

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE DIAMOND ACRES RV RESORT**

THIS DECLARATION is made this ____ day of _____, 2021 by Diamond Acres LLC, a Kentucky corporation, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer is the Owner of certain real property located in Whitley County, Kentucky, herein referred to as "the Properties", and desires to create a residential community which shall contain platted lots for recreational vehicles (RVs), common areas, recreation facilities (amenities), known as THE DIAMOND ACRES RV RESORT; and WHEREAS, Developer wishes to provide for the preservation, protection and maintenance of the appearance, values and amenities of THE DIAMOND ACRES RV RESORT; and WHEREAS, Developer desires to subject the real property described in Exhibit "A" to the terms, conditions, rights and obligations of this Declaration of Covenants, Conditions and Restrictions for THE DIAMOND ACRES RV RESORT, herein called the "Declaration"

NOW, THEREFORE, Developer hereby declares that all of the Properties in Exhibit "A" 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, and which shall run with, the real property and be binding on all parties having any right, title or interest in the properties or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of such Owners thereof.

ARTICLE I
DEFINITIONS

1.1 "Common Areas" shall mean all real property to be owned by the Association for the common use and enjoyment of the Owners, their agents, assigns, employees and invitees. The Common Areas shall include the land which is subject to this Declaration, less and excepting any Lot within the development.

1.2 "Common Expenses" or "Common Assessments" means all expenses and assessments which are properly incurred by the Developer, including, but not limited to, those items set forth in Article III.

1.3 "Common Facilities" shall mean all of the facilities, equipment and personal property to be owned by the Developer for the common use and enjoyment of the Owners.

1.4 "THE DIAMOND ACRES RV RESORT" shall mean the property described in Exhibit "A" together with all amendments thereto.

1.5 "Developer" shall mean and refer to DIAMOND ACRES, LLC, a Kentucky Limited Liability Company. It shall not include any person or entity who purchases a Lot from DIAMOND ACRES LLC, a Kentucky Limited Liability Company, unless such purchaser is specifically assigned some or all rights of DIAMOND ACRES, LLC, a Kentucky Limited Liability Company.

1.6 "Lot" or "Lots" shall mean and refer to any platted lot subject to this Declaration, which shall not include the Common Areas.

1.7 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the properties.

1.8 "Properties" or "Property" shall mean and refer to that certain real property described in Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of the Association and submitted to this Declaration.

1.9 "Vehicle" or "Vehicles" shall mean anything capable of transporting people which is propelled by an engine, including, but not limited to, cars, trucks, sport utility vehicles, recreational vehicles, off road vehicles, four wheelers, golf carts, motorcycles, mopeds, motorized scooters.

ARTICLE II **PROPERTY RIGHTS**

2.1 Every Owner shall have a right and easement of enjoyment in and to the Common Areas together with a nonexclusive easement of ingress and egress over the private roadways and sidewalks, which right and easement of enjoyment shall be appurtenant to and shall pass with title to every Lot subject to the following provisions:

- A. The right of the Developer to charge all Owners common assessments for the upkeep, maintenance and repair of the Common Areas and Common Facilities.
- B. The right of the Developer to dedicate or to transfer or grant an easement or property rights to all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be required.
- C. The right of the Developer to promulgate, modify, amend, and enforce reasonable rules and regulations relating to the use and enjoyment of the Common Areas and use of the Lots.
- D. The right of the Developer to grant or reserve utility easements throughout the Properties as may be required to adequately serve the Properties and/or other properties or land owned by Developer.
- E. The right of the Developer to grant or reserve easements for ingress and egress and rights-of-way for pedestrian and vehicular traffic over, through, on and across all Common Areas and upon all sidewalks, paths, walkways, lanes, streets, drives, circles, ways and avenues, as may be required to adequately serve the Properties and/or other properties or land owned by Developer.
- F. Any easements, restrictions, reservations, or conditions shown, or to be shown, on the various plats for THE DIAMOND ACRES RV RESORT.

