

This Instrument Prepared by:
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Knoxville, TN 37929
(69263)

DECLARATION OF COVENANTS AND RESTRICTIONS ANDOVER COURT SUBDIVISION

This Declaration of Covenants and Restrictions made, published, and declared this 1ST day of November, 2001 by FRED LONG CONSTRUCTION CONCEPTS, a Tennessee general partnership, hereinafter referred to as "Developer".

WITNESSETH

WHEREAS, Developer is the owner of all of the subdivided and numbered lots in Andover Court Subdivision, a subdivision to Knox County, Tennessee, as shown on the map of the same of record as Instrument No. 200107050000839 in the records of the Register of Deeds Office of Knox County, Tennessee, (hereinafter referred to as "Subdivision") and desires to create a residential community with certain common facilities for the benefit of said community; and

WHEREAS, Developer desires to establish restrictions applicable to the subdivided and numbered lots within the aforesaid Subdivision; and

WHEREAS, Developer desires to provide for the preservation of values in said Subdivision and for the maintenance of said common facilities; and to this end desires to subject the real property described as Andover Court Subdivision to the covenants, restrictions, easements, charges and liens, hereinafter set forth, for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable for efficient preservation of the values of said Subdivision to create an agency to which should be delegated and assigned the powers of maintaining and administering the Subdivision and common facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer will incorporate under the laws of the State of Tennessee a non-profit corporation, Andover Court Subdivision Homeowners Association, Inc., for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer declares that real property identified as Andover Court Subdivision (the "Subdivision"), as more particularly described above, shall be

held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, charges, easements and liens (sometimes referred to as the Covenants and Restrictions) herein set forth.

ARTICLE I DEFINITIONS

Section 1.

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to the Andover Court Subdivision Homeowners Association, Inc.
- (b) The "Properties" shall mean and refer to all subdivided and numbered lots in the Subdivision as shown on the recorded plats.
- (c) "Common Properties" shall mean and refer to the entrance structures and landscaping, the street lights located throughout the Subdivision, and the "Detention Basin Drainage Easement" as shown on the map of the Subdivision recorded as Instrument No. 200107050000839 in the records of the Knox County Register's Office.
- (d) "Lot" shall mean and refer to all numbered residential Lots shown upon any recorded subdivision plat or map of the "Properties" pursuant to this Declaration.
- (e) "Living Unit" shall mean and refer to any portion of a building situated upon the "Properties" designed and intended for use and occupancy as a residence by a single family.
- (f) "Owner" shall mean and refer to the Owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties but, notwithstanding any applicable legal theory, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired possession or title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (g) "Member" shall mean and refer to all those Owners who are members of the Association as provided in the Charter and By-laws of the Corporation and in Article III, Section 1, hereof.
- (h) "Traditional Architecture" shall be defined as residential architecture categorized as Williamsburg, Cape Cod, American Colonial, Georgia, French Provincial, English Tudor, and all other Traditional Single Family Residential Architecture common in the United States and not typically referred to as a Contemporary.
- (i) "Director" shall mean and refer to a Director of or Member of the Board of Directors of the Andover Court Subdivision Homeowners Association, Inc.

- (j) "Board of Directors" shall mean and refer to the Board of Directors of the Andover Court Subdivision Homeowners Association, Inc.
- (k) "Planning Committee" shall mean and refer to M. A. SCHUBERT, JR., and FRED H. LONG, and one other member appointed by M.A. Schubert, Jr., and Fred H. Long. The Developer shall have full authority in its sole discretion to replace the other committee member at any time and for any reason. In the event of the death of either M.A. Schubert, Jr., or Fred H. Long, the survivor shall exercise the deceased's powers under this paragraph.

ARTICLE II

These covenants and restrictions are to take effect immediately and shall be binding on all parties and all persons claiming under them until June 2031. Said covenants and restrictions shall be automatically extended for successive periods of ten years unless the majority of the then Members vote at any time thereafter to change or terminate them in whole or in part.

