

SHERRY WITT
REGISTER OF DEEDS
KNOX COUNTY

AMENDED AND RESTATED
DECLARATION OF COVENANTS AND RESTRICTIONS
OF
COVERED BRIDGE AT HARDIN VALLEY

This Instrument Prepared by:

James W. Parris, Esq.
BERNSTEIN, STAIR & McADAMS LLP
4823 Old Kingston Pike, Suite 300
Knoxville, Tennessee 37919
(865) 546-8030



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AMENDED AND RESTATED
DECLARATION OF COVENANTS AND RESTRICTIONS
COVERED BRIDGE AT HARDIN VALLEY

This Amended and Restated Declaration of Covenants and Restrictions made and entered into this 20th day of March, 2008, by Covered Bridge, LLC, a Tennessee limited liability company ("Developer").

Developer is the owner of the real property described on Exhibit A attached hereto and incorporated herein by reference and desires to create thereon a residential community known as Covered Bridge at Hardin Valley, with common facilities for the benefit of the said community;

Developer desires to place certain covenants, conditions, reservations and restrictions upon the use of all Lots and portions of such Lots for the benefit and protection of homeowners of the dwellings erected thereon, in order to establish and maintain a sound value for such dwellings, and to maintain the aesthetic quality of the development.

Developer has previously recorded the Declaration of Covenants and Restrictions of Covered Bridge at Hardin Valley, of record as Instrument No. 200702160066350 in the Office of the Knox County Register of Deeds (the "Original Declaration"). The purpose of this document is to amend and restate the Original Declaration in order to correctly label and distinguish subsequent "phases" and "units" of the development. This document amends, replaces and supersedes the Original Declaration for all purposes.

Developer has formed a Tennessee not-for-profit corporation (hereinafter called the "Association") to be called the Covered Bridge at Hardin Valley Homeowners' Association, Inc. or a name similar thereto. Upon formation of such Association each Lot Owner, in accepting a deed for any Lot in Covered Bridge at Hardin Valley subdivision, agrees to and shall become a member of and be subject to the obligations and duly enacted bylaws of the Association. Each Lot Owner's membership shall terminate upon the sale or other disposition of such member of him or her Lot, at which time the new Lot Owner shall automatically become a member of the Association.

Developer is now the owner of real property contiguous with the Property as described in Exhibit B attached hereto and incorporated herein by reference (the "Additional Land").

Developer anticipates that it will develop the Subdivision in various phases on real property which includes the property described on Exhibit A and all or a portion of the Additional Land. The development on the property described on Exhibit A as of the date of this Declaration is hereinafter referred to as "Phase I". Subsequent phases of

the Subdivision developed by the Developer will include, in the discretion of the Developer, smaller homes, smaller lots and different architectural styles of homes, such subsequent phases may include more or less restrictive covenants which apply only to such phases and not to the Subdivision as a whole. Subsequent phases may include additional Common Area which may, in the discretion of the Developer, be conveyed to and become the responsibility of the Association. It is anticipated that owners of lots in subsequent phases will be required to become members of the Association; provided, however, the Developer specifically reserves the right to provide in any amendment of this Declaration that owners in subsequent phases may be required to pay different or additional assessments or may be required to become members of both the Association and different or additional homeowners' associations.

NOW THEREFORE, the Developer declares that the real property described in Article I is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, bylaws, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth and further provides and retains for itself a right to add and subject the Additional Land to this Declaration in accordance with the provisions hereof.

ARTICLE I DEFINITIONS

Section 1. "Architectural Control Committee" shall mean and refer to such individuals as Developer may appoint, until all lots in the Subdivision, including any lots on the Additional Land, shall have been fully developed and permanent improvements constructed thereon and sold to permanent residents, at which time such term shall mean and refer to those persons selected annually by the Board in compliance with this Declaration to serve as members of said committee.

Section 2. "Association" shall mean and refer to Covered Bridge at Hardin Valley Homeowners' Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns.

Section 3. "Board" shall mean and refer to the Board Directors of the Association.

Section 4. "Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners or other property designated by the Developer for the common use and enjoyment of all Owners and property which is designated as joint permanent easements on the Plat. Common Area shall include any real or personal property located in or on the Additional Land which the Developer designates as Common Area.

Section 5. "Common Expenses" shall mean and refer to the actual and



estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration and Articles of Incorporation of the Association.

Section 6. "Declaration" shall mean the covenants, conditions, restrictions, bylaws and easements and all other provisions herein set forth in this entire document, as may from time to time be amended.

Section 7. "Developer" shall mean and refer to (i) Covered Bridge, LLC or (ii) any successor-in-title or any successor-in-interest to Covered Bridge, LLC, to all or any portion of the Property, provided in the instrument of conveyance to any such successor-in-title or interest, such successor-in-title is expressly designated as the "Developer" hereunder by the grantor of such conveyance, which grantor shall be the Developer hereunder at the time of such conveyance.

Section 8. "Lot" shall mean and refer to any parcel of land shown upon any recorded subdivision plat of the Property upon which a single family residence may be constructed.

Section 9. "Owner" shall mean and refer to the recorded owner, whether one or more Persons, of the fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of any obligation.

Section 10. "Person" shall mean and refer to a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.

Section 11. "Plat" shall mean and refer to that certain Final Subdivision Plat for Covered Bridge at Hardin Valley prepared by Batson Himes Norvell & Poe and recorded in the Register's Office for Knox County, Tennessee, and as may be shown by any amended or supplemental map of the subdivision subsequently recorded in the Register's Office for Knox County, Tennessee.

Section 12. "Property" shall mean and refer to that certain real property described on Exhibit A attached hereto and incorporated herein by reference, together with such additional real property as may by subsequent amendment be added to and subjected to this Declaration.

Section 13. "Structure" shall mean and refer to (i) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration but not limitation, any building or part thereof, garage, porch, gazebo, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, tennis court, basketball goal(s), fence, curbing, paving, wall, tree, shrub, sign, signboard, mailbox, driveway, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Lot; (ii) any excavation, grading, fill ditch, diversion dam or other thing, object or device which

affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or which causes a drainage change from, upon or across any Lot; and (iii) any change in grade at any point on a Lot of more than twelve (12) inches, whether or not subsection (ii) of this Section 13 applies to such change. No reference to any of the foregoing things or objects which will be deemed to be a "Structure" shall indicate or imply that all of such things or objects are permitted Structures under the terms and provision of this Declaration."

Section 14. "Subdivision" shall mean and refer to the residential community known as Covered Bridge at Hardin Valley located on the Property or the Additional Land.

ARTICLE II ARCHITECTURAL CONTROL COMMITTEE (ACC)

Section 1. Purpose, Powers and Duties of the Architectural Control Committee.

The purpose of the Architectural Control Committee is to review and approve plans and specifications for a Structure proposed to be built on any Lot based on such factors as the Architectural Control Committee deems relevant, including, without limitation, (i) whether the proposed installation, construction or alteration is in conformity and harmony with the external design and general quality with the existing standards of the neighborhood and with the standards of the development of the Property established from time to time by the Developer and (ii) as to the location of the Structures with respect to topography, finished ground elevation and surrounding Structures. To the extent necessary to carry out such purpose, the Architectural Control Committee shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in connection with or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications or any installation, construction or alteration of any Structure on any Lot. The Architectural Control Committee may, in its discretion, engage the services of an agent to review plans and specifications submitted to it. Each person submitting plans and specifications to the Architectural Control Committee shall pay a non-refundable review fee. The amount of such fee shall be determined by the Architectural Control Committee and may be altered from time to time.

Section 2. Approval of Builders.

All residences within Covered Bridge at Hardin Valley must be contracted by a Tennessee licensed contractor. The Architectural Control Committee reserves the right to approve or deny any builder based on their experience and/or financial ability. The Architectural Control Committee may, at its discretion, require any builder to provide information about his/her experience and/or their financial ability to adequately construct a residence in keeping with the architectural guidelines. No Owner will be permitted to



act as his own builder or contractor except where such Owner obtains his income primarily from the construction of the type of Structures to be constructed on the Owner's Lot and otherwise meets the qualifications hereinabove set forth.

Section 3. Submission of Plans and Specifications.

No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance of the Structure or Lot, unless plans and specifications therefor shall have been first submitted to and approved in writing by the Architectural Control Committee. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Architectural Control Committee, including, without being limited to, one full size copy of the following:

- (a) a site plan showing the location of all proposed and existing Structures on the Lot, including building setbacks, open space, driveways, walkways and parking spaces;
- (b) floor plans;
- (c) exterior elevations of all proposed Structures and alterations to existing Structures, as such Structures will appear after all backfilling and landscaping are completed;
- (d) specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors of all proposed Structures and alterations to existing Structures, and also showing front, side and rear elevations;
- (e) plans for grading and landscaping including exterior lighting scheme;
- (f) garage door location and design; and

Section 4. Approval and Disapproval of Plans and Specifications.

(a) The Architectural Control Committee shall have the right to approve or disapprove any plans and specifications submitted to it in its sole and absolute discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations which shall be deemed sufficient.

(b) Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to this Declaration, a copy of such plans and specifications, as approved shall be deposited for permanent record with the Architectural Control Committee. Approval of any plans and specifications for use in connection with any Lot or Structure shall not be deemed a waiver of the Architectural Control Committee's right, in its sole discretion, to disapprove similar plans and



specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with other Lots or Structures. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval. In the event that the Architectural Control Committee rejects plans, specifications, or site plans submitted for approval under this Article, the party submitting the plans, specifications or site plans may make the necessary alterations to said plans or specifications and resubmit them for approval.