G. The right of the Developer (and its agents, customers, and representatives) to the nonexclusive use of the Common Areas, without charge, for sales, display, access, exhibit and ingress and egress purposes until all Lots owned by the Developer are sold.

H. The right of the Developer to complete the construction and installation of all planned improvements.

I. The right of the Developer (and its agents, customers, and representatives) to open THE DIAMOND ACRES RV RESORT and its Common Areas to the public for activities.

2.2 Any Owner may delegate, in accordance with and subject to this Declaration, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, invitees or contract purchasers who reside on a Lot, subject to reasonable regulation by the Association, provided, however, the same shall not relieve the Owner of his responsibilities under this Declaration.

2.3 There shall be no judicial partition of the Common Areas, nor shall Developer, or any Owner or any other person acquiring any interest in the Properties or any part thereof, seek judicial partition thereof. However, nothing contained herein shall be construed to prevent judicial partition of any Lot owned in co-tenancy.

2.4 Within the easements for installation and maintenance of utilities and any drainage facilities, no structure, planting or other material shall be placed to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction or flow of drainage facilities in the easements.

ARTICLE III

COVENANTS FOR MAINTENANCE ASSESSMENT

3.1 Each Owner of any Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Developer Common Assessments, and any special assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from 30 days after the due date at the rate of twenty percent (20%) per annum, plus costs and reasonable attorneys' fees of collecting such assessments, shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each such assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment, or otherwise.

3.2 The common and special assessments levied by the Developer for payment of Common Expenses shall be used exclusively to promote the recreation, health, safety and welfare of the Owners of the Lots and, in particular, or the management, maintenance, operation, repair and replacement of the Common Areas and Common Facilities and for the management, maintenance, operation, repair and replacement of those improvements for which the Developer is responsible for maintenance and care, including but not limited to the following:

- A. Operation, maintenance, replacement and repair of all streets, parking areas and sidewalks, to the extent that such improvements are a part of the Common Areas.
- B. Operation, maintenance, replacement, and repair of all landscaped areas, including lawns, shrubs, trees and other plantings located on Common Areas.
- C. Mowing, edging, and fertilizing of grass on Common Areas.
- D. Operation, maintenance, replacement, and repair of all Common Facilities.
- E. Operation, maintenance, replacement and repair of all wetlands, lakes and vegetation areas designated as Common Areas or as Surface Water Management Areas.
- F. Operation, maintenance, replacement and repair of water and sewage facilities, electrical lighting, directional signage, and other necessary utility services located in the Common Areas.
- G. Charges for refuse collection and other utilities for Lots unless separately billed to Lots.
- H. Operation, maintenance, replacement and repair of all drains, drainage courses, drainage easements, sprinkler systems and utility easements in all Common Areas.
- I. The control of exotic vegetation and removal thereof in all Common Areas.
- J. Operation, maintenance, replacement and repair of fences, signs and entry gates and related facilities that are part of or appurtenant to improvements constructed on the Common Areas, clubhouse, and attendant facilities.
- K. Hiring management companies and the payment of management fees and charges for the hiring of personnel.
- L. Payment of taxes and any other tax or assessment levied against the Common Areas;
- M. Procuring insurance with coverage and policy limits as may be deemed necessary or advisable by the Developer.
- N. Acquisition of equipment for the Common Areas, clubhouse and attendant facilities as may be determined by the Developer, including without limitation, all equipment necessary or proper for use or maintenance of the Common Areas, clubhouse and attendant facilities.
- O. Acquisition of any other materials, supplies, equipment, labor, professional services including attorneys and accountants, management, supervision, services, personnel, repairs or insurance which shall be necessary or proper in the opinion of the Developer for the operation of the Common Areas and Common Facilities, for the benefit of the Owners and for the betterment of the Properties, or for the enforcement of these restrictions.

3.3 All regular and special assessments for the Developer shall be at a uniform rate for each Lot in the Property and shall be assessed against all Lots subject to this Declaration.

