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DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS
OF GROVES PARK COMMONS

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Easements, Covenants and Restrictions of Groves Park Commons made and entered into this 23rd day of September 2008, by SOUTH FORK DEVELOPMENT, LLC, a Tennessee limited liability company hereinafter referred to as "Developer."

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property more particularly described in "Exhibit A" to this Declaration, said Exhibit being incorporated herein by reference (being also defined as the "Property" in Article I, Section 19, hereof), and desires to create thereon a residential community with common facilities for the benefit of said community; and

WHEREAS, Developer desires to grant and reserve various easements for the future enjoyment, use and maintenance of the Property; and

WHEREAS, Developer desires to place certain covenants, conditions, reservations and restrictions upon the use of the Property for the benefit of owners of the dwellings erected thereon, and to maintain the aesthetic quality of the development.

WHEREAS, Developer will form or has formed a Tennessee not-for-profit corporation (hereinafter called the "Association") to be called the Groves Park Commons Neighborhood Association, Inc. or a name similar thereto. Each Owner, in accepting a deed for any Lot in Groves Park Commons Commons, agrees to and shall become a member of and be subject to the obligations of this Declaration, the duly enacted Bylaws of the Association and any Rules, all as may be amended from time-to-time.

NOW THEREFORE, the Developer declares that the Property is and shall be purchased, owned held, transferred, sold, conveyed, encumbered and occupied subject to the covenants, restrictions, bylaws, easements, charges, liens, rules and regulations (sometimes referred to as "covenants and restrictions") hereinafter set forth or referenced and incorporated herein, that shall run with the Property and thus be binding on all parties having any right, title or interest in the Property, or any part thereof, including their respective heirs, successors and assigns, and that shall inure to the benefit of each Owner.

ARTICLE I
DEFINITIONS

Section 1. “Alley” shall mean and refer to a joint permanent easement shared by and for the sole use of Lots adjacent to such Alley, as shown on a Plat.

Section 2. “Architectural Control Committee” or “ACC” shall mean and refer to the Developer, or such individuals as Developer may appoint, until all lots in Groves Park Commons (including any property added to Groves Park Commons by subsequent amendment) 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 3. “Assessment” shall mean one or all of an annual assessment, special assessment or specific assessment described in Article VII.

Section 4. “Association” shall mean and refer to Groves Park Commons Neighborhood Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns.

Section 5. “Board” shall mean and refer to the Board of Directors of the Association.

Section 6. “Building” shall mean and refer to any and all houses, town houses, garages, outbuildings and/or other buildings constructed, erected, placed or maintained on the Property.

Section 7. “Common Area(s)” 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, including but not limited to the open space areas, storm water retention/detention ponds areas including storm water discharge structures and storm water bio-swale areas.

Section 8. “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.

Section 9. “Declaration” shall mean the covenants, conditions, restrictions, and easements and all other provisions herein set forth in this entire document, as may from time to time be amended.

Section 10. “Developer” shall mean and refer to (i) South Fork Development, LLC or (ii) any successor-in-title or any successor-in-interest to South Fork Development, 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 Developer hereunder at the time of such conveyance.

Section 11. “Dwelling” shall mean and refer to any house, town house, garage apartment or other Building that is properly constructed and properly authorized for human residential occupation.

Section 12. “Estate Lot” shall mean a Lot that has a 90’ or greater front.

Section 13. “Improvement” shall mean and refer to (i) any thing or object, whether temporary or permanent, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration but not limitation, any Building, Dwelling or part thereof, garage, porch, gazebo, structure, shed, greenhouse or bathhouse, covered or uncovered patio, swimming pool, tennis court, basketball goal, fence, screen, curbing, paving, driveway, walkway, tree house, playhouse, swing set, playground equipment, wall, tree, shrub, sign, signboard, mailbox, driveway, (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; 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 an “Improvement” shall indicate or imply that all of such things or objects are permitted Improvements under the terms and provisions of this Declaration.

Section 14. “Lot” shall mean and refer to any parcel of land shown upon any recorded plat of the Property upon which a single-family residence may be constructed.

Section 15. “Occupant” shall mean and refer to any family member, guests, tenant, agent, servant, employee or invitee of an Owner or an Owner’s family member, or any other person who occupies any Dwelling or is present upon any Lot or Common Area.

Section 16. “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 17. “Person” shall mean and refer to a natural person, corporation, partnership, association, trust, or other legal entity, or any combination thereof.

Section 18. “Plat” shall mean and refer to that certain Final Subdivision Plat for Groves Park Commons in the Register’s Office for Anderson County, Tennessee, and as may be shown by any amended or supplemental map of the subdivision subsequently recorded in the Register’s Office for Anderson County, Tennessee.

Section 19. “Property” shall mean and refer to that certain real property identified and described in Exhibit A hereto, by reference made a part hereof, together with such additional real property as may by subsequent amendment be added to and subjected to this Declaration.

