender status must be determined and appropriate laws regarding such need to be followed.

No more than 5% of the total number of Living Units may be rented at any time.



**ARTICLE VII**  
**ASSOCIATION MEMBERSHIP AND VOTING RIGHTS**

Section 7.1. Members. Every Owner shall be a member of the Association, and such membership shall be appurtenant to and may not be separated from ownership of any Lot or Living Unit.

Section 7.2. Voting Rights. Members shall be entitled to one vote for each such Lot or Living Unit owned. When more than one (1) person holds an interest in any Lot or Living Unit, all such persons shall be members. The vote for such Lot or Living Unit shall be exercised as the Owners determine, but in no event shall more than one (1) vote be cast with respect to any Lot or Living Unit.

**ARTICLE VIII**  
**ASSESSMENTS**

Section 8.1. Covenant for Assessments. The Parties hereto, and each person, group of persons or entity which becomes an Owner of a Lot or Living Unit, whether or not it shall, be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to pay the Association: (1) annual general assessments; (2) special assessments for capital improvements or other services provided by the Association; (3) individual assessments; and such assessments to be fixed, established and collected from time to time as hereinafter provided. All assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on and shall be a continuing lien upon the Living Unit or the Lot and improvements against which such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, including without limitation, attorneys' fees, shall also be the personal obligation of the person, group of persons or entity who was the Owner of such property and Lot at the time when the assessment fell due. However, should the property be transferred, the subsequent Owner shall also be responsible for all such costs, attorney fees and related expenses as such obligation shall be deemed to run with the land.

Section 8.2. Purpose of Assessments. The assessment levied by the Association shall be used to maintain, promote, protect and enhance the value of all Community Facilities and to cover all expenses of the Association and its committees in establishing and assuring a uniform plan for development of the property and enhancing and protecting its value, desirability and attractiveness.

Section 8.3 Annual General Assessments. An annual general assessment shall be levied equally on each Lot and Living Unit and each Owner of every parcel now or hereafter annexed to this Declaration whether said unit is on a Subdivision Lot or otherwise, by the Association to provide and be used for the purpose of: (a) Maintaining the entry monument at Saddlebrook Lane and U.S.25/42 connector, including but not limited to the stone sign, fencing, lighting plantings, irrigation and other costs incidental thereto; (b) Maintaining the center plantings and landscaping within the right-of-way along Saddlebrook Lane to the extent determined desirable by the Board of Directors of the Association and not maintained by any governmental authority; (c) Keeping all Community Facilities in such condition repair and appearance as shall comply with the Maintenance Standards set forth in Article V of this Declaration; (d) payment of all operational expenses of the Association and its committees in performing its review functions and operating its community facilities, now existing or hereinafter acquired, including but not limited to swimming pools, clubhouse facilities, parking lots and adjoining grounds and all walking paths, lakes, common Lake Club ground and other facilities for the common benefit of Owners; (e) providing fire and

extended coverage insurance, and vandalism and malicious mischief coverage, on a blanket basis (or such other varieties of insurance as may be agreed to by the Association). All of such insurance policies shall be payable to the Association as Trustee for the Living Unit Owners, the Association, and their mortgagees, as their interests may appear, the proceeds of which shall be used to restore or replace any improvements to any Community Facilities or other property of the Association, damaged or destroyed by any peril covered by said insurance; (f) repair, maintenance, lighting and snow removal of driveways and parking areas on the Community Facilities; (g) real estate taxes and assessments on Community Facilities; (h) management, supervision, legal and accounting expenses; (i) providing reasonable reserves for contingencies, replacements, maintenance, repairs, other costs incurred by the Association, and working capital of at least two (2) months' estimated expenses; (j) other maintenance and repair of Community Facilities as further detailed and limited in Section 9.1 and Section 9.2 of this Declaration; and (k) a formal reserve study will be conducted at least every 10 years.

Section 8.4. Special Assessments. In addition to the annual and individual assessments authorized by this Article, the Association may levy special assessments, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement, of a capital improvement located upon the Community Facilities.

Section 8.5. Individual Assessments. In the event that any damage is caused to any of the Community Facilities through the willful or negligent act of a Lot or Living Unit Owner, his family, tenants, guests or invitees, the Board shall have the obligation to correct or repair any such damage, and the costs thereof shall be added to and become a part of the assessment against the individual Lot or Living Unit owned by the Lot Owner, and/or his family, tenants, guests or invitees causing such damages.