3.4 The initial assessment shall be set at \$125.00 per month for each lot owner and said assessment shall be due and payable on the first day of each month.

3.5 In addition to the regular assessments authorized above, the Developer may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvement. In addition, the Developer may levy special assessments in the same manner as hereinabove described for the purpose of defraying, in whole or in part, the cost of any unusual or emergency matters that affect all of the Lot Owners, or for the purpose of making up any deficiency between regular assessments and expenses.

3.6 Any assessment not paid within thirty (30) days after the due date will bear interest from the due date at an annual percentage rate of twenty percent (20%) for assessments not paid by the due date. The Developer may enact a reasonable late charge fee for assessments not paid by the due date. The Developer for its assessments may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, and interest, costs, and reasonable attorneys' fees and any such action will be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Developer the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all method available for the enforcement of such liens, including foreclosures by an action brought in the name of the Developer in a like manner as a mortgage lien on real property, and such Owner hereby expressly grants to said Developer a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Developer and shall be for the benefit of all Lot Owners. The Developer, acting on behalf of the Owners, shall have the power to bid for an interest foreclosed at such foreclosure sale and to acquire and hold, lease, mortgage and convey the same. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

3.7 The Developer shall adopt an estimated operating budget which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration will be met. Regular assessments shall be based upon the projections and estimates contained in the budget. The Developer may increase or decrease the assessments based upon actual revenue and expenses.

3.8 The Developer, or such other person as may be authorized by the Developer, upon demand of any Owner liable for an assessment, shall furnish to said Owner a certificate in writing signed by the Developer, setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

3.9 In the event the Common Areas are taxed separately from Lots, the Developer shall include such taxes as part of the common assessments. In the event the common Areas are taxed as a component of the value of the Lot owned by each Owner, it shall be the obligation of each Owner to promptly pay such taxes prior to there becoming a lien on the Lot.

3.10 The Developer may levy special assessments against selected Owners which have caused the Developer to incur special expenses due to willful or negligent acts of said Owners, their guests, or agents. All such special assessments shall be collected upon demand by the Developer.

3.11 Notwithstanding any provision of this Declaration, the Developer shall not be obligated for, nor subject to, any annual or special assessment for any Lot which it may own,

3.12 The assessment lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Kentucky law. The Developer, through its duly authorized agents, shall have the power to bid on any Lot at a foreclosure sale, and acquire and hold, lease, mortgage and convey the same.

3.13 The assessment liens and the right to foreclosure and sale thereunder shall be in addition to, and not in substitution for, all other rights and remedies which the Developer and its successors and assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

3.14 In the event the City, County, or any other governmental agency, assumes maintenance of all, or any part, of the Common Areas or Common Facilities, then, and in that event, the City, County, or other governmental agency shall be entitled to the same rights herein granted to the Developer.

ARTICLE IV

USE OF PROPERTY AND RESTRICTIONS

4.1 In order to maintain the Property as a desirable place for all Owners, the following protective covenants and restrictions are made a part of this Declaration:

(a) All Lots shall be used for residential purposes only and no business or occupation of any type or kind shall be conducted on or from any Lot within the development, except that Developer may designate certain Lots for storage or other use in Developer's sole discretion, including use as sales or model centers.

(b) All RV Lots are restricted to use by one (1) travel trailer, fifth wheel, or Motorhome hooked up to utilities. RVs must be modern, commercially manufactured, and presentable in looks and repair and positioned on the Lot's concrete pad. All RVs are subject to the approval and disapproval of the developer in its sole discretion. Excluded, among others, are mobile homes (as defined by the Kentucky Department of Transportation, Bureau of Motor Vehicles), tents, truck campers, fold-out campers and any RV not equipped for full utility hookups to the Park 's

water, sewer and electrical systems. No storage of additional trailers, motorhomes, fifth wheels, mini-motorhomes or Park Models is allowed on any Lot. No storage of utility trailers or automobile trailers is allowed on any Lot. Additional parking on the Lot is restricted to two currently licensed fully functional automobiles or other licensed vehicles, not excluded above, which shall be parked on the gravel driveway. The parking and/or storage of bicycles, golf carts, minibikes and motorcycles may be restricted by the rules and regulations of the Association.