(c) Neither Developer nor any member of the Architectural Control Committee shall be responsible or liable in any way for any defects in any plans or specifications approved by the Architectural Control Committee, or for any structural defects in any work done according to such plans and specifications approved by the Architectural Control Committee. Further, approval of plans and specifications by the Architectural Control Committee shall not be deemed to represent or warrant to any Person that the plans and specifications comply with applicable codes and laws, nor the quality, function or operation of the Structure or of any construction, workmanship, engineering, materials or equipment. Neither Developer nor any member of the Architectural Control Committee shall be liable for damages or in any other respect to anyone submitting plans or specifications for approval under this Article, or to any Owner, or to any other Person having an interest in any of the Property by reason of mistake in judgment, negligence, misfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. By submission of such plans and specifications to the Architectural Control Committee, every Owner of any Lot releases and agrees to hold harmless and to defend Developer and any member of the Architectural Control Committee from any such alleged liability, claim and/or damage including attorney's fees.

(d) The Architectural Control Committee may, if it elects, adopt certain Architectural Guidelines (the "Architectural Guidelines") to aid and assist Owners submitting plans and specifications for approval by the Architectural Control Committee. Such Architectural Guidelines, if adopted, may be different for the different units or phases which are or become a part of the Subdivision. Such Architectural Guidelines may be modified or amended from time to time without notice by the Architectural Control Committee. As guidelines, the Architectural Guidelines may not be determinative of whether or not a particular use of a single Lot is acceptable, or whether or not the plans and specifications for a proposed improvement will be approved. Because of the uniqueness of each Lot, including variations in size, topography and location, certain uses, improvements or modifications suitable for one Lot may be inappropriate for another Lot. Therefore, despite any guidelines which may be offered by the Architectural Guidelines (if adopted by the Architectural Control Committee), the Architectural Control Committee is authorized to apply or adopt different standards for different Lots, or for different units or phases of the Subdivision, to reflect those differences. As an example, the Architectural Control Committee may allow an

improvement, modification or change to a Structure which cannot be seen from any street or other Lot, but prohibit the same improvement if it can be seen from any street or from another Lot.

Section 5. Obligation to Act.

The Architectural Control Committee shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the Architectural Control Committee, if granted, together with any conditions imposed by the Architectural Control Committee, shall be placed in writing on the plans and specifications and shall be returned to the applicant. Failure by the Architectural Control Committee to take action within thirty (30) days of the receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications.

Section 6. Right of Inspection.

During the construction process of a Structure, the Architectural Control Committee, its agents and representatives, shall have the right during reasonable hours to enter upon and inspect any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, or alteration of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and the Architectural Control Committee shall not be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection.

Section 7. Violations.

(a) If any Structure shall be erected, placed, maintained or altered upon any Lot other than in accordance with the plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the Architectural Control Committee such violation shall have occurred, the Architectural Control Committee shall be entitled and empowered to enjoin or remove any such construction. Any costs and expenses incurred by the Architectural Control Committee in enjoining and/or removing any construction or improvements shall be the responsibility of Owner of the Lot in question and will be added to and become a part of the assessment to which the Owner of such a Structure and his or her Lot are subject, including any Owner who is building or responsible for the building of a speculative home on any Lot, even though such builder of a speculative home may not otherwise be required to pay assessments.

(b) The Architectural Control Committee shall provide written notice to the Owner by certified mail setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. The Owner shall take reasonable steps toward the required remedial action, and shall use due diligence and



best efforts to timely and promptly complete the required remedial action. If the Owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the mailing of the aforesaid notice of violation, then the Architectural Control Committee shall have the right of abatement as provided in Section 1(b) of Article XVI hereof. In addition to the right of abatement, the Board, upon being informed of such violation by the Architectural Control Committee, shall be entitled to seek equitable relief to enjoin such construction and/or to remove any Structure subject to the violation.

Section 8. Conduct.

All builders and owners shall be held responsible for the acts of their employees, subcontractors, suppliers and other persons or parties involved in construction or alteration of a Structure. In this regard, a builder or Owner shall be responsible for the following:

(a) Ensuring that the construction site is kept clean and free of debris and waste materials, and that stockpiles of unused materials are kept in a neat and orderly fashion.

(b) Prohibiting the consumption of alcoholic beverages, illegal drugs or other intoxicants that could hamper the safety or well-being of other personnel on the site or affect the quality of workmanship.

(c) Assuring that the aforementioned are properly insured, particularly by carrying of workman's compensation insurance and by carrying a policy of general liability insurance of at least \$300,000.00 per person/per incident.

(d) Assuring that the aforementioned do not commit any violation of the rules and regulations of Covered Bridge at Hardin Valley.

(e) Ensuring that, as soon as reasonably possible but no later than the date on which the foundation for the Structure is poured, all driveways on the construction site are sufficiently graveled, a portable toilet is available and used by the construction workers and any mud or any debris caused by the construction are removed from the adjoining roadways. All mud and debris shall be removed no later than the end of the work day in which the mud or debris became a problem. **FURTHER, SILT FENCES SHALL BE INSTALLED TO KEEP SILT, MUD, AND OTHER DEBRIS OFF OF THE STREET, OFF OF ADJACENT LOTS, CREEKS, DETENTION BASINS AND CATCH BASINS.** The Owner and each builder of a Structure on a Lot shall be required to satisfy all federal, state and local requirements concerning storm water detention, silt, mud and other environmental requirements, including, without limitation, all requirements imposed by the Tennessee Department of Environment and Conservation, including, without limitation, all storm water prevention plans. Such Owner or builder shall indemnify and hold harmless the Developer from any and all liability of any kind, type or nature relating to or arising out of any violation of such laws

or regulations by the Owner or builder.

(f) Each builder and Owner shall be responsible for providing metered water and electric service to the jobsite prior to starting work. Usage of water and electricity from adjoining properties is not permitted. Each building site shall be kept in good appearance at all times. THE CONSTRUCTION AREA SHALL BE POLICED AND KEPT FREE OF DEBRIS AT THE END OF EACH DAY. No burning, dumping or burial of any kind is permitted, and each builder shall place a trash receptacle on the Lot at least 30 feet from the street. Obnoxious or loud music and behavior shall not be permitted on the construction site.

(g) Each builder and Owner shall comply in all respects with all applicable laws, rules and regulations relating to any construction activities undertaken in the Subdivision and will indemnify and hold harmless the Developer from any and all liability relating to or arising out of any failure to comply with all such applicable laws, including, without limitation, any laws relating to immigration or employment matters.

Section 9. Subsequent Phases. The Developer may adopt different standards for each phase of the Subdivision with respect to all aspects of such additional phases and the Structures to be constructed in such subsequent phases, including, without limitation, size, external design, construction materials, appearance, density and similar matters.

ARTICLE III Board of Directors

Section 1. Composition.

The affairs of the Association shall be governed by the Board. The initial Board shall be composed of three (3) persons. The directors shall be Owners or spouses of such owners; provided, however, that no Owner and his or her spouse may serve on the Board at the same time. Notwithstanding the above, so long as there shall be a Class B member of the Association, the directors need not be Owners. In the event that an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a director. A director may succeed himself or herself in office. It is hereby established that there shall be a total of three directors, except as specifically provided herein.

The Developer may, in the Developer's sole discretion, amend the terms of this Declaration to provide that owners of any subsequent phase or any unit of any phase of the Subdivision shall be entitled to representation on the Board. Any such representation on the Board shall be in the form of the appointment by the Developer or the Owners in such subsequent phases of additional members of the board such that the board shall be comprised than more than three (3) persons after the appointment of such new director or directors. The rights of the Developer pursuant to this section shall

be effective for so long as Class B membership exists.

Section 2. Term of Office.

The directors shall be elected as provided in Section 7 of this Article III. Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until his or her successor shall have been elected and qualified.

Section 3. Removal of Directors.

At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote of the members of the Association and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least ten (10) days notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 4. Vacancies.

Vacancies in the Board caused by any reason, but excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board for the remainder of the term of the director being replaced. Said director shall serve until a successor shall be elected at the annual meeting of the Association to fill the unexpired portion of the term.

Section 5. Compensation.

Directors shall not be compensated unless and to the extent two-thirds (2/3) of the Owners authorize compensation at any meeting duly called for that purpose.

Section 6. Nomination.

Nomination for election to the Board shall be made by nominating committee which shall consist of three (3) members appointed by the President of the Association to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals, but no less than the number of directors to be elected. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the floor at the meeting. Failure to comply with the provision hereof shall in no way invalidate the election of directors so nominated.



Section 7. Elections.

At each annual meeting of the Association, the Owners shall be entitled to vote for directors and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

Section 8. Regular Meetings.

Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six (6) months. The Board shall meet within ten (10) days of after each annual meeting members.

Section 9. Special Meetings.

Special meetings of the Board may be called by the President of the Association on three (3) days notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary-Treasurer of the Association in like manner and on like notice on the written request of at least two (2) directors or as specified in Article III, Section 13(k).

Section 10. Quorum.

A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

Section 11. Conduct of Meetings.

The President of the Association shall also preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with this Declaration or the bylaws of the Association.

Section 12. Action Without a Meeting.

Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

Section 13. Powers and Duties.