Section 20. “Rules” shall mean a set of rules and regulations governing design of Dwellings and Improvements, the review and approval of plans, construction and the general use

and enjoyment of the Property, the provisions of which are incorporated herein and deemed part of this Declaration.

Section 21. “Street” shall mean and refer to dedicated public thoroughfares shown on any Plat.

Section 22. “Town House Lot” shall mean and refer to a Lot on which may be constructed a “town house” style Dwelling that is not required to have (but may still have) side setback requirements or side yards.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

Section 1. The Property. The Property shall be subject to this Declaration and the covenants, restrictions, terms and provisions set forth herein. The Property may include such additional property as may be added to the Property from time to time as provided under Section 3 hereof.

Section 2. No Public Rights in Common Area. The dedication of any portion of the Property to public ownership or use shall not mean that the public at large acquires any right or easement in or to any other part of the Property, including any Common Area.

Section 3. Additional Property. At any one or more times and without the consent of the Association or any other Person, Developer (or any other person with the written consent of the Developer) shall have the right, privilege and option (but not the obligation) to add to the Property all or any part of any additional property. Any such addition shall have the effect of making the added property part of the Property and extending the provisions of this Declaration to such added property. Any addition shall be effective upon the filing for record of an amendment describing such added property, unless a later effective date is provided therein. Provided, however, if other land owned by Developer is not subjected to this Declaration, Developer shall have no obligation whatsoever to impose any covenants and restrictions similar to those contained herein upon such other property, nor shall Developer have any obligation whatsoever to limit or restrict the use to which such other property may be put by Developer or any subsequent owner thereof, regardless of whether such uses are consistent with the covenants and restrictions imposed hereby.

ARTICLE III

ASSOCIATION MEMBERSHIP

Section 1. Formation. The Developer shall have the Association established as a “mutual benefit,” non-profit Tennessee corporation. The Association shall be governed by its charter, bylaws, this Declaration and the Rules. To the extent of any conflict in the terms and provisions of this Declaration and the Association’s charter or bylaws, the terms of this Declaration shall control.

Section 2. Membership. Every Owner shall be a 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. Each Owner's membership shall terminate upon the sale or other disposition by such member of his or her Lot, at which time the new Owner shall automatically become a member of the Association.

ARTICLE IV **ARCHITECTURAL CONTROL COMMITTEE (ACC)**

Section 1. Establishment of the Architectural Control Committee. There is hereby established a committee of the Board known as the Groves Park Commons Architectural Control Committee (referred to herein as the "Architectural Control Committee" or "ACC"). Developer reserves the right to act as the ACC and exercise all powers of the ACC and/or to appoint others to act as the ACC until Developer relinquishes such rights. After the Developer executes and files of record a relinquishment of its right to act as or appoint the ACC, the members of the ACC shall be appointed by the Board.

Section 2. Purpose, Powers and Duties of the ACC. The purpose of the ACC is to assure that the construction or alteration of any Improvement on any Lot (i) is in conformity and harmony with the external design and general quality intended for the neighborhood; and (ii) is in accordance with the standards for development of the Property established from time to time by the Developer and/or the Association. To the extent necessary to carry out such purpose, the ACC shall have all 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 for any construction or alteration of any Improvement on any Lot. Notwithstanding any provision herein to the contrary, the powers of the ACC shall be subject and subordinate to the rights expressly reserved to the Developer herein.

Section 3. Architectural Control Committee. Once the Developer ceases to act as the ACC, the ACC shall consist of not less than three (3) nor more than five (5) individuals who may be but are not required to be Owners. The members of the ACC may be removed at any time by the Developer or Board, whichever appointed them, with or without cause. The affirmative vote of a majority of the members of the ACC shall be required to make any finding, determination, ruling or order or to issue any permit, consent, approval or disapproval, and the approval or disapproval of all or any portion of any Plans, or to recommend that the Board adopt any rule or regulation relating to the provisions of this Article.

Section 4. Limited Right of Appeal. So long as the Developer is acting as the ACC or appointing the ACC, the decisions of the Developer or ACC shall be final. Subsequent to the Developer's relinquishment of the right to act as or appoint the ACC, as described in Section 1, any decision of the ACC may be appealed to the Board, and may be overruled by the Board's majority vote.

ARTICLE V
GRIEVANCE PROCEDURE

Section 1. Submission to Board. Any grievance or complaint which an Owner shall have against any other Owner for violation of the provisions of this Declaration, the Bylaws, or the Rules, or for any other reason, shall first be submitted to the Board for arbitration by the Board.

Section 2. Administration of Grievance. 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 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 the complaining party shall have the right to resort to any other legal remedies which may be available to them.

Section 3. Other Legal Remedies. No Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted.