1. If the parties hereto or any of them or their heirs, successors, and assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from so doing or to recover damages or other dues for such violation.
2. Invalidation of any one of these covenants by judgment or court order shall not in any way affect any of the other provisions which shall remain in full force and effect.
3. All numbered Lots shown on the recorded map for Andover Court Subdivision shall be known and designated as residential Lots. Except as otherwise provided herein, no structure shall be erected, altered or placed or permitted to remain on any Lot other than one detached single-family dwelling not to exceed two stories in height plus a basement and a private garage and the usual domestic servants' quarters. All residential structures shall be of Traditional Architecture as described in Article I, Section I(h) herein.
4. All building setback lines shall comply with the regulations of the applicable governmental planning agency as shown on the map for Andover Court Subdivision recorded as Instrument No. 20017050000839 in the Knox County Register's Office, as same may be revised from time to time, unless the Planning Committee shall require greater setbacks.
5. No Lot shown on said map may be subdivided or reduced in size by any device, voluntary alienation, partition, judicial sale, or other proceeding or process of any kind, except for the purpose of increasing the size of another Lot. In the event a Lot is reduced in size to increase the size of another Lot, the Planning Committee shall have the sole and exclusive right to waive any requirements regarding setbacks for the Lot so reduced.

6. All fencing and walls shall be attractive and consistent with the colors and materials used on the house and must be approved by the Planning Committee. Chain link fences are prohibited unless approved by the Planning Committee.
7. No radio or television aerial or antenna devices or any other exterior electronic or electric equipment or devices of any kind shall be installed or maintained on the exterior of any structure located on a Lot or any part of any Lot unless approved by the Planning Committee.
8. Air conditioners and trash containers shall be concealed from view by appropriate screening which shall be approved by the Planning Committee.
9. All driveways shall be paved with asphalt or concrete or other materials approved by the Planning Committee.
10. Outside light poles and any other poles and/or outside lighting must be approved by the Planning Committee.
11. All playground and recreational equipment must be used, erected, placed or maintained to the rear of all Lots.
12. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.
13. No trailer, basement, tent, shack, garage, barn, or other outbuilding erected on a Lot shall at any time be used as a residence, temporarily or permanently; nor shall any structure of a temporary character be used as a residence. Temporary structures may be used as building or sales offices and for related purposes during the construction period by Developer, and/or a builder until models have been completed.
14. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat.
15. No sign of any kind shall be displayed to the public view on any Lot or public road right-of-way within the Subdivision except one sign of not more than five square feet used by builder to advertise the property during the construction and sales period or for advertising the property for sale or for rent at any time. Developer reserves the right to display and authorize the display of signs for a larger size for promotion of the development.
16. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats, and other household pets may be kept; provided that they are not kept, bred, or maintained for commercial purposes and are not a nuisance to the Subdivision.
17. All Lots, together with the exterior of all structures located thereon, shall be maintained in a neat and attractive condition by their respective Owners or occupants. Such maintenance shall include, but not be limited to, painting, repairing, replacing, and caring for roofs, gutters, downspouts, building surfaces, patios, walkways, driveways, and other exterior improvements. The

Owner or occupant of each Lot shall at all times maintain landscaping, grass, trees and shrubbery in a neat, sanitary, healthful, and attractive manner. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. All equipment for the storage of such materials shall be kept in a clean and sanitary condition and shall be screened from public view. No incinerator shall be permitted on any Lot. No Lot shall be used for storage of material and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash, or rubbish of any kind and the burning (except as permitted by law) of any such materials is prohibited. At no time shall any Lot be stripped of its top soil or trees or allowed to go to waste or waste away by being neglected, excavated, or having refuse or trash thrown, dropped or dumped upon it. No lumber, brick, stone, cinder block, concrete block or other materials used for building purposes shall be stored upon any Lot for more than a reasonable time for completion of the construction in which they are to be used. No person shall place on any Lot refuse, stumps, rock, concrete blocks, dirt or building materials or other undesirable materials except as herein provided. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements, or any of them, with such default continuing after ten (10) days' written notice thereof to the Owner and occupant, if applicable, the Association may, subject to approval of its Board of Directors, or the Developer may, without requiring approval of the Association's Board of Directors, enter upon said Lot repair, maintain, and restore the same, cut or prune or cause to be cut or pruned, such weeds, grass, trees and shrubbery and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Lot in a neat, attractive, healthful and sanitary condition. In so doing, the Association shall not be subject to any liability for trespass or otherwise, and an easement to enter upon each Lot is hereby reserved for this purpose. All costs incurred in any such repair, maintenance, restoration, cutting, pruning or removal shall be charged to the Owner of such Lot as the personal obligation of such Owner and shall be a lien upon the Lot, enforceable and collectible either by injunctive relief or in the same manner and to the same extent as any other assessment herein provided. Any occupant of such Lot shall also be jointly and severally liable with the Owner for the payment of such costs.