(c) Aluminum carports, screen rooms and Florida rooms are not permitted. Free standing storage buildings are not permitted.

(d) Travel trailers, fifth wheels and motorhomes may not be permanently anchored. Free-standing air conditioning, heating equipment, storage rooms, screen rooms and Florida rooms may not be installed on any RVs. Travel trailers, fifth wheels and motorhomes may have portable, removable, temporary screen rooms or awnings, provided such accessories shall be stored or removed when RV is to be left unoccupied longer than 24 hours.

(e) No improvements or additions to a Lot, including without limitation any building, fence, wall, statue, storage shed, screen enclosure, awning, spa, hot tub or pool, shall be erected, placed or maintained, unless and until the plans and specifications therefore have been submitted to and approved by the Developer in its sole discretion.

(f) The exterior use and/or storage of refrigerators, freezers, LP gas bottles over forty (40) pounds, or vehicle parts, or any other items not deemed compatible to the Lots and surroundings are prohibited. This prohibition includes storage of any item of any type beneath an RV. Additionally, no part of the RV with attachments thereto and/or the transportation vehicle shall be parked so as to extend beyond any of the lot lines, set-backs lines, pullouts included. The easements for public utilities shall not be blocked or impaired. No vehicle maintenance may be performed upon the Lot or Common Areas except in areas, if any, which are designated by the developer for that purpose.

(g) Flower gardens are permitted and shall be placed where they will not interfere with lawn mowing responsibilities of the Developer. The location of all flower gardens and other planting including trees must be approved by the Developer before installation. The Developer may disapprove such plantings for any reason, including aesthetics. A minimum space of five feet must be maintained between any plantings and structures or planted areas to allow clearance for lawn mowing equipment.

(h) No fences or walls shall be permitted on any Lot. Nothing in this paragraph, however, shall be construed so as to disallow the building of a perimeter fence by the developer, or privacy fences in recreation areas adjacent to Lots.

(i) No outside satellite receptor dishes or devices, television or radio antennas, or any other type of electronic devices for the transmission or reception of electronic signals shall be allowed without the prior approval of the Developer, except those commercially manufactured and installed as part of an RV.

(j) Mowing, edging and fertilizing of Lots, landscaping including trees must be maintained by the Lot Owner in good living condition, provided, however, that the Developer shall have the

right to maintain and/or replace any landscaping including trees not so kept and assess the Lot Owner the costs thereof.

(k) It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly, or unkempt condition on his Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. Owners of Lots are responsible for their guests and invitees.

(l) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighbors. There shall not be maintained any poultry, animals (other than household pets) or device or thing of any sort whose normal existence or activities are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof.

(m) The use of each Lot within the development and related recreational and common areas shall be subject to the rules and regulations as may be adopted and implemented by the Developer from time to time which shall be applied on a uniform basis to all Lots located within the development.

(n) No Lot shall be subdivided, or its boundary lines changed except with the written consent of the developer.

(o) Lot Owners are responsible for keeping the exterior appearance of their RV or appurtenances in a well maintained and clean condition.

(p) Lot Owners are responsible for notifying the Board, in writing, of any changes in Lot ownership, which notice shall specify the name and address of any new Lot Owner. Prior to any Lot Owner(s) selling his, her or their lot, he, she or they shall first offer said lot to Diamond Acres, LLC, based upon the Right of First Refusal executed simultaneously with the Warranty Deed conveying said lot to the Lot Owner(s). Diamond Acres, LLC, reserves the Right of First Refusal on the sale of any lot located within the Development. Lot Owner(s) are required to offer Lot to Diamond Acres, LLC at a confirmed price in writing. Diamond Acres, LLC may purchase the lot or refuse in writing within 30 days. If Diamond Acres, LLC refuses the purchase, of the lot, the owner may sell the lot to any party at any price higher than the price offered to Diamond Acres, LLC.