Section 8.6. Basis and Apportionment of Assessments. Both annual general assessments and special assessments, as provided for in Sections 8.3 and 8.4 shall be apportioned equally upon all of the Lots and Living Units.

Section 8.7. Commencement of Assessments. The annual general assessment for each Lot or Living Unit shall commence on the first day of the month following the conveyance of the Lot or Living Unit. All assessments shall be payable in advance in equal installments as determined by the Board of Directors. Failure to mail notices by the dates required shall not affect the rights of the Association to assess Lots or Living Units as provided herein.

It shall be the duty of the Board of Directors of the Association to fix the amount of the annual general assessments applicable to



each Lot and Living Unit, annually. The Board of Directors shall make reasonable efforts to fix such amounts in advance by the first day of December of each year. Written notice of the Assessment shall thereupon be sent to the Owners subject thereto. Annual assessments shall become a lien on each Lot and Living Unit on January 1 of each year.

Individual and special assessments shall be fixed by the Board of Directors as provided in this Article, which assessments shall become a lien on the Lots and Living Units on the date that the Board mails certified written notice of any such assessment to the Owners subject thereto.

Section 8.8. Assessments Certificates. The Association shall, upon demand, at any reasonable time, furnish to any Owner liable for assessments or to his designee a certificate in writing signed by an officer or other authorized agent of the Association, setting forth the status of said assessments and the amount outstanding. Such certificate shall be conclusive evidence of the payments of any assessments therein stated to have been paid. A charge not to exceed Twenty-Five Dollars (\$25.00) may be levied in advance by the Association for each Certificate so delivered.

Section 8.9. Non-Payment of Assessment. Any installment of the assessment levied pursuant to these covenants which is not paid within thirty (30) days of the date when due shall be subject to a late charge of twenty five dollars (\$25.00) or such other amount as set by the Board of Directors and shall be delinquent and shall, together with such interest thereon and cost of collection thereof, including attorneys' fees, as hereinafter provided, thereupon become a continuing lien which shall bind such Lot or Living Unit in the hand of the then Owner, his heirs, devisees, personal representative and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation.

If the assessment installment is not paid within fifteen (15) days after the delinquency date, the entire annual assessment shall bear interest from the due date at the rate of eight percent (8%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or to foreclose the lien against the Lot or Living Unit, in either of which events, interest, costs and reasonable attorneys' fees shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessment herein provided for by non-use of any Community Facilities or abandonment of his Lot or Living Unit. To the extent discharged, the amount thus unpaid shall be deemed to be common expenses and shall be levied against all of the Lots and Living Units subject to such original type of assessment, at the time of the first assessment of the same type or types next following such Annual General assessment.



Section 8.10. Subordination of Lien to First Mortgage. Any lien for delinquent assessments, as provided In Section 8.9, shall be subordinate to a first mortgage on the Lot or Living Unit, if said first mortgage was recorded before the delinquent assessment came due.

When the mortgagee of first mortgage of record, or other purchaser of a Lot as a result of judicial execution, acquires title to the Lot or Living Unit as a result of foreclosure of the first mortgage or by deed in lieu of foreclosure of the first mortgage, such acquirer of title, his or its heirs, successors and assigns, shall not be solely liable for the share of the assessment by the Association chargeable to such Lot or Living Unit which became due prior to the acquisition of title to such Lot or Living Unit by such acquirer and any lien against such Lot or Living Unit shall be cancelled and voided, and shall become unenforceable. Such unpaid share of assessment shall be deemed to be common expenses collectible from all of the Lots and Living Units, including that of such acquirer, his or its heirs, successors and assigns.

**ARTICLE IX**  
**MAINTENANCE**

Section 9.1 Maintenance of Community Facilities. The Association shall be responsible for the care and maintenance of the Community Facilities including both interiors and exteriors of and structures erected thereon other than improvements within utility easements for which the utility company has such responsibility. Such property shall be maintained in such condition, repair and appearance as shall comply with the maintenance standards set forth in Article V of this Declaration. The Association shall have no responsibility for care and maintenance of the Lots or Living Units nor for any buildings, structures, or improvements located thereon.

Section 9.2. Reserves. The Association shall establish and maintain a reserve account containing such amounts as the Board of Directors shall annually determine to be necessary to adequately meet the cost of all anticipated repairs, replacements and maintenance activities required under this Declaration. Such account shall be funded from the annual general assessments provided for in Article VIII, Section 8.3.

