

RULES AND REGULATIONS
OLD SILO HILL RETIREMENT COMMUNITY AT SILVER CREEK
(as of August __, 2006)

(A) General

(1) The **Old Silo Hill Retirement Community Association, Inc.** (the "council"), acting through its board of directors on behalf of all of the unit owners of **Old Silo Hill Retirement Community at Silver Creek** has adopted the following rules and regulations (the "regulations") to govern, in part, the operation of **Old Silo Hill Retirement Community at Silver Creek, a condominium property regime**, the master deed for which is dated August __, 2006 and is of record in Deed Book __, pages _____ through _____, inclusive, in the office of the County Clerk of Montgomery County, Kentucky (certain terms used in these regulations without definition have the meanings set forth for them in the master deed). These regulations may be amended from time to time or repealed by resolution of the board of directors enacted in accordance with the bylaws of the council.

(2) Wherever in these regulations reference is made to "unit owners," such term shall apply to the owner of any unit within **Old Silo Hill Retirement Community at Silver Creek** to such unit owner's family, tenants (whether or not in residence), servants, employees, agents, visitors, and to any guests, invitees, or licensees of such unit owner, his family, or the tenant of such unit owner. Wherever in these regulations reference is made to the council, such reference shall include the council and any managing agent for **Old Silo Hill Retirement Community at Silver Creek** when the managing agent is acting on behalf of the council.

(3) The unit owners shall comply with all the regulations hereinafter set forth governing the units, buildings, stairwells, building entrances, balconies, drives, recreational areas, grounds, parking areas, and any other common elements appurtenant to the condominium project.

(B) Restrictions on use

(1) Except as provided in section II(D) of the master deed, no part of the condominium project shall be used for any purpose except housing and the other purposes incident thereto and for which the condominium project was designed.

(2) There shall be no obstruction of the common elements. Nothing shall be stored on the common elements without the prior consent of the board of directors except as expressly permitted

under the terms of the condominium documents. No portion of the common elements shall be decorated or furnished by any unit owner in any manner. The common elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the units. The sidewalks shall be used for no purpose other than for normal transit. No unit owner shall enter upon the roofs of any of the buildings without the prior consent of the board of directors or managing agent and no antennas, satellite dishes, or other devices for transmitting or receiving electronic, microwave, or similar signals or any other structure, equipment, or other similar items may be placed on any roof or in any portion of the common elements.

(3) Nothing shall be done or kept in any of the common elements which will increase the rate of insurance for the buildings or contents thereof without the prior written consent of the board of directors. No unit owner shall permit anything to be done or kept in the unit or on the common elements which will result in the cancellation of insurance on the buildings or contents thereof or which would be in violation of any public law, ordinance, or regulation. No gasoline or other explosive or inflammable material may be kept in any unit or storage area. No waste shall be committed on the condominium project. All radio, television, or other electrical equipment of any kind or nature installed or used in each unit shall fully comply with all rules, regulations, requirements, or recommendations of the board of fire underwriters and the public authorities having jurisdiction over the same, and the unit owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment in such unit.

(4) All garbage and trash must be placed in the proper receptacles designated for refuse collection and no garbage or trash shall be placed elsewhere.

(5) Except in the recreational areas designated as such by the board of directors, no playing or lounging shall be permitted, nor shall baby carriages, bicycles, playpens, wagons, toys, benches, chairs, or other articles of personal property be left unattended in common areas of the buildings, parking areas, sidewalks, or lawns or elsewhere on or within the common elements.

(6) The toilets and other water and sewer apparatus shall be used only for the purposes for which designed, and no sweepings, matches, rags, ashes, or other articles not suitable to the intended use of such appliances shall be thrown therein. The cost of repairing any damage resulting from misuse of any such

apparatus shall be borne by the unit owner causing such damage. Unit owners are cautioned against excessive use of soaps and other detergents in their appliances or plumbing apparatus which may cause overflow of suds in any unit or in any central waste disposal system. Detergents and soaps shall be used only pursuant to manufacturer's directions.

(7) No unit owner shall sweep or throw or permit to be swept or thrown from the unit, from the doors, windows, or balconies thereof, any dirt, water, or other substance.

(8) Nothing shall be done to or in any unit or to or in the common elements (whether general or limited) which shall impair or would be likely to impair or change the structural integrity of any of the buildings, nor shall anything be altered or constructed on or separated from the common elements, except upon the prior written consent of the board of directors.

(9) No improper, unlawful, noxious, or offensive activity shall be conducted in any unit or on the common elements, nor shall anything be done therein which may be or become unreasonably annoying or a nuisance to the other unit owners or occupants of the units. No unit owner shall make or permit any unreasonably loud or disturbing noises in any building or do or permit anything to be done which will unreasonably interfere with the rights, comforts, or convenience of other unit owners. All unit owners shall keep the volume of any radio, television, musical instrument, or other sound-producing device in their units sufficiently reduced at all times so as not to disturb other unit owners. Despite such reduced volume, no unit owner shall operate or permit to be operated any such sound-producing devices in a unit between the hours of midnight and the following seven o'clock a.m. if such operation shall disturb or annoy other occupants.