(q) Household pets, limited to dogs, cats, birds or fish, are allowed. Any other type of pet is not allowed, unless prior written approval of the Developer is obtained. Pet owners must practice good pet control. Each pet must be registered with the Developer on forms provided by the Developer. Each pet must be licensed and inoculated in accordance with applicable laws and rules. Each pet is to be kept within the Lot Owner's RV except when the Lot Owner has the pet on a leash and is walking the pet. Any pet running loose in the park is a nuisance and may be impounded at the pet owner's expense. Pets are not allowed in any park building or any recreational area at any time, with the exception of seeing-eye dogs and other service animals. Any excretion left by a pet outdoors must be picked up immediately and disposed of in a sanitary manner by the person walking the pet. A pet which causes any disturbance, annoyance or harm, such as barking, growling, howling, biting or any other undesirable noise which annoys or causes harm to a neighbor is a nuisance, subject to written complaint. If a

resident files a written complaint with the Developer to the effect that any of these pet rules have been violated, and the Developer determines any of these pet rules have been violated, and the Developer determines that a violation has or is occurring, the Developer shall serve notice on the Lot Owner, in writing, to either correct the violation or to dispose of the pet. If, after a second written complaint, the Developer determines that the violation is continuing or that there is another violation of the same nature, the pet will be deemed to have endangered the life, health, safety or well-being of residents and is forever barred from the park. The Lot Owner shall remove the pet from the park within two (2) weeks. Only two (2) pets allowed per unit. Pets kept in an aquarium, such as fish, are excluded from these rules.

(r) No more than ten (10) persons shall occupy the Lot for a period in excess of seventy-two (72) hours, unless pre-approval is obtained by the Developer.

(s) No signs of any kind shall be displayed without the written consent of the Developer. This specifically includes "For Sale", "For Rent", and similar signs. This paragraph does not apply to the Developer.

(t) No outside toilets or showers are permitted on any Lot.

(u) No commercial activity of any kind whatsoever shall be conducted on or from any Lot in the Park. The foregoing restriction shall not, however, prevent the developer from designating from time-to-time certain areas or Lots in the Park for Commercial Use.

(v) Discharge of air pistols, rifles, firearms, or fireworks in the park is prohibited.

(w) No portion of a Lot (other than an entire Lot) may be rented. Each lot may submit to the Developer, a list of up to five guests that may use the lot during the owner's absence. Any additional occupancy of the lot outside of the owner or the listed guests must be leased through Diamond Acres LLC. All guests of owners shall be approved by the Developer and shall provide that the Developer shall have the right to eliminate the guest upon default by the guest in observing any of the provisions of this Declaration, applicable rules and regulations, or other applicable provisions of any, document or instrument governing the Lot. The guests of Lots shall also be subject to the prior written approval of the Developer. All Lot Owners will be jointly and severally liable with their guests to the Developer for any amount which is required by the Developer to affect such repairs or to pay any claim for injury or damage to property caused by the negligence of the guest.

(x) The rights of access and use established with respect to THE DIAMOND ACRES RV RESORT and the Lots and Common Areas contained therein shall be subject to security checks and restrictions. Security personnel shall have the right to stop and question persons and to require satisfactory evidence of any such person's right to be where such person is stopped. Persons not establishing that right to the satisfaction of the security personnel may be required to leave (even if such person actually has the right to be where stopped but is unable to prove such right satisfactorily).

(y) Guests must register upon their initial arrival and final departure for security control.

(z) Recreational facilities are for the sole use of residents and their guests. Hours of use and rules for use shall be posted.

(aa) Speed limit is 10 miles per hour.

(bb) The period of time from 10:00 p.m. to 8:00 a.m. each day shall be observed as the quiet hours.