The Board shall exercise for the Association all powers, duties and authority vested therein by this Declaration and by the bylaws, except for such powers, duties and authority reserved thereby to the members of the Association or the Developer. The

Board shall have the following powers and duties:

- (a) to elect the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association;
- (c) to engage the services of an agent (hereinafter sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer the Common Area or any part thereof for all of the Owners, upon such terms and for such compensation as the Board may approve, including a Managing Agent which is affiliated with one or more directors, or the Developer, or both;
- (d) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Area and payments therefor, and to approve payment vouchers or to delegate such approval to the officers of the Association or the Managing Agent;
- (e) to have access to each Lot, excluding Structures, from time to time as may be necessary for the maintenance, repair or replacement of the Common Area therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area or to one or more other Lots;
- (f) to obtain adequate and appropriate kinds of insurance as provided in Article XIV of this Declaration;
- (g) to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area, and to delegate any such powers to a Managing Agent (and any employee or agents of a Managing Agent);
- (h) to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (j) to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying and collecting from the Owners the annual and special assessments;
- (k) to cause to be kept a complete record of all its acts and corporate affairs, to present a statement thereof to the Owners at the annual meeting of the members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the Owners who are entitled to vote and to file Federal and State tax returns as required by law;



(l) to bid and purchase, for and on behalf of the Association, any Lot, or interest therein, at a sale pursuant to a deed of trust foreclosure, a foreclosure of the lien for annual assessments, special assessments or both, or any order or direction of a court, or at any other involuntary sale, upon the affirmative vote of not less than 75% of the votes of Owners at a meeting duly called for that purpose, provided that the Owners shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Lot or interest therein;

(m) to make such mortgage loan arrangements and special assessments proportionately among the respective Owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase of a Lot, or interest therein, by the Association; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the Lot, or interest therein, to be purchased or leased;

(n) to act in a representative capacity in relation to matters involving the Common Area or more than one Lot, on behalf of the Owners, as their interests may appear;

(o) to enforce by legal means the provisions of this Declaration and the bylaws of the Association with respect to the Property;

(p) to renew, extend or compromise indebtedness owed to or by the Association;

(q) unless otherwise provided herein, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Association;

(r) the Association shall (i) have all powers permitted to be exercised by a nonprofit corporation and (ii) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in this Declaration and the bylaws of the Association;

(s) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(t) to supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(u) to employ attorneys to represent the Association when deemed necessary;



(v) to adopt and publish rules and regulations governing the use of the Common Area, and the conduct of the Owners and the guests thereon, and to establish penalties for infractions thereof;

(w) to suspend the voting rights of an Owner during any period in which such Owner shall be in default under the provisions of this Declaration or the bylaws of the Association in the payment of any assessment, dues or charges levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; and

(x) to declare the office of a director of the Board to be vacant in the event such director shall be absent from (3) consecutive regular meetings of the Board.

Section 14. Nondelegation.

Nothing in this Article or elsewhere in this Declaration or in the bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

ARTICLE IV
Grievance Procedure

Any grievance or complaint which an Owner shall have against any other Owner for violation of the provisions of this Declaration, the bylaws of the Association, other rules and regulations of the Association, or for any other reason, shall be submitted to the Board for arbitration.

All such grievances shall be submitted in writing to the Board outlining the Owner or Owners complaining, the Owner or Owners complained against, the nature of the complaint, the date of all relevant facts, and the specific violations, if any, which are relied upon by the complaining party or parties. A hearing shall be held by the Board following submission of all complaints within thirty (30) days. Said hearing shall be held only after at least five (5) days written notice to all parties and shall afford all parties an opportunity to present evidence and question any other party or witness. Owners shall not be represented by attorneys at this hearing. If the Board decides adversely to the complaining party or fails to act within thirty (30) days of submission of the complaint, then complaining party shall have the right to resort to any other legal remedies which may be available to them.

The grievance procedure set out herein shall be the conclusive remedy for all grievance and complaints, and no Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted.



ARTICLE V
Amendments to By-laws

Until the date of the first annual meeting of the Association as defined in Section 1, Article VII, this Declaration and the bylaws of the Association may be altered and/or amended by the Developer. From and after the date of the first annual meeting of the Association, the bylaws of the Association may be altered, amended or repealed and new bylaws may be adopted by the affirmative vote of Owners holding 51% of all voting rights at regular meeting or at any special meeting called for such purpose; subject to the provisions set forth in Article XVI, Section 8, of this Declaration.

ARTICLE VI
Liability and Indemnity

The directors of the Board and the officers of the Association shall not be liable to the Owners for any acts or omissions made in good faith as such members of the Board or as officers. The Owners shall indemnify and hold harmless each of such directors or officers against all contractual liability to others arising out of contracts made by such Owners or officers on behalf of the Owners, unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration or the bylaws of the Association. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being a director or officer of the Association, or any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful malfeasance or malfeasance in the performance of his or her duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE VII
Membership and Voting Rights

Section 1. Membership.

Every Owner shall be a mandatory member of the Association. The foregoing is not intended to include Persons or entities who hold an interest merely as security for the performance of an obligation.

Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration and shall pass automatically to an Owner's successor-in-title to the Lot.



Section 2. Voting Rights.

The Association shall have two classes of voting membership:

Class A. Initially, the Class A members shall be all Owners, with the exception of the Developer. Class A members shall be entitled to one vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer. The Class B member shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events:

- (a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or
- (b) ten (10) years from the date this Declaration is filed of record in the Register's Office for Knox County, Tennessee; or
- (c) when, in its discretion, the Developer so determines and notifies the Owners and the Board in writing.

The number of votes entitled to vote on any matter shall be recalculated from time to time as additional phases are added to the Subdivision, with the number of votes to be based on the number of Lots owned by all Owners and the Developer as of the date of the vote being taken.

Section 3. Suspension of Membership Rights.

If an Owner shall have failed to pay when due any assessment or charge lawfully imposed upon him or her on any property owned by him or her, or if the Owner, his or her family, or guests shall have violated any of the covenants contained in this Declaration or any rule or regulation of the Board regarding the use of any property or conduct with respect thereto, then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedy action within 20 days of the mailing of aforesaid notice of violation then the Board may suspend the membership rights (including voting rights) of that Owner.



ARTICLE VIII
Meetings of Owners

Section 1. Annual Meeting.

The first annual meeting of the Owners shall be held on such date as is fixed by the Board, which date shall in no event be later than the earlier of (a) seven (7) years from the date of recording of this Declaration in the Office of the Register of Deeds of Knox County, Tennessee, or (b) no later than sixty (60) days from the date when all Lots have been conveyed by the Developer, or (c) such earlier time as selected by the Developer. Thereafter, an annual meeting of the Owners shall be held on such date as selected by the Board which is within thirty (30) days before or after the first anniversary of the first annual meeting of the Owners for the purpose of electing directors of the Association and for the transaction of such other business as may come before the meeting. If such day be a legal holiday, the meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of the Association shall cause the election to be held at a special meeting of the called as soon thereafter as conveniently may be.

Section 2. Special Meetings.

Special meetings of the Owners may be called by the Board, the President or by not less than one-fifth (1/5) of the Owners. The notice for any special meeting shall specify the matters to be considered at such special meeting.

Section 3. Place and Time of Meeting.

All meetings of the Owners shall take place at 8:00 p.m., in some portion of the Covered Bridge at Hardin Valley subdivision designated by the person or persons calling a special meeting, or at such other reasonable place or time designated by the Board.

Section 4. Notice of Meetings.

Written or printed notice stating the purpose, place, day and hour of any meeting of Owners shall be delivered personally or by the mail to each Owner entitled to vote at such meeting in care of his or her residence not less than ten (10) nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary/Treasurer, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by the bylaws, the purpose for which the meeting is called shall be stated in the notice. The notice of a meeting shall be deemed delivered when personally delivered, or if mailed, when deposited in the United States mail addressed to the Owner at his or her address as it appears on the records of the Association.

Section 5. Quorum.

To establish a quorum there must be present in person or by proxy Owners holding a majority of the votes which may be cast at any meeting. In the event a quorum is not present at any meeting and the meeting is adjourned, the quorum of the adjourned meeting shall be one-half (1/2) of the quorum at the originally scheduled meeting.

Section 6. Manner of Acting.

Except as set forth below and except as otherwise required by this Declaration any action to be taken at any meeting of the Owners at which a quorum is present shall be upon the affirmative vote of a majority of the votes which may be cast at such meeting.

ARTICLE IX
Property Rights

Section 1. Owner's Easement of Enjoyment.

Subject to the provisions herein, every member of the Association and the Developer shall have a right and easement of use and enjoyment in and to the Common Area including, without limitation, the right of pedestrian (but not vehicular) access, ingress and egress to and from his or her Lot over those portions of the Common Area from time to time designated for such purposes, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

(a) the right of the Association to adopt and publish rules and regulations governing the use of the Common Area;

(b) the right of the Association to suspend an Owner's voting rights and rights to use the Common Area for any period during which any assessment of the Association against said Owner's Lot remains unpaid;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by three-fourths (3/4ths) of each class of members, agreeing to such dedication or transfer, has been recorded;

(d) the easements reserved in Article XII of this Declaration; and

(e) the Clubhouse, which the Developer anticipates will be built on the Common Area, shall be used by reservation only and shall be subject to such rules and regulations as are established from time to time by the Association.



Section 2. Delegation of Use.

Any Owner may delegate, in accordance with the Bylaws, his or her right of use and enjoyment in and to the Common Area and the improvements thereon, if any, to the members of his or her family, guests and invitees subject to such regulations as may be established from time to time by the Association.

Section 3. Title to Common Area.

Developer may from time to time convey to the Association, at no expense to the Association, real and personal property for the common use and enjoyment of the Owners. The Association hereby covenants and agrees to accept from Developer all such conveyances of real and personal property. Notwithstanding any legal presumption to the contrary, the fee simple title or easement to such real and personal property designated as Common Area or for public use, together with all rights therein, shall be reserved to Developer until such time as the real and/or personal property is conveyed to the Association or to any municipality or other governments body, agency or authority.

Section 4. No Partition.

Other than as provided for in Article XIII, Section 8, there shall be no judicial partition of the Property or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the Property has been removed from the provisions of this Declaration.

Section 5. Use of Common Area.

Any swimming pool, playground or other recreational play areas or equipment furnished by the Developer (collectively the "Recreation Equipment") on the Common Area or otherwise within or adjacent to the Subdivision, shall be used at the sole risk of the user. Neither the Developer, the Association or any of their officers, directors, members, shareholders, agents or employees shall be liable to any person or entity for any claims, damages, liability or injury relating to or arising out of the use of the Recreation Equipment. 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, shall be deemed to have released any and all claims of any kind, type or nature relating to or arising out of the use of the Recreation Equipment and shall be deemed to have accepted the terms of this Section 5. The use of the Recreation Equipment is subject to rules and regulations established from time to time by the Association, including, without limitation, rules addressing hours of use, appropriate dress and other matters. Further, 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, shall be deemed to have agreed and acknowledged that the Subdivision and the Common Area contains caves, creeks, ponds, ditches and other potentially hazardous conditions. Neither the Developer, the Association or any of their officers, directors, members, shareholders, agents or



employees shall be liable to any person or entity for any claim, damages, liability or injury relating to or arising out of the use of the Common Area. 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, shall be deemed to have released any and all claims of any kind, type or nature relating to or arising out of the use of the Common Area and accepted the terms of this Section 5.

