

**RULES AND REGULATIONS
OF
THE PATIO HOME OF VALLEY FARMS – A CONDOMINIUM**

1. No sign of any kind may be erected, displayed or maintained in or on any of the common elements or limited common elements, or on any improvements erected within The Patio Homes of Valley Farms without the prior written consent of the Board of Administration (the "Board") of the Council of Co-Owners of The Patio Homes of Valley Farms, Inc. (the "Council") except one neat and attractive sign for advertising the sale or lease of a Unit, which shall not be greater in area than nine square feet and shall be acceptable in condition, format, appearance and content to the Board.
2. No fence, awning, storm window, storm door, canopy, shutter or lighting fixture may be affixed to or placed upon the exterior of any improvements or within The Patio Homes of Valley Farms without the prior written approval of the Board, and the prior written approval of the Board as to the designated style thereof. All yard ornaments, statues, sculptures, weather chimes, name plates, hanging or stationary bird feeders, and other similar outdoor ornaments must be approved in advance by the Board which approval may be arbitrarily withheld.
3. No radio or television antenna or transmitting or receiving device may be erected or maintained on the exterior of improvements or in the Common Areas of The Patio Homes of Valley Farms without the prior written consent of the Board.
4. Except for common domestic dogs and cats and other domestic pets traditionally recognized as household pets in Louisville, Kentucky (provided they are not kept or maintained for any commercial or breeding purposes), no animal may be kept or maintained within the Common Areas of, or any improvements erected within, The Patio Homes of Valley Farms. All permitted household pets shall be kept in accordance with the "leash laws" and any other related animal control ordinances of Jefferson County. The Unit owner keeping any such pets shall keep the Common Areas and Limited Common Areas in The Patio Homes of Valley Farms and the Common Areas of The Patio Homes of Valley Farms free of pet waste and feces, and any person in charge of such pets in such areas shall dispose of any feces dropped by the pet, in a prompt and sanitary manner; provided, that the foregoing shall not be construed to permit any person in charge of a pet or other animal to take the pet or animal on private property without the consent of the property owner. In addition to such other remedies as may be available, violation of this rule by any Unit owner or resident of The Patio Homes of Valley Farms may result in the suspension of the voting rights of a Unit owner in the Council and suspension of the rights to use the recreational facilities and other common amenities of The Patio Homes of Valley Farms.
5. No laundry, bedding or other item shall be hung from the exterior of any residence or hung in any of the Common Areas or Limited Common Areas of The Patio Homes of Valley Farms.

6. No auction, estate or garage sale, or other sale, whether public or private, may be conducted within the Common Areas of The Patio Homes of Valley Farms or in the improvements thereon without the prior written consent of the Board.
7. No bus, trailer, truck, house trailer, motorcycle, boat, boat trailer or rack, mobile home, motor home, camping trailer, recreational vehicle or movable unit of any type (even if temporarily immobile) may be parked or kept within The Patio Homes of Valley Farms for more than 24 hours, except for temporary maintenance vehicles and trucks making deliveries. Any vehicle determined to be objectionable or unsightly by the Board must be removed from The Patio Homes of Valley Farms upon notice from the Board. No vehicle which is inoperable shall be habitually or repeatedly parked or kept in a driveway, a designated parking space or any other areas within The Patio Homes of Valley Farms.
8. Parking along the streets within The Patio Homes of Valley Farms which obstruct the flow of traffic is expressly prohibited.
9. The Council will undertake snow and ice removal efforts only when there has been an accumulation of at least two inches.
10. Incinerators for garbage, trash or other refuse shall not be used nor permitted to be erected or placed on any of the Common Areas within The Patio Homes of Valley Farms.
11. All heating and air conditioning equipment, utility meters, woodpiles or garbage cans shall be located so as to be reasonably concealed from view of neighboring Units, the Common Areas, or any street.
12. Any assessment not paid within 30 days of its due date shall be deemed delinquent and shall bear interest at the rate established in the Master Deed and Declaration of Condominium Property Regime of The Patio Homes of Valley Farms— A Condominium (the “Master Deed”), and there shall be added a late charge in the amount of 1.5% per month or fraction thereof until paid.
13. No Owner shall do any planting or make any change in the limited common areas or the exterior of a Unit without the prior written consent of the Board.
14. Each Owner shall maintain condominium owner's insurance upon its Unit and upon the contents thereof as provided in the Master Deed.
15. Each Owner shall comply with the terms and conditions of the Master Declaration of Covenants, Conditions and Restrictions for Valley Farms Subdivision to the extent that the Master Declaration applies to The Patio Homes of Valley Farms.
16. No exterior or outdoor play equipment shall be located on any Common Areas within The Patio Homes of Valley Farms. All exterior or outside play equipment located on any Limited Common Areas, including, without limitation, swing sets, jungle gyms and similar equipment, shall be subject to the prior written approval of the Board in its sole discretion, and