(cc) Alcoholic beverages are not permitted in any common area of the park, except for special events with the prior approval of the Developer.

(dd) No permanent clotheslines, mailboxes, radio and/or television antennas shall be permitted on any Lot.

(ee) Timeshare estates are prohibited.

(ff) No garbage or trash receptacles shall be placed outside of the recreational vehicle.

(gg) Motorcycles, minibikes, mopeds and golf carts may not be used in the park in such a way as to create a nuisance or disturbance. In the event of a reported abuse, the Developer may prohibit the use of any such vehicle. All vehicles are to be operated ONLY by a LICENSED DRIVER 16 years of age or older as required by Kentucky State Laws. Owner of the vehicle is fully responsible for any injury to persons and/or property. Vehicles shall display the owner's lot number and any vehicle driven after dark must be equipped with headlights and either taillights or rear reflectors. No vehicle may be driven on private property (other than the owner's). Use of Four Wheelers, Razors, Side by Side's and other such All-Terrain Vehicles is strictly prohibited.

(hh) No individual well will be permitted on any Lot.

(ii) No cutting down of trees that have a base diameter of larger than 6 inches without Developer approval. Any trimming of limbs on trees that encroach into a Unit must be pre-approved by the Developer, which approval shall not be unreasonably withheld.

(jj) Owners shall not plant any plants, flowers or trees that will, at maturity, exceed twenty-four inches (24") in height, without the consent of the Developer.

(kk) No capturing, trapping or killing of wildlife within Diamond Acres Resort, except in circumstances posing an imminent threat to the safety of persons or for customary methods of control of common vermin.

(ll) No use or discharge of any radio, loudspeaker, horn, whistle, bell or other sound device so as to be audible to occupants of other lots, except alarm devices used exclusively for security purposes.

(mm) No outside burning of trash, leaves, debris or other materials, except burning of wood in designated and approved fire pits.

(nn) No Yard Sales. Yard sales are not permitted on any lot or common area.

(oo) Winterizing. Lot owners are responsible to turn off water supply at their lot's main valve area during periods of potential freeze. Lot owners will be responsible for any expense incurred to repair damage.

(pp) No camping shall be permitted in any area designated as common property, streets or service driveways. One tent shall be permitted per lot. Tent may only be set up from 6:00 pm 10:00 am. Tent must be taken down and put up daily.

(qq) No vehicle shall be parked on or along any street or service driveway or common property, except as such area may be from time to time so designated for parking while work is being done in the resort.

(rr) Covers used for boats, campers, grills, golf carts, etc., shall be designed for such purpose. Generic tarps are not allowed to be used as covers within the campground.

(ss) Items in need of repair (atv/utvs, golf carts other motorized vehicles, trailers, furniture, etc.) shall not be stored on lots.

(tt) No vehicle (including boats, carts, atvs, rvs or any other vehicle) will be parked on a lot without wheels.

(uu) When stored on a lot, boats, trailers, golf carts, must be parked in an orderly fashion on gravel or concrete and not grass.

(vv) A limit of no more than two of these items can be parked on an approved surface on a single lot at any time. (This means one Golf Cart and one Boat, no exception).

(ww) No, above ground power lines shall be permitted on the property. Unless deemed necessary by the developer.

4.2 Therefore, the Developer will undertake the work of constructing Lots and improvements. The completion of that work and the sale, rental, and other disposal of Lots is essential to the establishment and welfare of the Resort. Therefore, the Developer shall be exempt from such of the above restrictions in its use of the Properties as is reasonably necessary or advisable to permit it to develop, rent or sell Lots, including the use of Lots or the clubhouse or other Common Areas for a rental or sales office, entertaining and promotions alike.

4.3 In the event the Developer determines that a Lot or structure is not being maintained according to resort standards, the Developer may perform such maintenance and assess the Lot Owner for the cost thereof, which assessment shall be secured by a lien on the Lot.