ARTICLE VI
PROPERTY RIGHTS

Section 1. Owner's Easement of Enjoyment. Subject to the provisions herein, every member of the Association 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 against said Owner's Lot remains unpaid.
- (c) The right of the Association to limit the number of Persons who may use any Common Area at a particular time and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by authorized users and their guests and invitees.
- (d) The right of the Developer or the Association, acting through the Board and without a vote of the Owners, to dedicate or grant licenses, permits,

easements or rights-of-way over, under and through the Common Area to government entities or any quasi-governmental agency or to any utility company or cable television company; provided that no such license, right-of-way or easement shall be unreasonably and permanently inconsistent with the rights of the Owners to the use and enjoyment of the Common Area.

- (e) 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 Owners. No such dedication or transfer shall be effective unless an instrument signed by three-fourths (3/4) of the Owners, agreeing to such dedication or transfer, has been recorded.
- (f) The right of the Association to borrow money to repair, maintain or improve all or any portion of the Common Area in a manner designed to promote the enjoyment and welfare of the Owners, and, in connection with any such loan, to subject all or any portion of the Common Area to the liens of deeds of trust or other security interests; provided, however, that the lien and encumbrance of any such deeds of trust or other security interests shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Developer or any Owner or the holder of any mortgage encumbering any Lot or other property located within Groves Park Commons regardless of any contrary provision in this Declaration or in any such deeds of trust or other security interests. The exercise of any rights by the holder of such deeds of trust or other security interests in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Developer or any Owner or the holder of any mortgage encumbering any Lot or other property located within Groves Park Commons. Any and all loan or debt service costs and expenses shall be eligible costs and expenses of the Association for which a annual/special assessment would apply.
- (g) The right of the Association to take any action permitted by this Declaration as is reasonably appropriate or necessary to prevent a default of any of the Association's obligations or to protect the assets of the Association against or from foreclosure or enforcement of a security interest by a creditor.
- (h) The right of the Developer or the Association to dedicate or grant the streets, roads, parking areas, sidewalks, easements and/or rights-of-way as shown and designated on any Plat to any governmental authority having jurisdiction over the Property without the necessity of any approval by the Owners.

- (i) The right of the Association to sell, transfer or convey any part of the Common Area if it determines such sale, transfer or conveyance to be beneficial to the Owners.
- (j) The right of the Developer and/or the Association to alter the size, location, designation of (including deletion of any Common Area), inclusion of or other specifics of any Common Area.
- (k) All other rights of the Association, the Developer and Owners set forth in this Declaration or in any deed conveying Common Area to the Association.
- (l) The easements reserved in Article IX of this Declaration.
- (m) All encumbrances and other matters shown by the public records affecting title to the Property.

Section 2. Delegation of Use. Any Owner may delegate 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 this Declaration, the Bylaws and the Rules.

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 the 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 governmental body, agency or authority.

Section 4. No Partition. Other than as provided for in Article XIII, Section 2, 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.

ARTICLE VII **ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual, special or specific assessments, such assessments to be levied and collected as hereinafter provided. The Assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, including reasonable attorney's fees, shall be a charge and continuing lien upon the Lot against which each such 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 Assessments shall not pass to his or her successors-in-title unless expressly assumed by them.

Section 2. Purpose of Assessments. The Assessments 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 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 intended that the sidewalks, Common Area landscaping, community clubhouse, pool, greenway, lakes, trails and Common Area signage and lighting are improvements to the Common Area to be maintained by the Assessments.

Section 3. Computation of Annual Assessments. Subject to the provisions of Section 6 regarding the Developer's right to establish the initial rate of the annual assessment, 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 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. The annual assessments shall be equally divided among the Lots so that the annual assessments shall be the same to each Lot. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (i) Developer, so long as Developer owns any Lot; 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 for any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the most recently approved annual budget and annual assessments shall continue for the succeeding year. If a budget at any time proves inadequate for any reason, the Board may call a special meeting of the Owners 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, provided that any such assessment shall be approved by a vote of a majority of the Owners (and by Developer so long as Developer owns any Lot). 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 by the Association

authorized under Sections 3 and 4 of this Article VII above shall be sent to all Owners 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 Owners or of proxies entitled to cast fifty percent (50%) of all of 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 Assessment. The Developer shall establish the initial rate of the annual assessment based on actual or estimated expenses. Annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on an annual, semi-annual or quarterly basis by the Developer, initially, and thereafter by the Association Secretary/Treasurer as established by the Board.

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 Groves Park Commons, such date to be when the deed for said Lot is recorded in the Register's Office for Anderson 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 (2) year period or until a time when 75 Lots are sold, the Developer will subsidize to the extent necessary, maintenance of the Common Area.

Section 8. Specific Assessments. In addition to annual assessments and special assessments, the Association may levy specific assessments against individual Lots for reimbursement of repairs, corrections or other actions performed by the Association or the ACC pursuant to this Declaration, the Bylaws or the Rules, together with interest and other reasonable charges thereon. The Board may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; and (b) expenses of the Association which benefit all Lots, but which do not provide any equal benefit to all Lots, may be assessed equitably among all Lots according to the benefit received. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including, without limitation, an expense for which the Board has not previously exercised its authority under this Section.