all Unit owners and residents of The Patio Homes of Valley Farms are advised to obtain the approval of the Board prior to the construction or placement of any such equipment on any Limited Common Areas.

17. No trade or business of any kind (and no practice of any profession, including, without limitation, medicine, dentistry, chiropody, osteopathy, accounting, law and other like endeavors) shall be conducted in any Unit, nor shall anything be done thereon which constitutes or may become an annoyance or nuisance to the neighborhood or other residents in The Patio Homes of Valley Farms, as determined by the Board. Notwithstanding the provisions hereof, a new condominium unit may be used by the Developer (as defined in the Master Deed) as a model home or for the Developer's own office, provided that such use otherwise conforms to the Master Deed, these rules and any other rules as the Board may from time to time issue.

18. No portion of a Unit or the Limited Common Areas shall be used or maintained as a dumping ground for, or for the storage or keeping or disposal of, rubbish, trash, or garbage or other waste or Hazardous Substances. Rubbish, trash, garbage or other waste shall not be kept on any portion of a Unit or the Limited Common Areas except for normal household rubbish, trash, garbage and similar waste kept indoors within sanitary closed containers temporarily prior to collection. Such containers shall be placed at appropriate collection points not earlier than the night preceding a scheduled collection, and shall be promptly removed and returned indoors after each collection. The Board reserves the right to from time to time establish and maintain a uniform and exclusive trash collection program for The Patio Homes of Valley Farms with one or more contractors or companies selected by the Board on such terms as deemed acceptable by the Board in its discretion. There shall be no burning of trash or other refuse. For purposes of this Declaration, the term "Hazardous Substances" shall include, without limitation, petroleum, its products and by-products, and petrochemicals, and any compound containing any of the same, asbestos, radioactive substances, polychlorinated biphenals, any pollutant or contaminant and any hazardous, toxic, dangerous or flammable waste, substance or material, including any of the same defined as such in, for purposes of, or otherwise regulated or classified by or pursuant to, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") (43 U.S.C. §9601, *et seq.*) and regulations promulgated thereunder, as amended, any so-called "superfund" or "superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree (whether now existing or hereafter enacted, promulgated or issued) or any judicial or administrative interpretation of any of the same, and including "oil" and "oil waste" as defined in the Clean Water Act (33 U.S.C. §1251, *et seq.*), as amended. The definition of "Hazardous Substances" for purposes of these rules shall not include, however, small quantities of such substances described above which constitute or are included within normal household cleaning substances or other substances used in connection with normal single-family residential purposes which are in all cases kept within approved containers and stored, used and disposed of in accordance with all applicable governmental laws, rules and regulations and other applicable guidelines existing or established from time to time (such substances being hereinafter referred to as "Permitted Substances"). Each Unit owner shall indemnify and hold harmless the Board, the Council, the Valley Farms Residents Association, Inc., Renaissance/Valley Farms, LLC, and Valley Farms Patio Homes, LLC from and against any and all liabilities, damages, actions and causes of action, costs and expenses arising from or related to the storage, generation, disposal and/or use of any Hazardous Substances and/or

Permitted Substances by such Unit owner or otherwise released on the Common Areas or Limited Common Areas or in the Unit during the ownership of the Unit by such Unit owner.