ARTICLE X
Covenant for Maintenance and Capital
Improvement Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments.

Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) a transfer fee, (2) annual assessments which may or shall be levied by the Association, and (3) special assessments, such assessments to be established and collected as hereinafter provided. The transfer fee, annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, including reasonable attorneys fees, shall be a continuing lien upon the Lot against which each transfer fee or assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his or her successors-in-title unless expressly assumed by them.

Builders who acquire a Lot for the purpose of building a speculative home shall be exempt from the transfer fee and annual and special assessments unless such builder is constructing his or her own personal residence on such Lot.

The Developer shall be exempt from all annual and special assessments and transfer fees.

The Developer may establish different or additional assessments for subsequent phases or units of the Subdivision, if any, built on the Additional Land.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for promoting the health, safety, pleasure and welfare of the Owners of the Lots and the costs and expenses incident to the operation of the Association, including, without limitation, the maintenance and repair of the Common Area and improvements thereon, if any, the maintenance of services furnished by the Association, the purchase of insurance by the Association, the repair and replacement of improvements on the Common Area, payment of all taxes, insurance premiums and all costs and expenses



incidental to the operation and administration of the Association, and establishment and maintenance of a reasonable reserve fund or funds. It is anticipated that the boundary fences and/or walls, sidewalks, Common Area, bridge cover, irrigation system on the Common Area, trees and other landscaping, Common Area amenities such as walking paths and related recreational facilities (established by the Developer and/or the Association and to be maintained by the Association), any "greenbelt areas" established by the Developer and/or the Association, Common Area signage and lighting, and public sidewalks on or in the Common Area not otherwise maintained by governmental authorities, are improvements to the Common Area and will be maintained by the Association from the transfer fees and assessments; provided, however, that the sidewalks may be maintained by Knox County after construction of the sidewalks by Developer and acceptance of the sidewalks by Knox County (to the extent and on such terms of such acceptance).

Section 3. Computation of Annual Assessments.

If the Association incurs ongoing Common Expenses, it shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses of operating the Association for the coming year; such budget shall include a capital contribution or reserve account in accordance with the capital needs of the Association as and if established by the Board. The budget and the proposed annual assessments to be levied against each Lot shall be delivered to each Owner no later than ten (10) days prior to such annual meeting. Subject to the terms of this Declaration generally and Article X, Section 1 specifically, the annual assessments shall be equally divided among the Lots so that the annual assessments shall be the same for each Lot. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (i) Developer, so long as there is a Class B member; or (ii) a vote of a majority of the Owners voting in person or by proxy at such meeting. In the event the proposed budget is not approved or the Board fails or any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the budget and annual assessments in effect for the then current year shall continue or the succeeding year. If any budget at any time proves inadequate for any reason, the Board may call a special meeting of the Association for the approval of a special assessment.

Section 4. Special Assessments.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only 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 Area, including roads and sidewalks, bridge cover, provided that any such assessment shall have the assent of at least two-thirds (2/3) of the Class A members and the Class B member, if any, voting in person or by proxy at a meeting duly called for such purpose. Special assessments may also be levied by the Association if for any reason the annual assessments prove inadequate to defray the expenses of the Association in fulfilling its



duties and obligations hereunder, subject to the consent of the members as set forth above.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 of this Article X above shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Transfer Fee and Assessments.

Transfer fees and annual and special assessments must be fixed at a uniform rate for all Lots in a particular phase of the Subdivision but may be different as to Lots in different phases of the Subdivision, and, as to assessments, may be collected on an annual, semi-annual or quarterly basis by the Association Secretary/Treasurer as established by the Association. It is anticipated that transfer fees will be collected and paid at the completion of construction of the dwelling to be located on the Lot, or any subsequent transfer or conveyance of the dwelling, and, in any event, shall be a one time charge for any person owning a Lot. Both the initial owner of a Lot (other than the Developer) and any subsequent owner of a Lot will be required to pay the transfer fee, except as otherwise specifically set forth in this Declaration.

The initial transfer fee shall be Two Hundred Fifty Dollars (\$250). The transfer fee may be adjusted from time to time by the Board. The transfer fee shall apply to all transfers and shall be paid by each purchaser of a Lot, including any improved or unimproved Lot, except as specifically provided herein, upon such person's acquisition of a Lot. The transfer fee shall be paid by each Owner of a Lot, including the initial purchaser of the Lot and each subsequent purchaser.

Section 7. Date of Commencement of Annual Assessment Due Dates.

The first annual assessment shall become due and payable on the first day of the month following the date of the sale of the first Lot in Covered Bridge at Hardin Valley, such date to be when the deed for said Lot is recorded in the Register's Office for Knox County, Tennessee. Thereafter as each Person becomes an Owner, such new Owner's assessment for the current year shall be a pro rata part of the annual assessment as of the first day of the month following the date such Person becomes a member of the Association. Upon a Person ceasing to be a member of the Association, such member shall not be entitled to any refund of his or her annual assessment.



For a two year period beginning on February 1, 2007, or until such time as thirty-five (35) Lots are sold, the Developer will subsidize, to the extent necessary, maintenance of the Common Area; however, the Developer shall not be responsible for assessments on Lots which have not been sold.

Section 8. Remedies of the Association due to Nonpayment of Assessment.

Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum legal rate per annum. In such case, the Association may accelerate, at its option, the entire unpaid balance of the assessment and may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and interest, costs and reasonable attorney's fees or any such action shall be added to the amount of such assessment. Each such Owner by his or her acceptance of deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all action against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of the liens against real property. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, abandonment of his or her Lot or by renunciation of membership in the Association.

Article VII, Section 3 provides additional action that may be taken by the Board in the event of nonpayment.

Section 9. Subordination of the Lien to First Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust, first purchase money security deed, or security deed representing a first lien on the Property, any Lot or any portion thereof. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or deed of trust or proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve the Owners of such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;
- (b) all Common Area;



- (c) All development amenities located on the Common area; and
- (d) all properties exempted from taxation by state or local governments upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE XI Maintenance

Section 1. Association's Responsibility.

Except as otherwise provided for herein, the Association shall maintain and keep in good repair all portions of the Common Area and improvements thereon, if any. The Association's responsibility with respect to the Common Area shall be deemed to include the maintenance, repair and replacement of (i) all roads, driveways, walks, parking areas, Common Area walls and fencing and other improvements, if any, situated within the Common Area; (ii) such utility lines, pipes, plumbing, wires, conduits and systems which are a part of the Common Area; (iii) all development amenities located in and constituting a part of the Common Area, including the bridge cover; and (iv) all lawns, trees, shrubs, hedges, grass and other landscaping situated within or upon the Common Area.

Section 2. Owner's Responsibilities.

Each Owner of a Lot, other than the Developer, whether vacant or occupied, shall keep and maintain his or her Lot and the exterior of any and all improvements located thereon in a neat, attractive and safe condition. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and care for roofs, gutters, down spouts, building surfaces, trees, shrubs, grass, walks and other exterior improvements. The Owner shall also be responsible for erosion control and silt runoff in catch basins, streets, detention basins and all other Lots. Should any Owner of a Lot fail to maintain his or her Lot or the improvements thereon as set forth in this Section, the Developer, the Association or the Architectural Control Committee, its agents and representatives, may, after fifteen (15) days written notice to the Owner of such Lot, enter upon his or her Lot for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, or other unsightly growth, for removing garbage or trash, or for performing such exterior maintenance as the Architectural Control Committee, the Developer or the Association, in the exercise of its sole discretion, deems necessary or advisable. Such Owner shall be personally liable to the Architectural Control Committee, the Developer or the Association for the direct and indirect cost of such maintenance, which costs shall be added to and become part of the assessment to which such Owner and his or her Lot are subject. Although notice given as herein provided shall be sufficient to give the Architectural Control Committee, the Developer or the Association, its agents and representatives, the right to enter upon such Lot and perform such maintenance, entry



for such purpose shall be only between the hours of 9:00 a.m. and 5:00 p.m. on any day except Sunday. The provisions hereof shall not be construed, however, as an obligation on the part of the Architectural Control Committee, the Developer or the Association to mow, clear, cut or prune any Lot; to provide garbage or trash removal service, or to perform such exterior maintenance. Specifically, where an Owner, other than the Developer, has elected not to build on the Lot, the Lot shall be maintained in a neat and orderly manner (mowed at least twice a year) during the time that construction has not commenced. An enforcement of such covenant (in addition to the enforcement of other covenants contained herein) shall be in accordance with the terms and provisions of Article XVI below.

ARTICLE XII Easements

Section 1. Utility and Other Easements.

There is hereby created in favor of the Association an easement upon, across, over, through and under all of the Common Area for ingress, egress, installation, replacement, repair and maintenance of (a) all utility and service lines and systems, including, but not limited to, water, sewers, gas, telephones, electricity, television, cable or communication lines and systems and (b) public sidewalks and trees and landscaping adjacent thereto. An easement is further granted to the Association, its officers, agents, employees and any management company retained by the Association to enter in or to cross over the Common Area and the Lots, to inspect and to perform the duties of maintenance and repair of the Common Area and the Lots as provided for herein. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Developer or thereafter approved by Developer or the Board. Should any utility furnishing service covered by the general easement herein provided request a special easement to be a separate recordable document, Developer or the Association shall have the right to grant such easement on the Common Area without conflicting with the terms hereof.

Section 2. Easements for Developer.