- (a) Insurance Proceeds Insufficient. If the proceeds of insurance obtained by an Owner is not sufficient to reconstruct Dwellings or other Improvements located on a Lot or otherwise effect any repair or restoration of any damage or destruction to all or any portion of the Property, then the Owner(s) of the Lot(s) on which improvements have been damaged may

be assessed as a specific assessment the cost of such repair or restoration. Said specific assessment shall be made by written notification from the Board to the Owner of the Lot against whom such specific assessment is made and shall be payable in full to the Association within sixty (60) days following such notice or as otherwise may be specified in said notice.

- (b) Owners Failure to Maintain Improvements. If any Owner fails to maintain or repair the exterior of the Improvements constructed on his Lot or fails to maintain or repair the lawn or landscaping of such Lot in accordance with this Declaration and/or the Rules, and the Board causes such maintenance or repair to be performed in accordance with the provisions of this Declaration, all costs and expenses incurred in connection with such work, maintenance or repair shall be immediately assessed and charged solely to and against such Lot as a specific assessment. Said specific assessment shall be made by written notification by the Board to the Owner and shall be payable in full to the Association within ten (10) days following such notice.
- (c) Damaged Common Area. If any damage or destruction to any portion of the Common Area is caused by any negligent or willful act or omission of any Owner or Occupant, the Board may cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not covered or reduced by insurance proceeds paid to or received by the Association) shall be assessed and charged solely to and against said Owner and his Lot as a specific assessment. Said specific assessment shall be made by written notification from the Board to the Owner and shall be payable in full to the Association within ten (10) days following such notice.
- (d) Fines, etc. Fines levied pursuant to this Declaration, the Bylaws and/or the Rules for which the Owner is responsible shall be specific assessments.

Section 9. Remedies of the Association due to Nonpayment of Assessments. 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. 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. Other provisions of this Declaration, the Bylaws and/or the Rules may provide for additional action that may be taken by the Board in the event of nonpayment.

Section 10. 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 said property. 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. Provided, however, no sale or transfer by foreclosure shall relieve any subsequent Owner of such Lot from liability for any Assessment thereafter becoming due or from the lien thereof.

Section 11. 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; and
- (c) 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 Owner shall be exempt from said Assessments, charges or liens.

Section 12. Dwelling Maintenance. Generally, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of any Dwelling, its appurtenances (other than Common Area) or any other structure or Improvement unless otherwise provided herein.

Section 13. Assessments Are Not Dues. No portion of the Assessments provide in or permitted by this Article VII are intended to be, or shall be construed to be, dues for membership in the Association.

Section 14. Assessments against Developer; Deficits. Unless required as a matter of law or as otherwise set forth in this Article, Developer shall not, at any time, be subject to any Assessment; however, the Developer hereby agrees that until such time as Developer ceases to have the right to appoint the officers and directors of the Association, Developer will pay to the Association any deficit amounts not covered by the income of the Association which are reasonably necessary to maintain the Common Area in a neat and clean condition. In determining whether such a deficit exists, non-cash expenses, such as depreciation, shall not be taken into consideration. Any such deficit amount required to be paid by Developer shall be treated as an Assessment and shall be subject to the provisions of this Article VII; provided,

however, that any lien for such an Assessment shall apply only to those Lots owned by the Developer which are subject to this Declaration and the amount thereof shall be divided equally among all such Lots; and, provided, further, that in no event shall the Developer be required to pay any amounts, specifically including any deficit amount, which would exceed an amount equal to the annual assessments which is assessed to a Lot owned by and multiplied by the number of Lots owned by the Developer and subject to the Declaration at the time Developer becomes responsible for payment or the time the deficit is incurred (for purposes of this proviso, “the time the deficit is incurred” means the time in which the expense creating such deficit becomes a binding obligation upon the Association). In addition, and notwithstanding anything to the contrary herein, the Developer may contribute Assessments due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called “in-kind contribution). The amount by which monetary Assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the in-kind contribution as reasonably determined by the Developer.

Section 15. Equitable Adjustment. If an amendment is filed for record which annexes additional property to the Property and specifies that a greater or lesser level of use, benefit or enjoyment of the Common Area or of services shall be available or provided by the Association with respect to any portion of the annexed additional property, then the amendment may provide a different method or basis of the establishment, determination and calculation of the Assessments under this Article VII with respect to such additional property. In such event, the Association shall have the authority and the duty to make equitable adjustments in and to the procedures described in this Article VII for the establishment, determination and calculation of such Assessments to reflect any such different level of use, benefit and enjoyment of the Common Area or services available or provided by the Association.

Section 16. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner a budget or an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Assessments on the same basis as for the last year for which an Assessment was made, if any, until a new assessment is made, at which time any shortfall may be assessed retroactively by the Association.

Section 17. Estoppel Letter. The Association shall, within seven (7) days after receiving a written request therefore and for a reasonable charge, as established by the Board, certify as to the amount of any unpaid Assessments constituting a lien on a specified Lot. A certification letter signed by an officer of the Association or the Association’s managing agent, if any, as to the amount of Assessments due with respect to a Lot shall be binding upon the Association.