18. Mail boxes shall be of a design and type approved by the Planning Committee.
19. No person shall be permitted to store or park house trailers, campers, motorhomes, pleasure or fishing boats, trailers or other similar type vehicles on or about said residence unless the same are stored or parked so as not to be readily visible from the street or adjoining properties. No automobiles which are inoperable or being stored shall be repeatedly parked, kept repaired or maintained on the street, driveway or lawn of any Lot unless the same are stored or parked so as not to be readily visible from the street or adjoining properties. Notwithstanding the above provisions in this

subparagraph, before the above-identified vehicles may be stored on a Lot, a request for review of the storage arrangement must first be made to the Planning Committee, which will review each request on a case-by-case basis prior to approval or disapproval thereof.

20. Clotheslines and other devices or structures designed and customarily used for drying or airing of clothes, blankets, bed linens, towels, rugs or any other type of householdware shall not be permitted; and no articles or items of any description or kind shall be displayed or placed in or on the yard or exterior of any dwelling for the purpose of drying, airing, or curing said items.
21. All Lots located within Andover Court Subdivision shall be subject to the following square footage requirements:
 - (a) All one-level houses shall have a minimum square footage of 1,600 square feet.
 - (b) All 1 and 1/2 or 2-story houses shall have a minimum square footage of 2,000 square feet. Any finished areas of the house with a minimum 17-foot ceiling height above the finished floor level shall be calculated as double square footage.
 - (c) Multi-level homes may be constructed only with the approval of the Planning Committee.
 - (d) The computation of square footage shall be exclusive of porches and garages.
22. No building structure or other improvement shall be erected, placed, altered or permitted to remain on a Lot until the plans and specifications for the building or alteration have been approved in writing by the Planning Committee. For the purpose of further assuring the development of the subdivision as a residential area of high quality and standards and to assure that all improvements on each Lot shall present an attractive and pleasing appearance, the Planning Committee shall have the exclusive power and authority, in its sole discretion, to control and approve all buildings, structures, and other improvements on each Lot; and no fence, wall, utility yard, driveway, swimming pool, or other structure or improvement, regardless of size or purpose, whether attached or detached from the main residence, shall be commenced, placed, erected, or allowed to remain on any building Lot, nor shall any addition to or exterior change or alteration thereto be made, unless and until building plans and specifications covering the same have been so approved by the Planning Committee. Said plans and specifications shall include the nature, kind, shape, height, size, materials, floor plans, exterior color schemes (with paint samples), location and orientation of on-site sewage and water facilities, and such other information as the Planning Committee shall require, including, if requested, plans and specifications for grading and landscaping including changes in the elevation or contours of the land. All such plans and specifications shall be lodged permanently with the Planning Committee. In considering whether or not to approve any such plans

and specifications, including grading and landscaping plans, the Planning Committee may take into consideration aesthetics and future development plans for the Subdivision and/or contiguous land, building materials, the proposed workmanship, harmony of the exterior design with the surrounding neighborhood and existing structures, and the probable affect and appearance of such proposed construction. In the event said Planning Committee fails to approve or disapprove the design and location within ten (10) days after plans and specifications have been submitted to it in writing, said plans shall be deemed disapproved.