(10) Except as provided in section II(D) of the master deed, no industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, whether or not designed for profit, altruism, exploitation, or otherwise, shall be conducted, maintained, or permitted on any part of the condominium project, nor shall any unit be used or rented for transient, hotel, or motel purposes. No sign or other window displays or advertising shall be maintained or permitted on any part of the condominium project or in any unit, except that unit owners, the declarant, the board of directors, or the managing agent, and any mortgagee who may become the owner of any unit, may place "for sale," "for rent," or "for lease" signs on units for the purpose of selling or leasing the same, but in no event will any such sign be larger than one foot by two feet nor shall it contain any material considered offensive by the board of

directors in its discretion (and any sign in violation hereof shall be forthwith removed upon notice from the board of directors).

(11) Except for the "for sale," "for rent" and "for lease" signs permitted by these regulations, no unit owner shall cause or permit anything to be hung, displayed, or exposed on the exterior of a unit or the common elements appurtenant thereto, whether through or upon the windows, doors, or masonry of such unit; provided, however, that unit owners may hang plants on any balcony appurtenant to the unit.

The prohibition herein includes, without limitation, laundry, clothing, rugs, awnings, canopies, shutters, radio or television antennas, or any other items. Under no circumstances shall any exhaust fan, air conditioning apparatus, television or radio antennas, or other items be installed by the unit owner beyond the boundaries of the unit. A unit owner may, however, use a central radio or television antenna provided as a part of the unit. No clothesline, clothes rack, or any other device may be used to hang any items on any window or patio, nor may such devices be used anywhere on the common elements except in such areas as may be specifically designated for such use by the board of directors. Patios shall not be used as storage areas. No patio shall be enclosed or covered by a unit owner without the prior written consent of the board of directors.

(12) The planting of plants, flowers, trees, shrubbery, and crops of any type is prohibited anywhere on the common elements without the prior written consent of the board of directors. No fences may be erected around or on the common elements.

(13) Solicitors are not permitted. Any unit owner who is contacted by a solicitor on the property is requested to notify the managing agent.

(14) No unit shall be used for any unlawful purpose and no unit owner shall do or permit any unlawful act in or upon a unit.

(15) Notwithstanding anything herein stated to the contrary, each unit may have a satellite disk measuring no more than 18 inches in diameter located on the garage for the unit.

(C) Pet rules

(1) No animals of any kind shall be raised, bred, or kept in any unit or on the common elements, except that dogs, cats, or caged birds (not to exceed one per unit without the prior approval of the board of directors) may be kept in a unit, subject to compliance with the bylaws and these regulations.

(2) No pet may be maintained in a unit if it becomes a nuisance. Actions which will constitute a nuisance include but are not limited to an attack by the pet on a person, or more than one unprovoked attack on other animals, abnormal or unreasonable crying, barking, or scratching, or fleas or other vermin infesting the pet if not eradicated promptly after the discovery of such infestation, and repeated defecation in areas of the condominium project other than any areas where such activity is permitted pursuant to express provisions of the condominium documents.

(3) All pets must be registered and inoculated as required by law and registered with the office of the council or managing agent for the council.

(4) Pet owners are fully responsible for personal injuries and/or property damage caused by their pets, and shall (and do hereby) indemnify the council and all other unit owners for all loss, cost, claim, and expense, including, without limitation, reasonable attorney fees, caused by such pets.

(5) Except in any designated pet exercise areas, pets must be leashed or carried; leashes may not exceed a length which will permit close control of the pet.

(6) Owners of pets walked upon the common elements must promptly clean up their pet's droppings in all areas outside any authorized pet exercise areas.

(D) Parking and storage

(1) No personal property may be stored on the common elements except in storage areas designated as such by the condominium documents or by the board of directors. All personal property placed in any portion of the buildings or any place appurtenant thereto, including without limitation the storage areas, shall be at the sole risk of the unit owner and the council shall in no event be liable for the loss, destruction, theft, or damage to such property.

(2) Should an employee of the council or the managing agent at the request of a unit owner move, handle, or store any articles in storage rooms or remove any articles therefrom or handle, move, park, or drive any automobile placed in the parking areas, then, and in every such case, such employee shall be deemed the agent solely of the unit owner and not of the council for such purpose. The council shall not be liable for any loss, damage, or expense that may be suffered or sustained in connection therewith. Employees of the council shall be under no obligation

to do or perform any of the foregoing, and this section is solely for the purpose of clarifying that the council shall have no liability for any such actions by any employee of the council or of the managing agent.