ARTICLE V

MAINTENANCE, REPAIRS AND REPLACEMENTS

5.01 Responsibility for and expenses for the maintenance, repairs and replacements of the improvements located within THE DIAMOND ACRES RV RESORT shall be as follows:

(a) Owners. Except as otherwise provided herein, each Lot and the improvements thereon, including yard landscaping, RV, and concrete pad, shall be maintained by the Owner in a clean and sightly condition and in good repair. Owners shall maintain, replace, and repair at Owner's expense concrete pads and driveways and utility facilities located on the Lot which serve only that Lot, including wiring, piping and other mechanical or electrical equipment. All maintenance, repairs and/or replacements for which Lot Owners are responsible and obligated to perform, which, if not performed or omitted, would affect other Lots, shall be performed promptly as the need arises, and if such Owner(s) fails to promptly perform these obligations, the Developer shall have the right to perform these obligations and to assess such Owner(s) for the charges thereof. The cost of any such work performed by the Developer shall be secured by a lien upon the Lot in which the work was performed.

(b) Developer. The Developer shall be responsible for maintaining, repairing, replacing, and keeping in clean and orderly condition all of the Common Areas and Common Facilities.

ARTICLE VI

EASEMENTS FOR MAINTENANCE, CONSTRUCTION AND REPAIR

6.1 The Developer hereby reserves unto itself , its agents, employees, invitees and assigns, and for the benefit of the Developer, and the Developer's agents, employees, invitees and assigns, a nonexclusive easement for ingress and egress over any Lot located in the Properties in order to gain access to the Common Areas for the Developer to discharge their duties to construct, maintain and repair the Common Areas and for the purpose of maintaining the Property by the Developer in a manner consistent with the Developer's maintenance obligations of the Common Areas or rights provided herein.

6.2 The Developer reserves for itself and its designee (so long as Developer or said designee owns a Lot in the Properties), without consent of any person or entity whatsoever, the right to create and/or grant such additional easements for drainage, utilities, construction or repair or to relocate any easement in any portion of the Property as the Developer shall deem necessary or desirable for the proper development, operation and maintenance of the Properties, or any portion thereof, provided that such additional easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of any Lot for permitted purposes.

ARTICLE VII

LAKES AND OTHER SURFACE WATER MANAGEMENT AREAS

7.1 The Developer shall be responsible for the maintenance of the surface water management areas and systems in THE DIAMOND ACRES RV RESORT, which areas shall be a common area to be deeded to the Association.

(a) No structure of any kind (including docks) shall be constructed or erected, nor shall an Owner or the Developer in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water, in any portion of any water management area, including but not limited to lakes, ponds, swales, drainage ways or areas intended for the accumulation of run-off waters, without the written permission of Developer and any appropriate governmental agency.

(b) No Owner shall unreasonably deny or prevent ingress and egress to water management areas for maintenance, repair or landscaping purposes by Developer or any appropriate governmental agency that may reasonably require any right of ingress and egress, and easements therefore are hereby specifically reserved and created.

(c) No Lot shall be increased in size by filling in any lake, pond or other water retention or drainage areas which it abuts without the written permission of the Developer and any appropriate governmental agency. Owners or Developer shall not fill, dike, riprap, block, divert or change the established water retention and drainage areas that have been or may be created without the prior written consent of the Developer and any appropriate governmental agency.

(d) All surface water management systems within THE DIAMOND ACRES RV RESORT will be the ultimate responsibility of the Developer. The Developer may enter any Lot or Common Area and make whatever improvements or repairs are deemed necessary to restore proper water management. The cost shall be an expense of the Developer.

(e) Nothing in this section shall be construed to allow construction of any new water management facility or alteration of water management systems without first obtaining the necessary permits from all governmental regulatory agencies having jurisdiction.

(t) Notwithstanding anything in this Declaration to the contrary, any amendment which would affect the surface water management system, including the water management portion of the common areas, must have the approval of the Developer.