23. Unless otherwise approved by the Planning Committee, all houses shall have as a minimum a two-car attached garage constructed above ground level that will accommodate two large- sized automobiles. The Planning Committee in its sole discretion shall have the authority to allow two-car garages in the basement of a basement house.
24. The Planning Committee shall have the sole and exclusive right at any time and from time to time to delegate, transfer, assign to, and withdraw from, any person, firm or corporation it selects any and all rights, powers, privileges, authorities and reservations given or reserved in these covenants and restrictions.
25. Except as otherwise provided herein, the Planning Committee shall have the right in its sole discretion (a) to amend these covenants and restrictions provided all such amendments conform to the general purposes and standards of the covenants and restrictions herein contained, (b) to amend these covenants and restrictions for the purpose of curing any ambiguity or inconsistency contained herein, (c) to include in any Contract or Deed or other instrument hereafter made any additional covenants and restrictions applicable to unsold Lots or Subdivision land which do not, in the opinion of the Planning Committee, lower the standards of the covenants and restrictions herein contained, and (d) to release any building Lot from any part of the covenants and restrictions (including, without limiting the foregoing, building restriction lines and provisions hereof relating thereto) if the Planning Committee determines that such release is reasonable and does not substantially affect any other building Lot.
26. In the event of damage or destruction to any structure located on the Properties, the respective Owner thereof agrees as follows:
 - (a) In the event of total destruction, the Owner shall promptly clear the Lot of debris and return the same to a neat and orderly condition. Within 60 days of any insurance settlement, the Owner shall commence to rebuild and reconstruct the structure in conformity with the plans and specifications of the original structure, subject to any changes or modifications as approved by the Planning Committee in accordance with Article II, Section 22 hereof.
 - (b) In the case of partial damage or destruction, the Owner shall, as promptly as permitted by the insurance adjustment, cause the damage

or destruction to be repaired and restored in accordance with the plans and specifications of the original structure and in conformity with its original exterior appearance. Any change or alteration shall be approved by the Planning Committee in accordance with Article II, Section 22 hereof. In no event shall any damaged structure be left unrepaired and unrestored for more than sixty (60) days, from the date of receipt of the insurance adjustment.

- (c) If the correction of a maintenance or repair problem incurred on one Lot necessitates construction work or access on another Lot, the Owner shall have an easement on such other Lot for this purpose.

ARTICLE III MEMBERSHIP, BOARD OF DIRECTORS AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP

Every person or entity who is the Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of any obligation shall not be a Member. Membership shall commence on the date such person or entity becomes the Owner of a fee or undivided fee interest in a Lot and expires upon the transfer or release of said ownership interest

Section 2. VOTING RIGHTS

The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Developer. Class A Members shall be entitled to one vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as determined among themselves; however, in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Member shall be the Developer. The Class B Member shall be entitled to (3) three votes for each Lot in which it holds the interest required for membership in Section 1.

Notwithstanding anything to the contrary contained in this Declaration of Covenants and Restrictions or in the Charter or By-Laws of the Andover Court Subdivision Homeowners Association, Inc., the Class B Member shall be entitled to exercise veto power at any time and for any reason, so long as Class B membership continues to exist as provided herein. Said veto power shall entitle the Class B Member to overrule and/or nullify any vote taken by Class A Members.

Said Class B membership shall remain in the Developer, its successors, or assigns, until such time as the Developer has relinquished ownership in all Lots within the subdivision or until such other time as Developer shall in its sole discretion terminate Class B membership by recording a Notice of Termination signed by the Class B Member in the records of the Knox County Register's Office.

Once the Developer, its successors or assigns, has relinquished ownership of all Lots in the Subdivision, Class B membership shall cease to exist; and after such time there shall be only Class A membership.

Section 3. BOARD OF DIRECTORS

The Association shall be governed by a Board of Directors elected as provided in the Bylaws. Class A Members shall elect two Members to the Board of Directors, and the Class B member shall elect three Members to the Board of Directors so long as Class B membership exists.

ARTICLE IV PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. TITLE TO COMMON PROPERTIES. ASSOCIATION'S EASEMENTS

- (a) The Developer may retain the legal title to the Common Properties until such time as it shall, in its sole discretion, convey same to the Association.
- (b) The Developer, its successors and assigns, shall have an easement and/or easements in, over, on and across the Common Properties to other property owned by Developer. Said easement(s) shall be for ingress and egress to and from said adjoining properties and/or the construction, maintenance, and operation of utilities serving said adjoining properties and shall include the right to grant easement(s) to future owners of such adjoining properties.

Section 3. EXTENT OF MEMBERS' EASEMENTS

The rights created herein shall be subject to the following:

- (a) The right of the Association to take reasonable action to protect and preserve the right of the Association and the individual members in and to the Common Properties.
- (b) The right and obligation of the Association to charge reasonable fees for its portion of the costs incident to the maintenance, repair, and replacement of the entrance structure/signs and appurtenant landscaping, the street lighting and cost of operation thereof, and the detention basin drainage easement.
- (c) The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the

Board of Directors of said Association; provided, however, that no such dedication or transfer, and the conditions and provisions incident thereto, shall be effective unless approved by at least three members of the Board of Directors at a duly constituted board meeting.