ARTICLE VIII **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 and walls 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 lawns, trees, shrubs, hedges, grass and other landscaping situated within or upon the Common Area, (including street trees and landscaping within street right-of-ways); (iv) all storm water retention/detention pond areas including storm water bio-swale areas.

Section 2. Owner's Responsibilities. Each Owner, other than the Developer, of a Lot, 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. Specifically, where an Owner, other than the Developer, has elected not to build on the Lot, Lot shall be maintained as a finished yard (hand mowed and trimmed) during that time that construction has not commenced. Should any Owner of a Lot fail to maintain his or her Lot or the improvements thereon as set forth hereinabove, the ACC, 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 ACC, in the exercise of its sole discretion, deems necessary or advisable. Such Owner shall be personally liable to the ACC 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 ACC, 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 ACC to mow, clear, cut or prune any Lot; to provide garbage or trash removal service, or to perform such exterior maintenance.

ARTICLE IX **EASEMENTS**

Section 1. Utility Easements. All easements and right of ways shown on any Plat are reserved in favor of Developer, the Association and their successors or assigns. As indicated on the Plat, there is hereby created in favor of the Developer and the Association an easement upon, across, over, through and under all of: (a) any Street, Alley or sidewalk, to the extent of the right-of-ways for same; (b) along the boundaries of all Lots as appropriate for the type of Lot; (c) any area designated as a utility easement on any Plat; and (d) the Common Areas; for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to, water, sewers, gas, telephones, electricity, television, cable or communication lines and systems. 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 the Developer or the Board. Should any utility furnishing a service covered by the general easement herein provided request a specific 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 for so long as Developer owns any Lot primarily for the purpose of sale:

- (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 installation, construction and maintenance of storm-water drains, public and private sewers, and for any other public or quasi-public utility facility;
- (c) For the use of the Common Area and any sales offices and parking spaces in connection with its efforts to market Lots; and
- (d) To maintain and carry on upon such portion of the Property as in the sole discretion of Developer may be reasonably required, convenient or incidental to the development, construction and sale of Lots and/or Improvements thereon, including, but not limited to, the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Property, including, without limitation, any Lot; the right to tie into any portion of the Property with streets, driveways, paths, parking areas and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services, including without limitation, electrical, telephone, cable television, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Property; the right to grant easements over, under, in or on the Property, including without limitation the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Property; the right to convert Lots owned by Developer to Common Area and/or streets; the right to construct recreational facilities, utilities and other improvements on Common Area; the right to carry on sales and promotional activities in Groves Park Commons; and the right to construct and operate business offices, signs, construction trailers, model residences and sales offices. Developer may use residences, offices or other buildings owned or leased by Developer as model residences and sales offices. This Section shall not be amended without the Developer's

written consent until the Developer's rights hereunder have terminated as herein provided.

Section 3. Easements for Association. There shall be a 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.

Section 4. Maintenance and Support Easements. Where Dwellings or Improvements are permitted on or in close proximity to the boundaries of a Lot or a Common Area, each Lot and Dwelling and Improvement on such Lot shall be subject to easements for the benefit of the Association and the Owners of the adjoining Lot(s) and abutting Building(s) for reasonable (i) drainage, (ii) maintenance, restoration and unobstructed and uninterrupted use of any and all pipes, ducts, flues, chutes, conduits, cable, wiring, wire outlets, utility lines, common walls and fences, (iii) maintenance and lateral support of adjoining and abutting Dwellings and Improvements, (iv) overhangs or encroachments upon a Lot or any portion of the Common Area, (v) walks, sidewalks, private drives, walls and fences serving such adjoining and abutting areas, and (vi) temporary removal and subsequent replacement to its prior condition of drives, walls and fences necessary to maintain or restore any such Dwelling and Improvements. Adjoining Townhouse Lots shall specifically share interior "party walls," including the maintenance or repair of any such party wall and any and all rights necessary to enable such sharing of interior or adjoining walls is hereby respectively granted and/or reserved unto such Townhouse Lots.

Section 5. Alleys. Developer may create for the Owners of certain adjacent lots a perpetual non-exclusive easement for pedestrian and vehicular traffic and/or parking over and across Alleys as established by the Developer and as installed by the Developer over which a mutual access easement has been created or established by the Developer for the use and benefit of such adjacent Owner(s). The City of Oak Ridge has represented to Developer that it shall maintain only the 12 foot wide asphalt area and some drainage systems within the Alleys within Groves Park Commons as indicated on the Plat.

Section 6. Easement for Emergency Entry. The Developer and the Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons and to inspect for the purpose of ensuring compliance with this Declaration, the Bylaws, and the Rules, which right may be exercised by the Developer, any member of the Board, the officers, agents, employees, and managers of the Association and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. This right of entry shall include the right of the Developer and the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire, erosion or other hazard in any emergency situation in the event that an Owner fails or refuses to cure the condition within a reasonable time after request by the Association, but shall not authorize entry into any Dwelling without permission of the Owner.