ARTICLE VIII

NATURE PRESERVE AREA

8.01 The Nature Preserve Areas designated on the plat of THE DIAMOND ACRES RV RESORT shall be a common area to be deeded to the Developer. The Nature Preserve Areas may not be altered from their natural state, other than any easements as shown on the Plat. No activities detrimental to drainage, flood control, water conservation, erosion control or fish and wildlife habitat conservation or preservation may be conducted in such area, including but not limited to construction or the placing of a building on or above ground, dumping or placing of soils or other substances such as trash, destruction of trees, shrubs or other vegetation, dredging or removal of soil material or diking.

ARTICLE IX

LEASES, CONCESSIONAIRES AND LENDERS

9.01 The Developer shall have the power and authority to lease portions of the Clubhouse or other common property to concessionaires or vendors for the purpose of supplying goods and services to THE DIAMOND ACRES RV RESORT, provided, however, that any such lease shall require the consent of Developer so long as Developer owns any Lot subject to this Declaration. All revenues received by the Developer shall be used to offset Common Expenses.

ARTICLE X

GENERAL PROVISIONS

10.1 The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall insure to the benefit of and be enforceable by the Developer or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, in perpetuity.

10.2 Any notices required to be sent to any Owner under the provision of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a Owner on the records of the Developer at the time of such mailing.

10.03 Invalidation of any one or more of these covenants and restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

10.4 This Declaration may be amended at any time without notice by the Developer.

10.5 So long as the Developer owns any portion of the Properties, Developer shall have the exclusive right to maintain a sales center, models or signs on the Properties to identify Lots Developer may have for sale or rent in the Properties. Developer shall also have the right for so long as Developer owns any portion of the Properties to maintain a sales center erected by the Developer on the Common Areas without payment of compensation to the Developer for any such use.

10.6 Developer intends on adding to the Properties, including the Common Areas, Common Facilities and Lots covered by this Declaration, accordingly, notwithstanding anything contained herein to the contrary, Developer may from time to time bring other land under the provisions of this Declaration by amending this Declaration (which shall not require the consent of then existing Owners, or their mortgagees). Nothing in this Declaration shall, however, obligate the Developer to add to the initial portion of the Properties or to develop future portions of THE DIAMOND ACRES RV RESORT. All Owners, by acceptance of a deed to or other conveyance of their Lot(s), thereby automatically consents to any such addition thereafter made by the Developer and shall evidence such consent in writing if requested to do so by the Developer at any time.

10.8 The construction and purchase of all proposed amenities, facilities and equipment for THE DIAMOND ACRES RV RESORT may not be complete at such time as this Declaration is

recorded. If not, upon completion or purchase of said amenities, facilities, and equipment, they will be owned and managed by the Developer.

10.9 All streets and rights of way within the Properties are platted as private streets and rights of way serving the Properties and other lands owned by the Developer, its successors and/or assigns. Nothing contained herein, however, shall prohibit the Developer from amending this Declaration in the future in order to make said streets and rights of way public, provided all applicable governmental authorities agree to accept said streets and rights of way and appropriate provisions are made for the maintenance thereof.

10.10 Whenever the singular use is used it shall include the plural and the singular, and the use of any gender shall include all genders.

10.11 This Declaration shall become effective upon its recording in the Public Records of Whitley County, Kentucky.

ARTICLE XI

HOMEOWNERS ASSOCIATION

11.01 Upon the sale of all lots located in the Development by the Developer, the Developer shall form a Homeowner's Association and adopt by-laws and appoint an initial board of directors. Upon formation of the Homeowner's Association, the Developer shall assign and transfer all of its rights pursuant to this Declaration to the Homeowner's Association.

11.02 Upon formation of the Homeowner's Association by the Developer, all Lot Owners shall become members of the Association and membership is mandatory and agreed to by Lot Owner's acceptance of the deed of conveyance to the Lot(s).

Signed, sealed, and delivered
in the presence of:

THE DIAMOND ACRES, LLC,
a Kentucky Limited Liability Company