- (d) The rights of the Members of the Association shall in no way be altered or restricted because of the location of the Common Properties in the Subdivision.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS

Each Class A member by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements; such assessments to be fixed, established and collected from time to time as herein provided. The annual and special assessments together with such interest thereon and costs of collection thereof, including attorneys fees, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Annual assessments shall be due and payable as provided herein. In consideration of the fact that Developer has constructed at its own expense various facilities for the benefit of the Association, including subdivision entrance, landscaping, street lights, and detention basin, Developer shall be exempt from payment of all such annual assessments and shall not be obligated to pay any annual or special assessments or prorated portion thereof for any subdivided Lot or land owned by it.

Section 2. PURPOSE OF ASSESSMENT

The assessments levied by the Association shall be used for the purpose of promoting the health, safety, and welfare of the residents of the Properties and for maintaining and beautifying the Subdivision entrance area, including landscaping thereof; for the purpose of maintaining and operating street lights throughout the development and for the purpose of maintaining and repairing the detention basin, including but not limited to, the payment of taxes and insurance thereon and repair, replacement, and addition thereto, and for the cost of utilities, labor, equipment, materials management and supervision thereof. The cost of the operation and maintenance of street lights and lighting, regardless of location within the Properties and of the proximity to individual Lots, shall be borne equally by and prorated to each Lot without regard to ownership; it being the intent and purpose of this provision to insure the safety, enjoyment and security of the Properties. The Association, acting by and through its Board of Directors, shall have the right to engage and employ individuals, corporations, or professional

managers for the purpose of managing and maintaining the Common Properties and performing such other duties as the Board of Directors shall from time to time deem advisable in the management of the Association.

Section 3. LEVY OF ASSESSMENTS

Monthly or annual assessments shall be levied by the Board of Directors of the Association, by action taken on or before December 1 of each year for the ensuing year. The Board of Directors of the Association shall fix the commencement date for monthly or annual assessments on the first day of the month following the conveyance of the first Lot to an Owner and shall provide for a partial assessment between the commencement date and the end of the calendar year next following. The Board, in its discretion, may provide for the periodic payment of such assessments at some intervals other than monthly. Special assessments may be levied in any year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties, if any, including fixtures and personal property related thereto; provided that the same are first approved by the Board of Directors of the Association, recommended to the membership, and subsequently approved by affirmative vote of Members entitled to cast at least two-thirds (2/3) of the votes at a meeting of the Members duly held for that purpose. Written notice of the monthly, annual or special assessment shall be mailed (by U.S. first class mail) to every owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting the same.

Section 4. MAXIMUM ANNUAL ASSESSMENT

Until otherwise established by the Board of Directors of the Association as set forth herein, the maximum annual assessment shall be One Hundred Twenty DOLLARS (\$120.00) per year per Lot. The Association at its option may allow the payment of the annual assessment on a monthly or quarterly basis. From and after one year from the date hereof, the maximum annual assessment may be increased each year by an amount up to, but not in excess of five percent (5%) of the maximum annual assessment for the previous year without a vote of the membership. In the event the Board of Directors determines that an increase in excess of such amount is required, the amount of assessment exceeding such limitation shall be automatically effective thirty (30) days after the Association sends written notice to each Owner of the amount and necessity of such increased assessment unless the Association receives written objection to such increased assessment by Members entitled to cast more than fifty percent (50%) of the votes of the Association within such thirty (30) day period or a special meeting of Members is called within such thirty (30) day period and the additional assessment is not approved by a like vote of the Members at such meeting.

Section 5. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS

In addition to the annual assessments authorized by Section 4 hereof, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Properties including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the consent of at least three (3) members of The Board of Directors.