Section 9.3. Professional Management Contracts. The Association may delegate all or any portion of its authority to discharge its responsibilities herein to a manager or managing agent. Any management agreement shall not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee, on ninety (90) days or less written notice.

**ARTICLE X**  
**INSURANCE**

Section 10.1. Fire, Extended Coverage and Standard "All Risks" Insurance. The Association shall maintain insurance for any buildings, structures and improvements hereinafter constructed on the Community Facilities against any loss or damage by fire, lightning and such other hazards as are ordinarily insured by a comprehensive fire, extended coverage and "all-risks" policies issued in the amounts at all time sufficient to prevent the Lot and Living Unit Owners from becoming coinsurers under the terms of any applicable coinsurance clause or provision and in no event less than the actual replacement cost of such buildings and structures, as determined from time to time by the insurer. The Association shall have no responsibility for insuring Living Units, buildings, structures or improvements located on the Lots or within utility easements for which the utility has such responsibility.

The insurance required hereby shall be obtained from a fire and casualty insurance company authorized to write such insurance in the State of Kentucky which has a general policy holder rating of no less than A, as determined by the then latest edition of the Best's Insurance Reports or its successor guide, and shall be written in the name of the Association for the use and benefit of the Lot and Living Unit Owners and their mortgagees as their interests may appear. The Board and/or its authorized representatives shall have the exclusive right to negotiate and adjust all losses to the Community Facilities. Unless the Board determines otherwise, all such insurance shall contain a waiver of subrogation of rights by the carrier as to the Association, its officers or Trustees, and all Lot and Living Unit Owners and occupants.

Section 10.2. Use of Fire Insurance Proceeds. Unless at least sixty seven percent (67%) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners of the Individual Lots have given their prior written approval, the Association shall not be entitled to use hazard insurance proceeds for losses to the Community Facilities for other than the repair, replacement or reconstruction of such Community Facilities.

Section 10.3. Liability Insurance. The Association shall obtain and maintain a comprehensive policy of public liability insurance covering all Community Facilities insuring the Association, the Trustees, and the Lot and Living Unit Owners and members of their respective families, tenants and occupants, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence for personal Injury and/or property damage; it being understood that it is the obligation of the individual Lot and Living Unit Owners to obtain liability insurance covering themselves, their tenants or other persons occupying through them for liability which arises out of the use or ownership of their Lot or Living Unit. The Association's insurance shall include protection against such risks as are customarily covered with respect to developments similar in construction, location and use, as determined by the Board. This insurance shall contain a "severability of interest" endorsement which shall preclude the insurer

from denying the claim for a Lot or Living Unit Owner, tenant or occupant because of negligent acts of the Association, the Board, or other Lot or Living Unit Owners, tenants, or occupants.

Section 10.4. Other Insurance. In addition, the Board may purchase and maintain contractual liability insurance, trustees' and officers' liability insurance, and such other insurance as the Board may deem desirable from time to time.

Section 10.5. Insufficient Insurance. In the event the improvements forming a part of the Community Facilities, or any portion thereof shall suffer damage or destruction from any cause or peril which is not insured against, or, if insured against, the insurance proceeds from which shall not be sufficient to pay the cost of repair, restoration or reconstruction, then, the Association shall advance such costs in excess of available insurance proceeds. The amount so advanced by the Association shall become a special assessment against all of the Lots, and such assessments shall have the same force and effect, and, if not paid, may be enforced in the same manner as herein provided for the non-payment of assessments. The action required to be taken by the Association under this Section shall not require any vote of the members of the Association.

Section 10.6. Fidelity Bonds. The Board shall obtain fidelity bond coverage with respect to any person who either handles or is responsible for funds held or administered by the Association in an amount no less than the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. Provided however, the fidelity bond coverage must at least equal the sum of three months' assessments on all lots in the project, plus the Association's reserve funds. A management agent handling funds for the Association shall also be covered by its own fidelity bond, naming the Association as an additional obligee, at the sole cost of said agent.



**ARTICLE XI**  
**MISCELLANEOUS**

Section 11.1. Duration. Except where permanent or perpetual easements or other permanent rights or interests are herein created, the terms and provisions of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by the Association, or by any of the Lot Owners, their respective legal representatives, heirs, successors and assigns, in perpetuity unless a recorded instrument signed by the then Owners of sixty-seven percent (67%) of the Lots has been recorded, agreeing to terminate the Declaration, and agreed to by Mortgagees representing sixty-seven percent (67%) of the votes of Eligible Mortgage Holders.

