

THIS INSTRUMENT PREPARED BY:
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DRAFT

DECLARATION OF COVENANTS AND RESTRICTIONS FOR
RIVERBEND HILLS SUBDIVISION

THIS DECLARATION made as of this ____ day of March, 2007, by **the undersigned owners**, (herein collectively called "Developer")

WITNESSETH:

WHEREAS, Developer, as owner of the real property located in Sequatchie County and Bledsoe County, Tennessee, as more particularly described on **Exhibit A** attached hereto (herein called "the Property"), has created thereon a development known as RiverBend Hills Subdivision (herein called the "Development"); and

WHEREAS, Developer desires to provide for the preservation of the land values and home values as the Property is improved and desires to subject the Development to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Development and each and every owner of any and all parts thereof; and

WHEREAS, Developer deems it desirable, for the efficient preservation of the values and amenities in the Development, to create an entity to which will be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as hereinafter defined) and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

WHEREAS, Developer has caused or will cause to be incorporated under the laws of the State of Tennessee, **RiverBend Hills Homeowners' Association, Inc., a Tennessee nonprofit corporation**, for the purpose of exercising the above functions and those which are more fully set out hereafter;

NOW, THEREFORE, Developer subjects the real property described in Article II, and such additions thereto as may hereafter be made by amendment to this Declaration, to the terms of this Declaration and declares that the same is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (sometimes referred to as the "Covenants") hereinafter set forth. These Covenants shall touch and concern and run with the Property and each Lot thereof.

ARTICLE I
DEFINITIONS

The following words and terms, when used in this Declaration, or any supplemental Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.01 Architectural Review Committee. “Architectural Review Committee” shall mean and refer to that Committee formed and operated in the manner described in Section 4.01 hereof.

1.02 Association. “Association” shall mean RiverBend Homeowners’ Association, Inc., a Tennessee nonprofit corporation.

1.03 Board of Directors or Board. “Board of Directors” or “Board” shall mean the governing body of the Association established and elected pursuant to this Declaration.

1.04 Builder. “Builder” shall mean any one of the home builders who have entered into an agreement with the Developer to purchase Lots and build Dwelling Units on the Lots in order for the Development to have an inventory of Dwelling Units for sale.

1.05 Bylaws. “Bylaws” shall mean the Bylaws of the Association, the initial text of which is set forth in Exhibit B attached hereto and made a part hereof.

1.06 Common Expense. “Common Expense” shall mean and include (a) expenses of administration, maintenance, repair or replacement of the Common Properties; (b) expenses agreed upon as common expenses by the Association; (c) expenses declared common expenses by the provisions of this Declaration; and (d) all other sums assessed by the Board of Directors pursuant to the provisions of this Declaration.

1.07 Common Properties. “Common Properties” shall mean and refer to those tracts of land and any improvements thereon which are deeded or leased to the Association or otherwise identified for use of all Lot owners as “Common Properties”. The term “Common Properties” shall also include any personal property acquired by the Association. All Common Properties are to be devoted to and intended for the common use and enjoyment of the Owners, persons occupying Dwelling Units or accommodations of Owners on a guest or tenant basis, and visiting members of the general public (to the extent permitted by the Board of Directors of the Association) subject to the fee schedules and operating rules adopted by the Association; provided, however, that any lands which are leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such lease.

The Common Properties may include but not be limited to street lights, entrance and street signs, pool, pool house, tennis courts, trails, parks, ponds, access roadways, maintenance easement areas, and landscaping easement areas. Developer shall not be obligated to construct any Common Properties.

1.08 Covenants. “Covenants” shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.

1.09 Declaration. “Declaration” shall mean this Declaration of Covenants and Restrictions for RiverBend Hills Subdivision and any supplemental declaration or amendment filed pursuant to the terms hereof.

1.10 Developer. “Developer” shall mean the undersigned owners successors and assigns.

1.11 Dwelling Unit. “Dwelling Unit” shall mean any building situated on the Property designated and intended for use and occupancy by a single family.