Section 7. Easement for Maintenance. There is hereby reserved to the Developer and granted to the Association a perpetual easement across the exterior portions of all Lots as may be reasonably necessary for any maintenance to be performed by the Developer or the Association

hereunder. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of the Lots by the Owners thereof, and any substantial or material damage caused by any exercise of such easement shall be repaired by the Developer or the Association, as the case may be, or its contractors.

Section 8. Easement for Drainage. There is hereby reserved to the Developer and granted to the Association a blanket easement for creating and maintaining satisfactory drainage across Lots; provided however, that the areas covered by such easement shall not include any portion of a Lot upon which the foundation of a Dwelling is located. This easement shall include the right to construct and maintain catch basins, retention ponds, detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill. It is anticipated that increased storm water run off across downstream Lots will result from the construction of impervious surface on Lots. Neither the Developer, the Association or any builder or Owner constructing according to Plans approved by the ACC as provided herein shall have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction on a Lot.

Section 9. Easements Run with Land. All easements and rights described herein are easements running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding upon the Developer, and any Owner, mortgagee and other Person having an interest in the Property or any part or portion thereof.

ARTICLE X

GENERAL COVENANTS AND RESTRICTIONS

The following covenants and restrictions shall apply to all Lots and to all Improvements 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 commercial, business or professional purpose; provided, however, that nothing herein shall be construed to prohibit or prevent Developer or any builder of residences in Groves Park Commons 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 Groves Park Commons.

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 and egress from their respective Lots and for such other purposes as may be authorized by the Association.

Section 3. Rules. The Board of Directors may, from time to time, without a vote of the Owners, adopt, promulgate, modify or delete rules and regulations applicable generally to the uses and improvement of property in Groves Park Commons (the "Rules"). The ACC is specifically authorized to enforce the Rules in Articles I-IV (Design, Plan Approval, Construction and Landscaping) (without limitation, however of the ACC's authority to exercise any and all enforcement procedures and remedies available to the Board with regard to other appropriate provisions of this Declaration or the Bylaws). Such Rules shall be distributed to all

Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupant invitees until and unless overruled, canceled or modified by a majority of all of the Members and with the consent of Developer. No such Rules shall be construed as a waiver of any provision or this Article or any other provision or requirement of this Declaration. The Rules, as amended from time to time, are incorporated herein by reference and shall be effective and binding upon Owners as if set forth herein verbatim.

Section 4. 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.

Section 5. Construction/Alterations. No construction or alteration of any Improvement shall take place except in accordance with the Rules and with the prior written approval by the ACC of the plans and specifications for such construction or alteration pursuant to the guidelines and restrictions set forth in the Rules.

Section 6. Temporary Structures. No tent, trailer, basement, garage, shed, barn, outbuilding or uncompleted building shall be used, temporarily or permanently, as a residence on any Lot. No contractor or builder shall place or 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 ACC.

Section 7. Signs.

- (a) No signs, billboards or posters whatsoever (including but not limited to commercial and similar signs) shall be erected or displayed on any Lot or on any portion of the Property except in accordance with the Rules.
- (b) Provided, however, the Developer may install street signage and other directional or informational signage throughout the Property, and subdivision entrance signs at the entrance to the Property that the Association shall repair and maintain. Such signage can only be modified by the Developer or by the Association after approval of the ACC or the Developer.

Section 8. Antennae. Except as expressly permitted herein or by the Rules, no antennae, 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 Improvement without the prior written approval of the ACC. In no event shall free-standing transmission or receiving towers be permitted.

Section 9. Clotheslines. No outside clotheslines or other apparatus of a similar purpose shall be placed on any Lot.

Section 10. Recreational Vehicles and Trailers. No trailer, trailer house, boat, personal watercraft, ATV, camper or recreational vehicle shall be parked on any Lot, except within an enclosed garage or as expressly allowed by the Rules. No abandoned cars, commercial vehicles, equipment, trucks, or similar 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 on which the vehicle is located.

Section 11. 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 ACC of plans and specifications for such Improvements.

Section 12. Animals. No animals, livestock or poultry may be kept on any Lot except for household pets as permitted by the Rules. Pets may only be kept pursuant to applicable provisions of the Rules and may not be bred for commercial purposes. No animal shall be allowed to become a nuisance.

Section 13. Water Supply. Water shall be supplied to the Property by the City of Oak Ridge, Tennessee. No individual water supply system shall be permitted on any Lot without the prior written approval of the ACC. 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 14. Sewage and Water Services. No cesspools, sewage treatment plants, septic tanks or similar devices or facilities shall be allowed on a Lot, and every Lot shall be required to utilize the sewer services of the City of Oak Ridge, Tennessee or its successor.

