

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS, made and executed by the NICHOLAS COUNTY DEVELOPMENT CORPORATION, a Kentucky corporation with its principal office and place of business in Nicholas County, Kentucky, (hereinafter called "The Corporation");

WITNESSETH:

The Corporation does hereby make and impose upon the following described property located in Nicholas County, Kentucky to wit:

The entire area known as Lake Carnico Estates, plat of which is recorded in Deed Book 100, Page 523, in the office of the Clerk of the County Court of Nicholas County, Kentucky;

the following restrictions:

A. RESIDENTIAL AREA

A-1. **Land Use and Building type.** No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height and a private garage for not more than two cars.

A-2. **Architectural Control.** No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Board of Architectural Control as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line unless similarly approved. Approval shall be as provided in Part D.

A-3. **Easements.** Any easements for installation and maintenance of utilities, sewage, and drainage facilities are reserved by The Corporation on all lots.

A-4. **Nuisances.** No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

A-5. **Temporary Structure.** No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other out-building shall be used on any lot at any time as a residence either temporarily or permanently.

A-6. **Signs.** No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

A-7. **Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

A-8. **Livestock and Poultry.** No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes.

A-9. **Garbage and Refuse Disposal.** No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

A-10. **Water Supply.** No individual water-supply shall be used or permitted on any lot unless such system is located, constructed and equipped in accordance with the requirements of The Corporation. Approval of such system as installed shall be obtained from such authority. In the event a public water system becomes available, each lot owner is hereby required to use said public water system, to pay a minimum monthly water bill whether he has actually constructed a dwelling thereon or not, and to discontinue the use of any private system thereon.

A-11. **Sewage Disposal.** (a) No individual sewage-disposal system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of The Corporation. Approval of such system as installed shall be obtained from such authority.

(b) In the event a public sewage system becomes available, each lot owner is hereby required to use said public sewage system, to pay a minimum monthly bill whether he has actually constructed a dwelling thereon or not, and to discontinue the use of any private system thereon.

A-12. **Protective Screening.** Protective screening areas are hereby established to include both existing and new plantings in areas outside of lot areas, along existing and proposed road ways, and around areas of various land uses. Except as otherwise provided by The Corporation regarding street intersections, planting fences or walls shall be maintained throughout the entire length of such areas by the owner or owners of the lots at their own expense to form an effective screen for the protection of the residential area. No building or structure except a screen fence or wall or utilities or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the areas shall be permitted except for the purpose of installation and maintenance of screening, utilities and drainage facilities.

A-13. **Land Near Parks and Water Courses.** No building shall be placed, nor shall any material or refuse be placed or stored on any lot, within twenty feet of the property line of any park or edge of any open water course, except that clean fill may be placed nearer, provided that natural water course is not altered or blocked by such fill.

A-14. **Existing Trees.** No existing trees shall be cut within a lot area except where absolutely necessary for construction

of structures or driveways. Careful siting of such improvements is stressed in order to preserve large trees and natural clumps or groves.

A-15. **State Owned Land.** All lots abutting state owned land shall be subject to the provisions and regulations of such land, by the state or by The Corporation under contract with the State.

B. PARK AREA AND COMMON AREAS

B-1. **Right of Access.** Nicholas County Development Corporation retains the right to use and control the use of Lake Carnico, the water therein, boating, recreational privileges, and any and all commercial or other useages. No deed to any lot shall be deemed to convey any tangible or intangible property rights to said water, the use thereof, or any boating or recreational privileges.

B-2. **Annual Permit Requirements.** The owner of each full lot or lots may apply for a permit from The Corporation to operate a pleasure boat or boats on Lake Carnico, subject to such conditions as The Corporation imposes upon the granting of such permit. Such conditions will include the maximum of motor horsepower, type of motors and size of boats which may be operated on Lake Carnico. The owners of lots fronting upon Lake Carnico may apply for and obtain an annual permit to construct, operate, and maintain docks, or boat houses of a type to be subject to the approval of The Corporation.

C. BUSINESS AREA

C-1. **Building Height.** No building shall exceed one story or fifteen feet in height.

C-2. **Parking.** All businesses shall provide on-site parking at the ratio of three square feet of parking to one square foot of store area.

C-3. **Service Areas.** All service areas shall be located and screened from major view, and shall otherwise provide a neat appearance.

C-4. **Sign Control.** Signs shall be designed integrally with the business structure, and shall be subject to approval of the Board of Architectural Control.

D. BOARD OF ARCHITECTURAL CONTROL

D-1. **Membership.** The Architectural Control Board is composed of three (3) individuals selected by Nicholas County Development Corporation at the annual meeting of the Officers of said Corporation. A majority of the Board may designate a representative to act for it. In the event of death or resignation of any member of the Board, the remaining members shall have full authority to designate a successor. At any time the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to request a change in the membership of the Board.

D-2. **Procedure.** The Board's approval or disapproval as required in these covenants shall be in writing. In the event the Board or its designated representative, fails to approve or disapprove within thirty days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

E. GENERAL PROVISIONS

E-1. **Term.** These covenants are to run with the land, and shall be binding on all parties and all persons claiming under them for a period of twenty five years, unless changed by a majority of the Stockholders at their annual meeting. After such time, said covenants shall be automatically extended for successive periods of ten years unless an instrument, signed by a majority of the then owners of the lots, has been recorded agreeing to change said covenants in whole or in part.

E-2. **Enforcement.** Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages.

E-3. **Severability.** Invalidation of any one of these covenants by judgment or court order shall in no way affect any other of the provisions which shall remain in full force and effect.

E-4. **Ownership of Realty and Stock.** No single person, partnership, corporation, voluntary association, organization, or entity shall own more than two (2) lots, nor shall they own more than two (2) shares of stock of the Nicholas County Development Corporation.

E-5. **Sale of Realty and Stock.** In the event the owner of any realty purchased from Nicholas County Development Corporation undertakes to sell said realty, the owner agrees to submit the name of the purchaser to said Corporation for its approval or disapproval. Said Corporation reserves an option to purchase said property offered for sale at the price to be paid by the prospective purchaser for a period of at least thirty (30) days from the time said owner first notifies said Corporation of his intentions to sell to said purchaser. If said Corporation does not exercise its option to purchase as granted herein and approves the sale as previously provided herein at the end of the thirty day period, said owner shall be permitted to conclude the sale of his realty. A sale of the realty automatically includes a sale of the owner's stock in said Nicholas County Development Corporation in accordance with the by-laws of said corporation which provide that no person shall own realty of the corporation unless he is a stockholder therein. The same option privileges reserved to the Corporation for the purchase of the realty shall also apply to the purchase of the shares of stock of said person. These covenants shall run with the land and shall be binding upon heirs, devisees, legatees, executors, administrators, trustees, successors or assigns of any owner of realty or stock purchased from Nicholas County Development Corporation.

E-6. **Entire Area.** The owners of lots in Lake Carnico shall not apply for or incorporate any city or other municipal corporation or later annex any properties of Lake Carnico to any existing city or other municipal corporation without the written consent of Nicholas County Development Corporation.

THESE RESTRICTIONS ARE BEING SENT TO ALL STOCKHOLDERS AGAIN FOR YOUR RECORDS. PLEASE READ THEM CAREFULLY. It is necessary for all landowners to abide by these regulations. Violation of these restrictions could lead to a large fine.