19. Except as may be permitted from time to time by the Board in its sole discretion, no window air conditioning units may be kept or used in any Unit.

20. Except for seasonal Christmas/Holiday season decorative lights, and attendant displays and decorations, which may be displayed from December 1 of each year through the following January 10 and only as shall be acceptable to the Board in its sole discretion, all exterior lights must receive the prior written approval of the Board.

21. No Unit may be leased by the Unit owner except with the approval of the Board, which approval may contain such terms, conditions, requirements and restrictions as the Board may deem reasonably necessary and appropriate to protect and preserve the character and integrity of the Regime; provided, however, the foregoing shall not be applicable with respect to any Unit owned by the Developer or an affiliate of the Developer. Any Unit owner desiring to lease a Unit shall notify the Board in writing in accordance with such procedures as may be established by the Board, as the same may be amended and modified from time to time, and as are set forth in the Bylaws of the Council or these Rules and Regulations, which also may be amended and modified from time to time. At least fifteen (15) days prior to the execution of any of any Unit, the owner(s) of such Unit shall notify the Board in writing of the proposed lease, which notice shall specify in full the names of the proposed lessees thereunder and the names of such proposed lessees' dependents and other family members who will reside at such Unit, shall include a copy of the proposed lease and shall confirm that such proposed lease incorporates by reference the provisions of the Master Deed and these Rules and Regulations. Within fifteen (15) days following receipt of such information from a Unit owner, the Board shall either approve or reject the proposed lease with respect to such Unit, with any approval to be subject to such terms, conditions, requirements and restrictions as the Board may deem reasonably necessary and appropriate in order to protect and preserve the character and integrity of the Regime. The Board shall have the right to reject such request and the proposed lease if, in the opinion of the Board, such lease will have an adverse effect on the character and integrity of the Regime. If the Board fails to respond to such request within the required fifteen (15) day period, then such request shall automatically be deemed to be rejected by the Board. Such Unit owner(s) shall be and remain liable for any and all unpaid fees, charges and expenses owed to the Board and the Council by such proposed lessees and/or their dependents, whether in connection with the use of the recreational facilities within Valley Farms Subdivision or otherwise. All such unpaid fees, charges and expenses, and all such fees, charges and expenses incurred by the Board and the Council in connection therewith, including, without limitation, reasonable attorneys' fees and court costs, shall bear interest from the due date thereof until paid at a fixed rate of eighteen percent (18%) per annum or such lower rate as may constitute the maximum then permitted by applicable law, and all such amounts, plus accrued interest thereon, shall constitute a charge and lien upon the Unit to secure the payment thereof of equal priority to the lien for assessments provided for in the Master Deed.

22. No noxious or offensive trade or activity shall be conducted or permitted to exist in any Unit, nor shall anything be done in any Unit, or otherwise within The Patio Homes of Valley Farms, which may be or become an annoyance or nuisance to the owners and/or residents of The Patio Homes of Valley Farms.

23. No bus, mobile home, trailer, camping unit, camping vehicle, motor home, or other vehicle, or any structure other than the Unit, shall at any time be used as a residence, temporarily or permanently, within The Patio Homes of Valley Farms.

24. No mailboxes or newspaper holders other than one uniform mailbox and newspaper holder (with uniform letters and numbers) in the style and size prescribed by the Board shall be permitted, whether temporarily or otherwise, in The Patio Homes of Valley Farms.

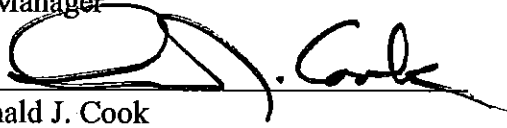
Certificate of Adoption

The undersigned Developer and owner of all units of the Regime hereby adopts the foregoing as the Rules and Regulations of The Patio Homes of Valley Farms - A Condominium on July 30, 2007.

DEVELOPER AND OWNER:

VALLEY FARMS PATIO HOMES, LLC
a Kentucky limited liability company

BY: DKCD, INC., a Kentucky corporation,
Manager

By .
Donald J. Cook

Title: President