ARTICLE XI **INSURANCE**

Section 1. Association's Insurance. The Association shall apply for, obtain, pay the costs or premiums of and maintain insurance in such limits and forms and from such companies

as the Board of Directors shall consider appropriate. Without limiting the generality of the foregoing, the Association shall obtain the insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, as applicable to Groves Park Commons. Accordingly, the Board shall obtain casualty insurance for all insurable improvements, regardless of whether located on the Common Area, which the Association is obligated to maintain. This insurance shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall obtain a public liability policy applicable to the Common Area covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least Two Million (\$2,000,000.00) Dollars so long as such coverage can be obtained at reasonable rates. (Policies may contain a reasonable deductible as determined by the Board.) In addition to the other insurance required by this Section, the Board shall obtain worker's compensation insurance on any employee, and a fidelity bond or bonds on directors, officers, employees and other persons handling or responsible for the Association's funds, if reasonably available. If obtained, the amount of fidelity coverage shall at least equal three months' total Assessments plus reserves on hand. Fidelity coverage shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation. The Association shall maintain "directors and officers" liability insurance coverage as specified in the Bylaws. All such insurance coverage shall be written in the name of the Association.

Section 2. Owner's Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of individual Lots and each Owner covenants and agrees with all other Owners, the Developer, and the Association that each Owner shall carry all-risk casualty insurance on the Lot and all structures constructed thereon and a liability policy covering damage or injury occurring on a Lot. The casualty insurance shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy, if reasonably available, and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The policies required hereunder shall be in effect at all times. Each Owner shall, if requested by the Developer or the Association, furnish written proof of such insurance coverage. In every case of any casualty loss of a Dwelling or other Improvement, each Owner shall promptly remove all remains of such Dwelling and other Improvements and any rubbish and debris from the Lot, then, with due diligence, repair or rebuild a Dwelling and other Improvements on the subject Lot from the insurance proceeds, and, if such proceeds are insufficient, then from such Owner's personal funds. Repair or reconstruction of the Improvements as used herein shall mean restoring the Improvements to substantially the same condition which existed prior to the damage and in accordance with the original Plans or as otherwise approved by the ACC in accordance with the Rules. Each Owner shall be responsible at such Owner's own expense and cost for such Owner's personal insurance on the contents of such owner's Dwelling and other Improvements, including decorations, furnishings and personal property in or on such Dwelling or the other Improvements, and the

personal property stored elsewhere on the subject Lot or the Property, and for such Owner's personal general liability insurance.

Section 3. Damage and Destruction Insured by Association. Immediately after damage or destruction by fire or other casualty to any portion of any Improvement covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within 60 days after the casualty, a proposal not to repair or reconstruct such property is approved by at least 75% of the Owners (and the Developer if Developer still owns any Lot). If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed 60 days. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Owners, levy a special assessment against the Owner of each Lot. Additional Assessments may be made in like manner, as necessary, at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the Improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the subject property shall thereafter be maintained by the Association in a neat and attractive condition.

ARTICLE XII TAXES

Section 1. Owners. Each Owner shall be responsible for the payment of and shall promptly pay all ad valorem taxes and special assessments assessed on or against such Owner's Lot, Dwelling and other Improvements on the subject Lot and any personal property thereon.

Section 2. Association. The Association shall pay the ad valorem taxes and special assessments assessed on or against the Common Area and the Association's other assets and personal property.

ARTICLE XIII GENERAL PROVISIONS

Section 1. Enforcement.

- (a) The Association, the Board, the ACC, or any Owner, shall have the right to enforce, by a 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, the Bylaws or the Rules. Failure by the Association, ACC, or by any Owner to enforce any such covenant or restriction shall in no event be deemed a waiver of the right to do so thereafter.
- (b) The remedies contained in this Section shall be construed as cumulative of all other remedies now or hereafter provide by law. If the Association, the ACC, the Board or any Owner 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. Developer's Rights and Reservations. No provisions in the Association's Charter, the Bylaws, the Rules, or this Declaration shall limit, and no Owner nor the Association shall interfere with, the rights of Developer to subdivide or re-subdivide any portions of the Property or to annex additional property into the Property; to relocate or alter any Lot size or the boundaries of any Lot owned by Developer prior to sale; to relocate or alter the size of any Common Area; to complete or alter improvements to or on the Common Area or any portion of the Property owned by Developer; to alter the construction plans and designs, or construct such additional improvements or add future phases, as Developer deems advisable during development of the Property and any adjacent or nearby property; to install and maintain such structures, displays, signs, billboards, flags and sales offices as may be reasonably necessary for the conduct of Developer's business or completion of the work and disposition of the Lots, and/or any improvements thereon, by sale, lease or otherwise; to modify access points to Groves Park Commons; to change the site plan for Groves Park Commons and any and all improvements shown thereon, as well as any off-site improvements; to develop all or any part of adjoining property for any uses (including, without limitation, affordable housing, housing for the elderly, and any other type of multi-family housing), locations, and densities as may be allowed by law; to rezone all or any part of adjoining property in any way Developer deems reasonable or desirable; and to use the Common Area, including, without limitation, stormwater detention/retention areas in Groves Park Commons for Developer's commercial purposes. Without the approval of Developer, no Owner or Occupant shall file with any governmental entity having jurisdiction over the Property or any part thereof any application or petition for zoning, rezoning, special use permit, or zoning variance, any subdivision plan, plat or application, any request for annexation, or any similar filing affecting the use of any portion of the Property. No Owner shall oppose Developer if Developer seeks to obtain a zoning change, modification or variance for any property owned by Developer adjacent to or near the Property. Each Owner, by accepting a deed or other conveyance document to a Lot, hereby acknowledges that the activities of Developer may temporarily or permanently constitute an inconvenience or nuisance to the Owners or may be inconsistent with this Declaration, and each Owner hereby consents to such inconvenience, nuisance, or inconsistency and waives any right to contest same. Each Owner acknowledges that there will be traffic relating to construction, as well as noise