Developer hereby reserves for itself, its successors and assigns, the following easements and rights-of-way in, on, over, under and through any part of the Property owned by Developer and the Common Area for so long as Developer owns any Lot primarily for the purpose of sales

(a) For the erection, installation, construction and maintenance of wires, lines and conduits, and necessary or proper attachments in connection with the transmission of electricity, gas, water, telephone, community antenna, television cables and other utilities;

(b) For the construction of improvements on the Lots;

(c) For the installation, construction and maintenance of storm-water drains, public and private sewers, and for any other public or quasi-public utility facility;

(d) For the erection, installation, construction and maintenance of development amenities to be located on the Common Area, including, but not limited to, installation, inspection and maintenance of a swimming pool, Common Area fencing and walls and such other improvements as determined by the Developer;

(e) For the use of the Common Area and any sales offices and parking spaces in connection with its efforts to market Lots; and

(f) For the maintenance of such other facilities and equipment as in the sole discretion of Developer may be reasonably required, convenient or incidental to the completion, improvement and sale of Lots.

Section 3. Easements for Association.

There shall be general right and easement for the benefit of the Association, its directors, officers, agents and employees, including any management company retained by the Association, to enter upon the Common Area to perform their respective duties.

ARTICLE XIII
General Covenants and Restrictions

The following covenants and restrictions shall apply to all Lots and to all Structures erected or placed thereon:

Section 1. Residential Use.

All Lots shall be restricted exclusively to single-family residential use. No Lot, or any portion thereof, shall at any time be used for any commercial, business or professional purpose; provided, however, that nothing herein shall be construed to prohibit or prevent Developer or any builder of residences in Covered Bridge at Hardin Valley from using any Lot owned by Developer or such builder for the purpose of carrying on business related to the development, improvement and sale of Lots in Covered Bridge at Hardin Valley. In addition, the Developer may, in Developer's sole discretion, use all or any portion of the Additional Land for a commercial, rather than residential, development or a mixed use development containing both commercial and residential properties.

Section 2. Common Area.

The Common Area shall be used only by the Owners and their agents, servants, family members, invitees and licensees for access, ingress to and egress from their respective Lots and for such other purposes as may be authorized by the Association.

Section 3. Nuisances.

(a) No unlawful, noxious or offensive activities shall be carried on in any Lot, or upon the Common Area, nor shall anything be done therein or thereon which, in the judgment of the Board, constitutes a nuisance, causes unreasonable noise or disturbance to others or unreasonably interferes with other Owners' use of their Lots and/or the Common Area.

(b) No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of a Lot so as to render the same unsanitary, unsightly or offensive. No nuisance shall be permitted to exist upon any portion of the Property. Without limiting the generality of any of the foregoing, no horns, whistles, or bells, except security devices used exclusively for security purposes, shall be located, used or placed on the Property or any portion thereof.

(c) All alarms or security systems with a siren, bell other auditory warning device shall have an automatic device to stop the siren, bell or other device from sounding after a ten (10) minute period of time.

Section 4. Erosion Control.

No activity which may increase erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for the prevention and control of such erosion or siltation. The Architectural Control Committee may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices for controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape and required landscaping as provided for in Article XIII, Section 5. The Owner of each Lot shall be responsible for compliance with all applicable laws, rules or regulations relating to storm water detention and shall satisfy in all respects all rules and regulations established from time to time by the Tennessee Department of Environment and Conservation, including, without limitation, any stormwater prevention plan. The Owner of each Lot shall indemnify and hold harmless the Developer from any claims of any kind, type or nature relating to or arising out of Owner's activity on any Lot or any failure of the Owner to satisfy any storm water prevention plan or other rule or regulation established by the Tennessee Department of Environment and Conservation.

Section 5. Landscaping.

No construction or alteration of any Structure shall take place without the prior written approval by the Architectural Control Committee of plans and specifications for the Landscaping to accompany such construction or alteration.

Section 6. Temporary Buildings.

No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, except in accordance with plans and specifications or other arrangements approved by the Association or the Architectural Control Committee. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot without the prior written consent of the Architectural Control Committee.

Section 7. Signs.

(a) Except as Developer deems necessary, no signs whatsoever (including but not limited to commercial and similar signs) shall, without the Architectural Control Committee's prior written approval of plans and specifications therefor, be installed, altered or maintained on any Lot, or on any portion of a Structure visible from the exterior thereof, except:

(i) not more than one sign indicating the builder, architect, landscaper and/or material supplier(s) for the residence on the Lot, maximum size six (6) square feet in area (i.e., only one sign per Lot);

(ii) not more than one "For Sale" sign per Lot; provided, however, that in no event shall any such sign be larger than six (6) square feet in area, with all such signs to be in a uniform format approved by the Developer. No directional signs will be allowed. Open house signs will be permitted during open house hours only; and

(iii) directional signs for vehicular or pedestrian safety in accordance with plans and specification approved by the Architectural Control Committee.

(b) Following the consummation of the sale of any Lot the "For Sale" sign located thereon, if any, shall be removed immediately.

(c) There shall also be erected subdivision entrance signs in the Common Area at each entrance to the subdivision. Such signs shall be considered a part of the Common Area, and the Association shall repair and maintain such signs. Such entrance signs may only be modified, after initial placement, by the Association after approval of the Architectural Control Committee.

(d) There shall be erected in the Common Area signs relating to the identification and operation of certain Common Area amenities (by way of example and not limitation, signage relating to the swimming pool, tennis courts and Common Area). Such signs shall be considered a part of the Common Area, and the Association shall maintain and repair such signs. Such signs can only be modified, after initial placement, by the Association after approval of the Architectural Control Committee.



At any time while the Developer owns a Lot, the provisions of this Section 7 shall be inapplicable to the Developer. The Developer shall have the right to erect and maintain temporary development signage with regard to the overall development of the Property and temporary development signage for the sale of individual Lots which do not comply with the foregoing signage restrictions. Such temporary signage may be maintained by the Developer in the Common Area and shall be maintained and repaired at the cost of the Developer until such temporary signs are removed, which removal shall be completed within fifteen (15) days after Developer sells the last Lot it owns in the Subdivision.

Section 8. Lots and Setbacks.

In approving plans and specifications for any proposed Structure, the Architectural Control Committee may establish setback requirements for the location of such Structure which are more or less restrictive than those established herein and by the Plat, subject to applicable governmental restrictions. No Structure, except walls and fences expressly permitted in accordance with the provisions of this Declaration, shall be erected or placed on any Lot unless its location is consistent with all established setback requirements. It is hereby established that the front setback minimum will be twenty (20) feet, the side setback minimums will be five (5) feet each and the rear setback minimum will be fifteen (15) feet, subject to more restrictive setback requirements established by the Plat or applicable governmental agencies. The front setback minimum and side setback minimum for corner lots shall be twenty (20) feet each. In addition to the setback requirements set forth above, the Subdivision shall have a thirty-five (35) foot minimum peripheral setback inside the subdivision boundaries. Variances to those standards will only be given by the Architectural Control Committee when site conditions dictate the necessity in the Architectural Control Committee's sole discretion, subject to applicable governmental restrictions.

No Lot, other than those Lots owned by the Developer, may be further subdivided in size by any devise, voluntary alienation, partition, judicial sale or other process of any kind, except for the purpose of increasing the size of a Lot. In the event two (2) or more adjacent and contiguous Lots are purchased by the same person, those Lots may be combined to form one (1) Lot, subject to the approval of the Architectural Control Committee, the Developer, for so long as the Developer owns any Lots in the subdivision, and the approval of any applicable governmental authority. If two (2) or more contiguous Lots are combined to form one Lot, the Lot Owner shall only be responsible for assessments by the Association on the single, re-subdivided Lot. The Lot Owner shall bear the cost of surveying or any fees related to the consummation of this transaction.

Section 9. Walls and Fences.

The Developer has constructed or may hereafter construct certain fencing and/or walls running parallel to East Gallaher Ferry Road, Hickory Creek Road and/or Hardin Valley Road in a portion of the Common Area. All such fencing or walls will be

considered Common Area and shall be maintained by the Association in accordance with the terms of this Declaration. It is also contemplated that portions of the development amenities (the swimming pool area and a portion of the Common Area) may also be improved by walls and/or fences approved by the Architectural Control Committee. In general, other walls and fences are not encouraged within Covered Bridge at Hardin Valley as they are often contrary to the architectural and landscaping concepts as well as the sense of community that is promoted at Covered Bridge at Hardin Valley. Hedges, berms and other landscape alternatives are preferred. However, in keeping with the desire of some Owners who may want to have swimming pools and/or gardens, walls and fences will be permitted on a restricted basis that will not detract from the overall appearance. Fences shall not be permitted in the front yard and may not extend any closer to the front of the home than the mid-point of the residence side. Construction of walls and fences will only be of masonry (including stone, stucco and brick), wood or wrought iron with a maximum height of six (6) feet. A masonry column shall be placed at each corner and at least every thirty-five (35) feet for long runs. No painted wood fences shall be permitted. No exposed framing may face outside or away from the lot that they surround. Chain link fences are absolutely prohibited except around the swimming pool to be constructed on the Common Area or as otherwise approved by the Architectural Control Committee.

It is anticipated that all fences along Gallaher Ferry Road, Hickory Creek Road and/or Hardin Valley Road which are constructed on any Lot by any Owner, subject to approval of the Architectural Control Committee, will be required to be consistent with other fences or walls constructed along such roads by other Lot Owners. That is, the Architectural Control Committee may require that all Owners who desire to build a fence or wall along Gallaher Ferry Road, Hickory Creek Road and/or Hardin Valley Road construct the same type of fence or wall, which fence or wall shall be approved by the Architectural Control Committee.

Section 10. Roads and Driveways.

No road or driveway shall be constructed or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for such roads and driveways. Such specifications shall include the location of the roads and driveways and the proposed substance of concrete, stone or brick to be used in constructing such roads and driveways, which substance of concrete, stone or brick shall be satisfactory to the Architectural Control Committee. Parking spaces, garages, and the driveway to a garage shall be planned and executed in an attractive and functional manner and shall consider the location of existing trees, topography, streetscape and compatibility with surrounding improvements. All homesites shall have a driveway of at least twelve (12) feet in width unless prior approval is obtained from the Architectural Control Committee.

Section 11. Antennae.