Section 11.2. Amendment. The Declaration may be amended, from time to time as follows:

This Declaration may be amended at any time by an instrument executed by persons or entities enabled to exercise sixty-seven (67) percent of the voting power of the Association and approved by Eligible Mortgage Holders representing least fifty-one (51) percent of the votes of Owners that are subject to Mortgages held by Eligible Mortgage Holders. Any amendment must be recorded and shall take effect only upon recording. Any amendment made without the required fifty-one (51) percent of the votes of Eligible Mortgage Holders shall nevertheless be valid among the Owners provided that the rights of non-consenting mortgagees may not be derogated thereby. Implied approval may be assumed when an Eligible Mortgage Holder fails to submit a response to any written notice, delivered by certified mail with a "return receipt" requested, within thirty (30) days after receipt.

Section 11.3. Personal Liability. Nothing in this Declaration, the Articles or the By-Laws and Regulations of the Association, or any rules or regulations enacted pursuant to any of the foresaid, shall impose personal liability upon any member of the Board of Directors or any officer of the Association acting in their capacity as such, for the maintenance, repair or replacement of any part of the Community Facilities or give rise to a cause of action against any of them except for damages resulting from their own willful omissions or misconduct and each person who becomes an Owner or Member hereby releases and discharges all persons now or hereafter serving as an Officer or Director, or both, from any liability for injury or damages to such member or Owner or to such member's or Owner's property and covenants not to initiate any legal proceedings against any such person or persons unless such said person is covered by association insurance and in such event the amount of recovery shall be limited to the amount of insurance.

Section 11.4. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, or emailed, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 11.5. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, to restrain and/or to enjoin violation and/or to recover damages, and against the land to enforce any lien created by these covenants; and the failure or forbearance by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 11.6. Severability.Invalidation of any one of these covenants or restrictions by judgement, decree or order shall in no way effect any other provision hereof, each of which shall remain in full force and effect.

Section 11.7. Conflicts. In the case of any conflict between this Declaration and either the Articles of Incorporation or the By-Laws of the Association the Declaration shall control.

Section 11.8. Rights of Mortgage Holders. Any first mortgagee or mortgagees of Lots or Living Units may, jointly or singly, pay any taxes or other charges which are in default, and which may, or have, become a charge against any Community Facilities on Area and may pay any overdue premiums on hazard insurance policies or secure new hard insurance coverage on the lapse of a policy, for such Community Facilities, and such first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

The holder, insurer or grantor of the first mortgage on any Lot or Living Unit shall be entitled to timely written notice of the following:

A. Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage;

B. Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot or Living Unit on which it holds the mortgage;

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

D. Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

A mortgage holder, insurer or guarantor shall send a written request to the Association, stating both its name and address and the Lot or Living Unit number or address of the Lot or Living Unit upon which it holds a mortgage, in order to obtain the foregoing notices.

Section 11.9. Condemnation.

A. In the event any Lot or Living Unit or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding

or are otherwise sought to be acquired by a condemning authority, the net proceeds of any award or settlement shall be the property of the Lot or Living Unit Owner and the holder of the first mortgage, to the extent of their respective interests. Each Owner shall give the holder of a first mortgage on the Owner's Property timely written notice of such proceeding or proposed acquisition.

B. In the event any Community Facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceedings or otherwise sought to be acquired by a condemning authority, the proceeds of any award or settlement shall be distributed to the Association for the common benefit of the Owners and their mortgagees, as their interests appear.

By execution of this Amendment, the President of Saddlebrook Farms certifies that at least sixty seven percent (67%) of the Owners have consented to this Amendment and their consents are collectively attached to this Amendment.

IN WITNESS WHEREOF, this instrument has been executed this 47<sup>th</sup> day of ~~JANUARY~~, 2023 by GERALD H. KING, President of Saddlebrook Farms, by and on behalf of the Corporation.

Saddlebrook Farms

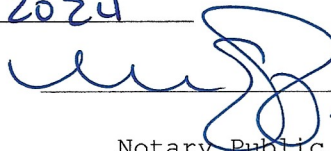


Commonwealth of Kentucky

County of Boone

Sworn to, subscribed, and acknowledged before me by Gerald H. King as President of Saddlebrook Farms, on behalf of the Corporation, this 47<sup>th</sup> day of January, 2023

My Commission expires: 1-9-2024



KYNP139  
Notary Public State-at-large