(3) No trailers, campers, recreational vehicles, boats, vans, or other large vehicles may be parked on the condominium project. All vehicles shall be parked wholly within parking space lines. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the common elements. Except in areas designated by the board of directors, vehicle repairs other than: (a) emergency maintenance, (b) ordinary light maintenance (excluding fluid changes and other operations which might soil the common elements), and (c) normal cleaning (but only in areas designated by the board), are not permitted on the common elements.

(4) All unit owners shall observe and abide by all parking and traffic regulations posted by the council or by governmental authorities. Vehicles parked in violation of any such regulations may be towed away at the unit owner's sole risk and expense.

(5) Parking in a manner which blocks sidewalks or driveways is not permitted. If any vehicle owned or operated by a unit owner, any member of such unit owner's family, tenants, guests, invitees, or licensees shall be illegally parked or abandoned on the condominium project, the council shall be indemnified and held harmless by such unit owner for any and all loss, claim, damage, or expense, including but not limited to reasonable attorney fees, that may ensue. Any such vehicle may be towed or removed by the council at the expense and sole risk of the unit owner. The council shall have no responsibility for damage to any vehicle so removed.

(E) Entry into units

(1) The council or managing agent shall not cause a master key system to be used for units in the condominium project; however, each unit owner shall provide the council or the managing agent, and the council or the managing agent shall have the right to keep, a working copy of any key(s) required to gain entry to any unit. These key(s) ("emergency keys") shall be coded in such a way as to prevent identification by unauthorized persons and secured by the council or managing agent in a locked box for use only if entry to such unit is necessitated by the fact or threat of fire, flood, or any other emergency condition which is likely to adversely affect the common elements or other units. The council or managing agent shall establish and implement, subject to prior approval of the board of directors, procedures and controls to ensure the proper use of such emergency keys. In no

event shall such keys be removed from the locked box and used to facilitate entry to a unit for purposes other than those noted above. The council shall have no liability to any unit owner for failure to enter any unit in the event of an emergency, and no such liability shall be assumed by the council by reason of its possession of emergency keys.

(2) The agents of the board of directors or the managing agent, and any contractor or workman authorized by the board of directors or the managing agent, may enter any room or unit in the buildings at any time reasonably convenient to the unit owner (except in case of emergency in which case entry may be immediate and without such permission) for the purpose of exercising and discharging their proper respective responsibilities, including, without limitation, inspecting such unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests.

(3) Employees and agents of the council are not authorized to accept packages, keys (other than "emergency keys"), money, or articles of any description from or for the benefit of a unit owner. If packages, keys other than emergency keys (whether for a unit or an automobile), money, or articles of any description are left with the employees or agents of the council, the unit owner assumes the sole risk therefor and the unit owner, not the council, shall be liable for injury, loss, or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. The council does not assume any responsibility for loss or damage in such cases. Deliveries requiring the council or the managing agent to provide entrance to a unit will not be accepted.

(F) Recreational and common facilities

(1) All persons using any of the recreational or common facilities which are part of the common elements do so at their own risk and sole responsibility. The council does not assume responsibility for any occurrence, accident, or injury in connection with such use. Each unit owner waives any right to make any claim against the council, its servants, agents, or employees, for or on account of any loss or damage to life, limb, or property sustained as a result of or in connection with any such use of any of the recreational or common facilities. Each unit owner shall hold the council harmless from any and all liabilities and any action of whatsoever nature by any tenants, guests, invitees, or licensees of such unit owner arising out of the use of the recreational or common facilities, except where such loss, injury, or damage can be clearly proved to have resulted from and been proximately caused by the direct willful

action or gross negligence of the council or its agents, servants, or employees in the operation, care, or maintenance of such facilities.

(2) Any damage to the buildings or common elements or equipment caused by a unit owner or such unit owner's pet(s) shall be repaired at the expense of the unit owner promptly upon request from the council or any managing agent.

(G) Moving

Move-ins and move-outs are restricted to the hours between 8:00 a.m. and 9:00 p.m. Each unit owner is responsible for the proper removal of trash, debris, crating, or boxes relating to that unit owner's move-in or move-out.

(H) Council

(1) Charges and assessments imposed by the council are due and payable on the first day of each month, unless otherwise specified. Payment shall be made at the managing agent's office by check or money order, payable to the order of the council, or otherwise as the board of directors may direct. Cash will not be accepted.

(2) Complaints regarding the management of the condominium project or regarding actions of other unit owners shall be made in writing to the managing agent or to the board of directors. No unit owner shall direct, supervise, or in any manner attempt to assert control over or request favors of any employee of the managing agent or the council.

(3) A unit owner may apply to the board of directors or managing agent for a temporary waiver of one or more of the foregoing rules. Such temporary waiver may be granted by a majority of the board of directors, for good cause shown, if, in the judgment of the board of directors, such temporary waiver will not unreasonably interfere with or materially impair the purposes for which the condominium project was formed or present a material adverse risk to the council, the condominium project, or the other unit owners.

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