No antenna, satellite dish or other device for the transmission or reception of



television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on the exterior of any Structure without the prior written approval of the Architectural Control Committee. In no event shall freestanding transmission or receiving towers be permitted. Digital satellite system dishes of not more than 18" in diameter are specifically allowed when the location of said dish is unobtrusively located (as determined by the Architectural Control Committee) and not seen from adjacent Lots. In no event shall flags or banners be displayed or placed on any permitted antenna.

Section 12. Clotheslines.

No outside clothesline shall be placed on any Lot.

Section 13. Vehicles and Trailers.

No trailer, trailer house, boat, or recreational vehicle shall be parked on any Lot, except within enclosed garages. No abandoned cars, trucks, or other vehicles of any type shall be allowed on any Lot. No vehicle in an inoperative condition shall be kept in an area open to the view of the public or other Owners for a period in excess of fifteen (15) days. In the event of violation of this item, such vehicle may be removed by the Association at the expense of the Owner of the Lot of which the vehicle is located.

There shall be no overnight parking of any vehicle on the streets.

Section 14. Recreational Equipment.

Although swimming pools, recreational and/or playground equipment are permitted, they shall not be erected, installed, or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for such structures or improvements. There shall be no above-ground pools on any Lot.

Only portable basketball goals are permitted and when not in use shall be stored as far to the rear of the Lot as practical.

No portable basketball goals shall be allowed in the street.

The Architectural Control Committee may require the removal of any basketball goal which is determined to be a nuisance.

Only portable skateboard or bicycle ramps are permitted and when not in use shall be stored as far to the rear of the Lot as practical.

The Architectural Control Committee may require the removal of any skateboard or bicycle ramp which is determined to be a nuisance.

Section 15. Accessory Structures.

The Architectural Control Committee shall have the right to approve or disapprove the plans and specifications for any accessory structure to be erected on any Lot, and construction of an accessory structure may not be commenced until complete final plans and specifications shall have been submitted to and approved by the Architectural Control Committee in accordance with the provisions of this Declaration. Any outbuilding must be constructed of similar materials to the house on the Lot on which the outbuilding is to be constructed and must be of a quality consistent with the quality of homes in the Subdivision. No accessory structures will be erected on any Lot without the approval of the Architectural Control Committee.

Section 16. Improvement of Lots.

All construction of dwellings, accessory structures and all other improvements in the Subdivision shall be undertaken and completed in accordance with the following conditions; provided, however, the Developer may establish different or additional conditions for structures located in subsequent phases or units of the Subdivision on the Additional Land:

(a) All construction shall be carried out in compliance with the laws, code, rules, regulations and orders of all applicable governmental agencies and authorities.

(b) All residences in the initial phase of the Subdivision shall be single-family and "classic" or "traditional" in style. The determination of whether or not a residence is "classic" or "traditional" shall be decided by the Architectural Control Committee in its sole and absolute discretion. Residences in subsequent phases may be multi-family and of different styles, as determined by the Developer in its sole and absolute discretion.

(c) Concrete or concrete block or cinder block shall not be used as a building material for the exposed exterior surface of any dwelling, accessory structure or retaining wall constructed or placed on any Lot, and there shall be no chain-link fence or fences or walls of any other material which the Architectural Control Committee determines to be incompatible with dwellings or other structures in the Subdivision.

(d) Only one style mailbox and adjoining newspaper box shall be located on any Lot. All mailboxes (including adjoining newspaper boxes) shall be of a common design as specified by the Architectural Control Committee and shall include only the Owner's name and house number, and shall be located as prescribed by the United States Postal Service.

(e) No lumber, bricks, stones, cinder blocks, scaffolding, mechanical devices or any other materials or devices used for building purposes shall be stored on any Lot except for purposes of construction of a dwelling or accessory structure on such Lot, nor shall any such building materials or devices be stored on any Lot for longer than the



length of time reasonably necessary for the construction in which such materials or devices are to be used.

(f) No exposed, above-ground tanks for the storage of fuel or water or any other substance shall be located on any Lot.

(g) Adequate off-street parking shall be provided for each Lot.

(h) All garages must be full size garages (minimum dimensions of 20 feet by 24 feet) and have a minimum capacity of two cars. Each garage door must be coordinated with the dwelling to which it is appurtenant. Detached garages will only be permitted with prior written approval of the Architectural Control Committee. All garage doors must be located at the side or rear of dwellings, except as otherwise approved by the Architectural Control Committee, and emphasis will be given to ensure that garage doors will not face streets. Garage doors in subsequent phases of the Subdivision may, in the discretion of the Developer, face the streets. Garage doors shall be kept in working order and shall be kept closed when not in use. The primary garage for any home built in Unit 1 of the Subdivision shall not be located in the basement.

(i) No window air conditioning unit may be located in any part of any dwelling or accessory structure. All exterior equipment (HVAC, pool, etc.) shall be ground mounted and screened by fencing or placing of a density and height to hide the unit effectively, which fencing or planting shall first be approved by the Architectural Control Committee.

(j) Any screen porch which is a part of any dwelling or an accessory structure must have a dark color screen, and no bright color silver finish screens may be used.

(k) No plumbing, vent or heating vent shall be placed on the front side of any roof of any dwelling or accessory structure.

(l) Any construction on a Lot shall be at the risk of the Owner of such Lot, and the Owner of such Lot shall be responsible for any damage to any curbing, boulevard, roundabouts, sidewalks or street resulting from construction on such Lot. Any damage to any section(s) of the sidewalk must be repaired by replacing completely all sections affected. Repairs of such damage must be made as soon as reasonably possible but in no event not more than thirty (30) days after completion of such construction.

(m) The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of one-story dwellings constructed on Lots shall contain not less than two thousand one hundred (2,100) square feet. The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of all one and one-half story and two-story dwellings shall contain not less than two thousand seven hundred fifty (2,750) square feet.

(n) No lines, wires or other devices for communication purposes, including telephone, television, data and radio signals, or for transmission of electric current or energy, shall be constructed or placed on any Lot unless the same shall be in or by conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings, or other approved improvement, subject to the terms of Article XIII, Section 11, and further provided, however, that above ground electrical transformers and other equipment may be permitted if properly screened and approved by the Architectural Control Committee. In addition, all gas, water, sewer, oil and other pipes for gas or liquid transmission shall also be placed underground or within or under buildings. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of approved improvements or Lots in the Common Area.

(o) Garbage and refuse shall be placed in containers and shall be capped and contained in such a manner that they are inaccessible to animals. The containers shall be concealed within buildings, be concealed by means of a screening wall of material similar to and compatible with that of the building, or concealed by sufficient landscaping to provide a permanent screen from view or surrounding property. These elements shall be integrated with the building plan, be designed so as not to attract attention, and shall be located in as reasonably inconspicuous manner as is possible.

(p) All exterior lighting shall, be consistent with the character established in the Subdivision and be limited to the minimum necessary for safety, identification, and decoration. Exterior lighting of buildings for security and/or decoration shall be limited to concealed uplighting or downlighting. No color lens or lamps are permitted. Any pole-mounted light fixture is to be operated by photocell and of a design specified by the Architectural Control Committee and will be installed at the height and location specified by the Architectural Control Committee. It is each Owner's responsibility to ensure that this required pole fixture is in good operational condition at all times. The exterior lighting to be constructed, erected and placed in the Common Area by the Developer and the Association shall be exempt from and restricted by the provisions of this Section (p), provided such lighting shall be consistent with the character established in the Subdivision and limited to the minimum necessary for safety, identification and decoration. The Association shall maintain and repair such Common Area lighting. The Common Area lighting can only be modified, after initial construction and placement, by the Association after approval of the Architectural Control Committee.

(q) No private residence erected upon any Lot shall be occupied in any manner while in the course of construction, nor at any time prior to its being fully completed, as herein required; nor shall any residence when completed, be in any manner occupied until made to comply with the approved plans, the requirements herein, and all other covenants, conditions, reservations, and restriction herein set forth. All construction shall be completed within twelve (12) months from the start thereof, provided, that the Architectural Control Committee may extend such time when in its opinion conditions warrant such extension.

(r) No garbage or trash incinerator shall be permitted on a Lot. The Lot owner



shall keep and maintain on said Lot, covered garbage containers in which all garbage shall be kept until removed from the Lot. Such garbage shall be kept at all time, at the option of the Lot owner, either within a side or rear yard or within underground garbage receptacles located on the Lot. In no event shall garbage containers create a visual detriment to the Subdivision. While construction activities are taking place on a Lot, trash dumpsters or containers are permitted.

(s) All yard maintenance equipment and other similar items shall be stored out of view of other Lot owners.

Section 17. Animals.

No animals, including birds, insects and reptiles, may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No animal shall be allowed to become a nuisance. No structure or enclosure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Lot unless plans and specifications for said Structure have first been approved by the Architectural Control Committee. Invisible fencing for dogs (i.e. radio monitored underground wiring systems) are encouraged. Not more than two dogs and not more than two cats may be kept on any building Lot by the occupants or others. All animals shall be kept confined or on a leash if they become a nuisance.

Section 18. Water Supply.

No individual water supply system shall be permitted on any Lot without the prior written approval of the Architectural Control Committee. If such approval is given, such system must be located, constructed and equipped in accordance with the requirements, standards and recommendations of federal, state and local public health authorities, and all necessary approvals of such system as installed shall be obtained from such authorities at the sole cost and expense of the Owner of the Lot to be served by such system.

Section 19. Building Construction Standards.

(a) Exterior materials. Finish building materials shall be applied consistently to all sides of the exteriors of buildings. Exterior materials shall be brick, stone, stucco, Dryvit or similar, Hardiplank or similar, Hardishake or similar, concrete siding or other material approved by the Architectural Control Committee. No simulated or manufactured brick or stone shall be permitted, except as otherwise approved by the Architectural Control Committee. There shall be no cantilevered fireplaces or window bays. There shall be no exposed foundations of block or painted block.