relating to the construction from time to time. This Declaration shall not limit the right of the Developer at any time prior to acquisition of title to a Lot by a purchaser from Developer to establish on that Lot or the Common Area additional licenses, covenants, easements, reservations and rights of way, to itself, to utility companies, or to others, as may from time to time be reasonably necessary for the proper development and disposal of the Property. The Developer need not seek or obtain ACC or Board approval of any use of the Property or any Dwelling or improvement constructed or placed by Developer on any portion of the Property. The rights of the Developer under this Declaration may be assigned by Developer to any Person, and Developer may assign in any interest or portion of Developer's interest in any portion of the Property by a recorded written assignment. Notwithstanding any other provision of this Declaration, the prior written approval of Developer will be required before any amendment to this Article XIII shall be effective. Developer shall be entitled to the nonexclusive use of the Common Area, without further cost, for access, egress, ingress, and use in order to show the Property to prospective purchasers or lessees and to dispose of the Property as provided herein. Each Owner hereby grants, by acceptance of the deed to such Owner's Lot, an irrevocable, special power of attorney, coupled with an interest, to Developer to execute and record all documents and maps necessary to allow Developer to exercise its rights under this Article XIII. This Article XIII shall be applicable for so long as the Developer owns any Lot or portion of the Property.

Section 3. 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 office of the Anderson County Register of Deeds, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) 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 office of the Anderson County Register of Deeds.

Section 4. 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 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 5. 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, once an Owner begins construction of any Improvements on a Lot, Owner shall complete construction in compliance with approved plans and specifications and pass final inspection of the ACC within twelve (12) months of the time that the ACC granted approval of said plans. Undeveloped Lots other than those owned by Developer shall be maintained per Article VIII, Section 2.

Section 6. Interpretation. The provision of this Declaration shall be constructed to implement the purpose of the creation of a uniform plan for the development of the Property as a “Traditional Neighborhood.”

Section 7. 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 corporations or assigns 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 8. Incorporation by Reference on Resale. In the event that any Owner sells or otherwise transfers any Lot or interest in a Lot, any deed or assignment purporting to effect such transfer shall contain a provision incorporating the provisions of this Declaration by reference. Provided, however, the failure to include such a provision shall not invalidate or in any way render the provisions of this Declaration inapplicable.

Section 9. Occupants Bound. All provisions of this Declaration, the Bylaws, and the Rules, which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Owners. Each Owner shall be responsible for insuring that the invitees of such Owner strictly comply with all provisions of this Declaration, the Bylaws and the Rules.

Section 10. Amendment.

- (a) By the Developer. Developer hereby reserves the right in its absolute discretion at any time to annul, waive, change or modify any of the restrictions conditions or covenants contained herein and further, the Developer may amend this Declaration for the purpose of curing any ambiguity or inconsistency between the provisions contained herein for a period of seven (7) years.
- (b) By the Owners. Further, 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 the Lots; provided however, such amendment by the Owners shall not be effective unless also signed 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 recorded by the Anderson County Register of Deeds. 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 11. Notices. Notices provided for in this Declaration shall be in writing and shall be addressed 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 South Fork Development, LLC, P.O. Box 53502, Knoxville, Tennessee 37950-3502, 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 12. Gender. Whenever the context requires, the male gender shall include all genders, and the singular shall include the plural.

Section 13. Exhibits. All Exhibits which are referred to in this Declaration are made a part of and incorporated into this Declaration by reference.

Section 14. 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 15. 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 or Sections.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration as of the date first above written.

SOUTH FORK DEVELOPMENT, LLC

By: _____

Its: _____

STATE OF TENNESSEE
COUNTY OF _____

Before me, the undersigned authority, a Notary Public for the said County and State, personally appeared _____ with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself/herself to be _____ (or other officer authorized to execute the instrument) of SOUTH FORK DEVELOPMENT, LLC the within named bargainor, a Tennessee limited liability company, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company, by himself/herself as such officer.

Witness my hand and seal at office, this ____ day of _____, 2008.

Notary Public

My Commission Expires: _____

EXHIBIT A

Property Description