Section 6. QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4 AND 5

The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called as provided in Sections 4 and 5 hereof, the presence at the meeting of Members or of proxies entitled to cast fifty-one (51 %) percent of all the votes of the membership shall constitute a quorum. If the required quorum is not present at any meeting, another meeting may be called subject to the notice requirements set forth in Section 7 and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS

The first annual assessment shall become due and payable at the time of closing of the purchase of said Lot and may, at the discretion of Developer, be collected at said closing. Thereafter, as each person or entity becomes a member, such new member's assessment for the current year shall be a pro-rata part of the annual assessment and shall be due and payable at the time of closing. No person ceasing to be a Member shall be entitled to any refund of his annual assessment.

It shall be the duty of the Board of Directors to notify each Owner of any change in the annual assessment or any special assessment and the due date of such assessment. The requirement of notice shall be satisfied if such notice is given by regular deposit in the United States Mail to the last known address of each such Owner.

The due date of any special assessment under Section 5 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. EFFECT ON NON-PAYMENT OF ASSESSMENT. THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN; REMEDIES OF ASSOCIATION

If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereof and cost of collection thereon, including attorneys' fees, as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain a personal obligation for the statutory period.

If the Assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at lesser of (i) the maximum legal rate of interest for the State of Tennessee on the date of delinquency or (ii) the rate of ten (10%) percent per annum; and the Association may (i) institute litigation against the Owner personally obligated to pay the same and/or (ii) foreclose the lien against the property by judicial or non-judicial foreclosure pursuant to the statutes of the State of Tennessee. There shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above-provided and a reasonable attorney fee, together with the costs of the action. In the event of non-judicial foreclosure, all costs and expenses thereof, including reasonable attorney's fees, shall be added to the amount of such assessment.

Section 9. SUBORDINATION OF THE LIEN TO MORTGAGES

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lot subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the Lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment. An assessment shall not be subordinate to a mortgage held by a prior Owner who was the Owner at the time such assessment accrued.

Section 10. INSURANCE

The Board of Directors of the Association shall from time to time determine the types of insurance and amounts required for the Common Properties. In any event, the Association shall maintain general liability insurance in the minimum of \$1,000,000.00 for claims arising out of the use of the Common Properties.

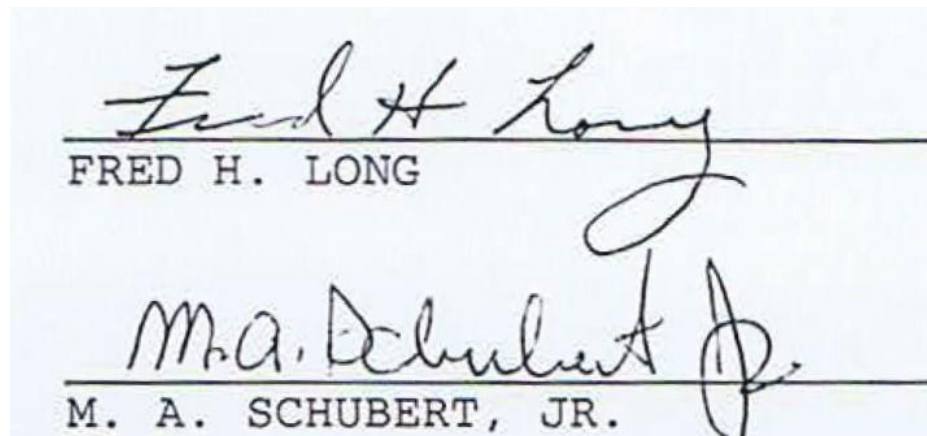
Section 11. EXEMPT PROPERTY

The following land which is subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

- (a) All land to the extent that an easement or other interest therein is dedicated and accepted by the local authority and devoted to public use;
- (b) All Common Properties as defined in Article I, Section 1, hereof.
- (c) All land exempted from taxation by the laws of the State of Tennessee of the United States to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements occupied by a Living Unit shall be exempt from said assessments, charges, or liens.

IN WITNESS WHEREOF, the Developer has executed this instrument on this 1ST day of November, 2001.



The image shows two handwritten signatures in cursive script, each written over a horizontal line. The first signature is "Fred H. Long" and the second is "M. A. Schubert, Jr.". Below each signature, the name is printed in a serif font. The first printed name is "FRED H. LONG" and the second is "M. A. SCHUBERT, JR.".

FRED H. LONG

M. A. SCHUBERT, JR.