(b) Exterior Colors. Finish colors shall be applied consistently to all sides of the buildings. Color selections shall be harmonious with each other and with natural materials, and shall be compatible with colors of the natural surrounding and other adjacent property. All exterior wood, excluding decks, but including hand rails,

banisters, etc., must be painted or stained to coordinate with finish colors of the building, although decking surfaces may be left in natural condition.

(c) Exterior Trim and Decoration. Exterior window and door trim and similar decorations shall all be of the same color and materials, unless otherwise approved by the Architectural Control Committee, and shall be either of the same material as exterior walls or directly compatible. Facia, gutters and down spouts shall blend in and be directly compatible with the architectural detail of the exterior walls. Reflective glass is prohibited. All front doors shall be of solid wood or other quality material approved by the Architectural Control Committee. Frieze board shall be required. All windows shall be of a high quality and approved by the Architectural Control Committee.

(d) Appurtenances. All exterior mechanical equipment including, but not limited to, vents, air conditioning compressors, pool pumps, meters, etc. shall be concealed from view by walls of the same material and color as the building or by an opaque landscaping screen. No solar energy device shall be allowed.

(e) Roofs. Roofing materials shall be "architectural dimensional shingles" of at least 30 to 40 year expected life in a color approved in advance by the Architectural Control Committee. Other roofing materials of higher quality may also be utilized with the prior approval of the Architectural Control Committee. Eighty-five percent (85%) of the roof's pitch must be 10/12 or steeper on a one-story dwelling and one and one-half story and at least 8/12 or steeper on two-story dwellings, except as otherwise approved by the Architectural Control Committee.

(f) Substitutions. Substitutions of building material of comparable appearance and quality may be required or allowed by the Architectural Control Committee in all aspects of construction standards when necessary or desirable in its sole and absolute discretion.

Section 20. Landscaping and Open Space Standards.

(a) General. Any lot which has been altered from its natural state shall be landscaped according to plans approved by the Architectural Control Committee. All shrubs, trees, grass and plantings of every kind shall be kept well maintained, properly cultivated and free of trash and other unsightly material. Landscaping as approved by the Architectural Control Committee shall be installed no later than thirty (30) days following completion of any building with weather permitting.

(b) Landscaping Plan. A comprehensive landscaping plan for each homesite must be designed by a person competent in such area and must be submitted to and approved by the Architectural Control Committee. Such plan shall require sod from the rear of the dwelling structure to the curb of all adjacent roadways unless otherwise approved by the Architectural Control Committee.

(c) Tree Protection. The Developer has created a tree protection area as

shown on the Plat, which extents thirty (30) feet along the northern and western periphery or boundary of the Subdivision and fifty (50) feet off the edge of the pavement of East Gallaher Ferry Road. No hardwood tree which is eight (8) inches or greater in diameter shall be removed from the tree protection area without the prior written consent of the Association.

ARTICLE XIV Insurance

The Board, or its duly authorized agent, shall obtain such insurance policies upon the Common Area as the Board deems necessary or desirable in its sole discretion. The named insured on all policies of insurance shall be the Association.

ARTICLE XV Additional Land

Section 1. Developer's Reserved Rights.

Developer hereby reserves the following rights:

- (a) The right by amendment or amendments to this Declaration to add and subject the Additional Land, or portions thereof, to this Declaration and to provide for the incorporation of the Additional Land and all improvements thereon into the Subdivision.
- (b) The right to alter or amend the Declaration as it applies to any portion of the Additional Land submitted to this Declaration, including, without limitation, the amendment of voting rights, assessments and construction or design requirements.
- (c) The right to utilize and establish those various easements set forth in Article IX, Section 1 above.
- (d) The right to store and secure construction materials on the Additional Land (whether relating to the construction and development of the Additional Land or the property).
- (e) The right to add additional Common Area to the Subdivision, including additional amenities in subsequent phases of the Subdivision, and to convey such additional Common Area to the Association.

Section 2. Procedure for Adding Additional Land.

The following procedures shall be followed to add and subject the Additional Land, or portions thereof, to this Declaration:



(a) The subdivision plat or survey of the Additional Land, or a portion thereof, to be subjected to this Declaration, containing such detail and particulars as did the Plat shall be recorded as a separate subdivision plat or included in an amendment to the Plat to be recorded in the Register's Office for Knox County, Tennessee.

(b) An amendment or amendments to this Declaration shall be recorded in the Register's Office for Knox County, Tennessee. The amendment or amendments to this Declaration with respect to the Additional Land shall: (i) describe the portion of the Additional Land to be added; (ii) state all development amenities and other Common Area located or to be located on the Additional Land to be added may be utilized by all Owners; and (iii) state that all of the covenants, conditions and restrictions of this Declaration, including the obligation to pay certain assessments, shall apply to the Additional Land added to the Subdivision in the same manner as if it were originally covered by this Declaration or in such other manner as set forth in the amendment of this Declaration.

(c) Liens arising from or in connection with the Developer's ownership of and construction of improvements upon the portions of the Additional Land to be subjected to this Declaration must not adversely affect the rights of existing Owners or the priority of deeds of trust on any Lots. All property taxes and assessments which are attributable to such property before it is added must be paid or escrowed by Developer prior to subjecting the property to this Declaration.

Section 3. Limitations on Developer's Reserved Rights as to Additional Land.

The Developer's rights to add and subject portions of the Additional Land to this Declaration may be exercised at any time, but not more than ten (10) years after the recording of this Declaration.

This Declaration shall not be construed to constitute a cloud on Developer's title rights to the Additional Land prior to its addition and subjection, if such addition and subjection occurs, to this Declaration, nor shall this Declaration impose any obligation on Developer or any other person or entity to improve, develop or subject any portion of the Additional Land to this Declaration. The rights of Developer under this Declaration (including, without limitation, the right to develop the Subdivision) may be assigned to any successor(s) by an express assignment in a recorded instrument, including, without limitation, a deed, an option, or a lease. This Declaration shall not be construed in any way to limit the right of Developer at any time prior to such an assignment to establish additional licenses, reservations and rights-of-way to itself, to utility companies or to others as may be reasonably necessary to the proper development and disposal of property owned by Developer.

Section 4. Phases.

No assurances are made by Developer regarding the Additional Land. No assurances are made that Developer will exercise Developer's reserved rights with

respect to any portion of the Additional Land, nor as to which portions of the Additional Land the Developer will exercise such rights or the order in which such portions, or all the areas, will be developed.

The exercise of those rights reserved herein to the Developer as to some portions of the Additional Land will not in any way obligate Developer to exercise them as to any other portions of the Additional Land.

ARTICLE XVI General Provisions

Section 1. Enforcement.

(a) The Association, the Architectural Control Committee, the Developer, or any Owner, shall have the right to enforce, by and proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the Architectural Control Committee, the Developer or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) The Architectural Control Committee shall have right of abatement in all cases where an Owner of a Lot shall fail to take reasonable steps to remedy a violation or breach of any restriction contained in this Declaration within twenty (20) days after the certified mailing of written notice of such violation or breach. The right of abatement means the right of the Architectural Control Committee, through its agents and employees, to enter at all reasonable times upon any Lot or Structure as to which a violation or breach exists, and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions. Further, the Architectural Control Committee, the Association, the Developer or any Owner may (1) prosecute proceeding at law for the recovery of damages against those violating or attempting to violate the declaration of covenants and restrictions and/or (2) maintain a proceeding in equity against those so violating or attempting to violate any covenants or restrictions, for the purpose of preventing or enjoining all of any such violations or attempted violations, and/or to have any such violation removed from the lot or cured.

(c) The remedies contained in this section shall be construed as cumulative of all other remedies now or hereafter provided by law. If the Association, the Architectural Control Committee, the Developer, the Board or any other Person or Persons owning a lot shall successfully prosecute in law or equity an action pursuant to this or any other enforcement section of these covenants or restrictions, then that party shall be entitled to receive its reasonable attorney's fees and the costs reasonably necessary to prosecute the case against the party violating the covenants and restrictions herein.

Section 2. Severability.

If any provision of the Declaration, or any paragraph, subparagraph, article, section, sentence, clause, phrase, word or the application thereof in any circumstance is held invalid, the validity of the remainder of this Declaration and the application of any such provision, paragraph, subparagraph, article section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration shall be construed as if such invalid part was never included therein.

Section 3. Headings.

The headings of articles and sections in this Declaration are for convenience of reference only and shall not in any way limit or define the content or substance of such articles and sections.

Section 4. Duration.

The covenants and restrictions of this Declaration shall run with and bind the land for a period of twenty (20) years from the date this Declaration is recorded in the Knox County Register's Office, at the end of which period such covenants and restrictions shall be automatically extended for the successive periods of ten (10) years each, unless at least three-fourths (3/4ths) of the Owners at the time of the expiration of the initial period, or of any extension period, shall sign an instrument in which said covenants and restrictions are modified in whole or in part, which instrument shall be recorded in the Knox County Register's Office.

Section 5. Rights and Obligations.

Each grantee of the Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in the property or any portion thereof, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

Section 6. Notices.

Notices provided for in this Declaration shall be in writing and shall be addresses to any Owner at his or her Lot or at such other address as hereinafter provided. Notices to the Developer shall be in writing and shall be addressed to Covered Bridge, LLC, 213 Fox Road, Suite 100, Knoxville, Tennessee 37922 or at such different address as disclosed in a written notice of change of address furnished to all Owners. Any Owner

may designate a different address for notices to him or her by giving written notice to the Developer. All notices to Owners and Developer shall be deemed delivered upon mailing by United States certified mail, return receipt requested, or when delivered in person.

Section 7. Construction.

The Owner of any Lot shall not be required to commence construction on said Lot within any time period after the Lot is purchased from the Developer; provided however, Owner shall complete construction in compliance with approved plans and specifications and pass final inspection of the Architectural Control Committee within twelve (12) months of the time that the Architectural Control Committee granted approval of said plans. Undeveloped Lots other than those owned by Developer shall be maintained per Article XI, Section 2.

Section 8. Waiver and Modification.

(a) Developer hereby reserves the right in its absolute discretion at any time during which the Developer owns a Lot to annul, waive, change or modify any of the conditions or covenants contained herein and shall have further the right before a sale to change the size of or locate or relocate any of the lots, parcels, streets, or roads shown on any of the plats of the Subdivision for a period of seven (7) years. Further, the Developer may amend these covenants and restrictions for the purpose of curing any ambiguity or inconsistency between the provisions contained herein.

(b) Declaration. This Declaration may be amended at any time and from time to time by an agreement signed by at least seventy-five percent (75%) of the Owners of Lots; provided, however, such amendment by the Owners shall not be effective unless also signed and approved by Developer if Developer is the owner of any real property then subject to this Declaration. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or grantee of any interest in any real property made subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that this Declaration may be amended as provided in this Section.

Section 9. Assignment or Transfer.

Any or all of the rights and powers, titles, easements and estates reserved or given to Developer in this Declaration may be assigned to any one or more entities or assignees which will agree to assume said rights, powers, duties and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers, and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by Developer and Developer shall thereupon be released therefrom.

Section 10. Controlling Document.

This Amended and Restated Declaration of Covered Bridge at Hardin Valley amends, replaces and supersedes the Original Declaration for all purposes. This amendment is permitted pursuant to Article XVI, Section 8(a) of the Original Declaration.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed as of _____, 2008.

COVERED BRIDGE, LLC

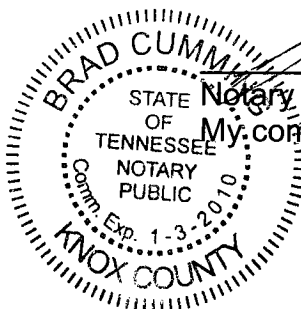
By: _____

Title: Chief Manager

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said county and state, Knoxville TN, the within-named bargainor, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the Chief Manager of COVERED BRIDGE, LLC, the within-named bargainor, a Tennessee limited liability company, and that he, as such _____, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as _____.

Witness my hand and official seal at office this 20th day of March 08, 2008.



Notary Public

My commission expires: 1-3-2010

**FIRST AMENDMENT OF DECLARATION OF COVENANTS
AND RESTRICTIONS COVERED BRIDGE AT HARDIN VALLEY**

This Amendment of Declaration of Covenants and Restrictions of Covered Bridge at Hardin Valley is made and entered into this _____ day of _____, 2009, by Covered Bridge, LLC, a Tennessee limited liability company ("Developer") and all other owners of Lots in The Villas of Covered Bridge.

Developer is the owner of a certain parcel of real property located in Knox County, Tennessee (the "Property") as more particularly described in the Declaration of Covenants and Restrictions of Covered Bridge at Hardin Valley dated as of February 15, 2007, of record as Instrument No. 200702160066350 in the office of the Register of Deeds for Knox County, Tennessee, and the Amended and Restated Declaration of Covenants and Restrictions of Covered Bridge at Hardin Valley of record as Instrument No. 200804300081273 in such Register's Office (the "Declaration").

The Declaration specifically provides that the Developer has the right to amend the Declaration to add and subject additional land to the Declaration and to provide for the incorporation of any such additional land and all improvements thereon into the Subdivision.

The Developer has started development of Phase 1 of the Subdivision and now desires to add Phase 3 to the Subdivision, such phase to be known as The Villas at Covered Bridge ("The Villas"). As provided in the Declaration, phases of the Subdivision may include, in the discretion of the Developer, smaller homes, smaller lots and different architectural styles of homes than are found in other phases, and owners of lots in subsequent phases shall be required to become members of the Association and, in the discretion of the Developer, different or additional homeowners' associations.

The Developer and the other owners of lots in The Villas now desire to amend the Declaration to add The Villas to the Subdivision and the terms of the Declaration. The homes in The Villas will be subject to the terms of the Declaration, except to the extent specifically provided in this Amendment. The Owners of Lots in The Villas will be required to become members of the Association and will be required to pay all assessments and other amounts required to be paid by other owners pursuant to the Declaration.

The Developer and other owners now wish to amend the Declaration as set forth herein.

1. Amendment of Declaration. The Declaration is hereby amended as follows:

a. Exhibit A to the Declaration is hereby amended by inserting in such Exhibit A the real property described on Exhibit A attached hereto and incorporated

herein by reference (the "Villa Property"). The Villa Property shall be deemed to be included in the Property for purposes of the Declaration, as amended.

b. There shall be added to the Declaration the following new Article XVII.

ARTICLE XVII
PROVISIONS APPLICABLE ONLY TO THE VILLAS

The following provisions are applicable to The Villas and the Villa Property only.

Section 1. The Villas Governance. Every Owner of a Lot in The Villas shall be a mandatory member of the Association, in accordance with the terms of Article VII. Each Owner of a Lot in The Villas, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association the amounts set forth in Article X and this Article XVII.

The affairs of The Villas shall be governed by the Board. The Board shall appoint a committee (the "Villas Committee") consisting of three (3) Owners of Lots in The Villas to determine the assessments relating only to The Villas, as described in Section 2 below, and to otherwise make decisions as to matters relating solely to The Villas. The members of the Villas Committee shall serve for terms of one (1) year each or until their successors are appointed, and may be removed at any time by the Board with or without cause.

Section 2. The Villas Covenant for Maintenance and Capital Improvements Assessments. Each Owner of a Lot in The Villas, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual assessments which may or shall be levied by The Villas Committee and (2) special assessments which may or shall be levied by the Villas Committee, such assessments to be established by the Villas Committee (collectively the "Villa Maintenance Assessment"). The Villa Maintenance Assessments shall be in addition to any assessment levied by or otherwise payable to the Association by Owners of Lots in the Subdivision. Villa Maintenance Assessments, together with interest thereon and cost of collection thereof, as provided in the Declaration, including reasonable attorney fees, shall be a continuing lien upon the Lot against which the assessment is

made. Each Villa Maintenance Assessment, together with interest thereon and cost of collection thereof, including reasonable attorney fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his or her successors in title unless expressly assumed by them.

The Villa Maintenance Assessment shall be computed, assessed and approved by the Board, in accordance with the terms of Article X of the Declaration. The Association shall have all remedies granted the Association in Article X with regard to the non-payment of the Villa Maintenance Assessments.

The Developer shall be exempt from all Villa Maintenance Assessments.

Builders who acquire a Lot in The Villas for the purpose of building a speculative home shall be exempt from the Villa Maintenance Assessments unless such builder is constructing his or her own personal residence on such Lot.

Section 3. Purpose of Assessments. The Association shall maintain all lawns and landscaped areas which are a part of Lots in The Villas, including, without limitation, the mowing of lawns and the maintenance of landscaped areas and the irrigation system and the expense of water used in connection with the irrigation system. The cost of all such services, including the maintenance of the irrigation system and all water bills, shall be paid by the Association.

The Board may, in its discretion, elect to provide for common garbage pickup for The Villas, in which case the cost of such garbage pickup will be paid by the Association and the Villa Maintenance Assessments will be adjusted to provide the funds necessary to pay such costs.

The Villa Maintenance Assessments shall be held by the Board in a separate account. The Villa Maintenance Assessments shall be used exclusively for providing the services relating to the maintenance of yards and landscaping in The Villas and the other matters as described above and the cost and expenses incident to the operation of The Villas by the Association, including, without limitation, the purchase of insurance by the Association, insurance premiums and all costs and expenses incidental to the

operation and administration of The Villas and the establishment and maintenance of a reasonable reserve fund or funds.

Section 4. Grant of Easement. Each buyer of a Lot in The Villas, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to grant to the Association, its agents, employees and assigns, an easement over and across such Owner's Lot in The Villas for the purpose of allowing the Association to satisfy its obligations set forth in this Article XVII. The granting of such easement shall be deemed to be, and is, irrevocable and shall run with the land.

Section 5. Architectural Control. The terms of Article II, Section 3 of the Declaration, Submission of Plans and Specifications, shall apply to The Villas and, further, the following subsection (g) shall be added and shall apply only to The Villas:

(g) The exterior color of any Structure in The Villas shall not be changed or altered in any way without the prior approval of the Architectural Control Committee.

Section 6. General Covenants and Restrictions. The terms of Article XIII of the Declaration, General Covenants and Restrictions, shall apply to The Villas except as expressly set forth below:

a. Section 8, Lots and Setbacks, shall be revised with regard to The Villas to provide that the front setback minimum will be 20 feet, the side setback minimums will be 5 feet each and the rear setback minimum will be 15 feet, subject to more restrictive setback requirements established by the Plat or applicable governmental agencies.

b. Section 9, Walls and Fences, shall be revised with regard to The Villas only to add the following:

Any fence erected on a Lot in The Villas must have a gate to allow access for yard maintenance and the providing of services as described in Article XVII, Section 3, which gate shall be at least 60 inches in width. Such gate must be available to provide access to allow the providing of such services and, if access is not provided, such services shall not be provided to the Owner of the Lot in question; provided, however, such Owner shall continue to be

responsible for the assessments relating to such services. Neither the Association nor any agent of the Association providing maintenance services shall be responsible for any animal kept within a fence on any Lot in The Villas or the escape of such animal as a result of the activities of the Association or its agents.

c. Section 16(h) is revised with regard to The Villas to provide that garage doors may face the street.

d. Section 16(n) is revised with regard to Phase 3 to provide that the enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk storage and basement) of dwellings constructed on Lots in The Villas shall contain not less than 1800 square feet.

2. Capitalized Terms. All capitalized terms not otherwise defined in this Amendment shall have the same meaning given them in the Declaration.

3. Continued Effect. To the extent not modified or amended hereby, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed as of the date set forth above.

COVERED BRIDGE, LLC

By: _____
Title: _____

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said county and state, _____, the within-named bargainor, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the _____ of COVERED BRIDGE, LLC, the within-named bargainor, a Tennessee limited liability company, and that he, as such _____, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as _____.

Witness my hand and official seal this ____ day of _____, 2009.

Notary Public
My commission expires: _____