1.12 First Mortgage. “First Mortgage” shall mean a recorded deed of trust with priority over other deeds of trust.

1.13 First Mortgagee. “First Mortgagee” shall mean a beneficiary, creditor or holder of a First Mortgage.

1.14 Lot or Lots. “Lot” or “Lots” shall mean and refer to any improved or unimproved parcel of land located within the Property which is intended for use as a site for a single-family detached Dwelling Unit as shown on the recorded subdivision plat of any part of the Property, with the exception of the Common Properties.

1.15 Member or Members. “Member” or “Members” shall mean any Owner or all Owners.

1.16 Mortgage. “Mortgage” shall mean a deed of trust as well as a mortgage or other security agreement encumbering a Lot.

1.17 Mortgagee. “Mortgagee” shall mean a beneficiary, creditor, or holder of a deed of trust or other security agreement encumbering a Lot.

1.18 Owner. “Owner” shall mean and refer to the holder of the simple title to any Lot as shown by the real estate records in the office of the Register of the county in which the Lot is located (whether it be one or more persons, firms, associations, corporations, or other legal entities). Owner shall not mean or refer to a Mortgagee unless and until such Mortgagee has acquired title pursuant to foreclosure or other proceeding or deed in lieu of foreclosure Purchasers under long-term contracts extending for more than twelve (12) months may be considered as the Owner of the Lot if the contract so provides and a copy of the contract is furnished to the Association.

1.19 Property. The “Property” shall mean and refer to the real property described in Section 2.01 hereof, and additions thereto which are subjected to this Declaration by any amendment or supplemental declaration under the provisions hereof.

1.20 **Record or to Record.** "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to real property.

1.21 **Recorder.** "Recorder" shall mean the Register of Deeds of the County in Tennessee in which the Lot is located.

ARTICLE II
PROPERTIES, COMMON PROPERTIES AND
IMPROVEMENTS THEREON

2.01 **Property.** The covenants and restrictions set forth in this Declaration, as amended from time to time, are hereby imposed upon the Property, which shall hereafter be held, transferred, sold, conveyed, used, leased, occupied and mortgaged or otherwise encumbered subject to this Declaration. Additionally, any easements on any real property retained by or granted to the Developer or the Association for the purpose of erection and maintenance of entrance signs or street lights, or landscaping and maintenance thereof, shall also be considered part of the Property and subject to these Covenants. Every person who is or shall become an Owner shall be deemed by the taking of such record title to agree to all the terms and provisions of this Declaration.

2.02 **Association.** The Developer has caused the Association to be formed and incorporated under the laws of Tennessee for the purpose of carrying on one or more of the functions of a homeowner's association including, but not limited to, exercising all the powers and privileges and performing all the duties and obligations set forth in this Declaration. Every person who is an Owner is and shall be a Member of the Association as more particularly set forth in the Bylaws of the Association.

2.03 **Mergers.** Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative, the properties, rights and obligations may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration.

2.04 **Common Properties and Improvements Thereon.** The Developer may install initially one or more entrance signs to the Development. The signs shall become part of the Common Properties when the Developer conveys the signs to the Association, at which time the Association shall become responsible for the operations, maintenance, repair and replacement of the signs. The Developer may also landscape the entrance areas (whether privately or publicly owned) and other areas where it may or may not have obtained or reserved an easement. These areas shall become Common Properties when conveyed to the Association and the Association shall then become responsible for maintenance of such areas. Additionally, the Developer may (but shall not be obligated to) install a pool, a pool house, tennis courts, walking trails and street signs, which likewise will become Common Properties when conveyed to the Association. The

Developer may add additional Common Properties from time to time. The Developer may reserve to itself or its designees the exclusive use of any portion of the Common Properties for the placement and use of a sales office and as storage areas or construction yards as may be required, convenient or incidental to the sale of Lots and/or the construction of improvements on the Lots or the Common Properties.

ARTICLE III
COVENANTS, USES AND RESTRICTIONS

3.01 Application. It is expressly stipulated that the restrictive covenants and conditions set forth in this Declaration apply solely to the Property described in Exhibit A, which Property is intended for use as single-family residential Lots only. These restrictive covenants and conditions are not intended to apply to any other lots, tracts or parcels of land now or hereafter, owned by the Developer. Specifically, the undersigned and their successors or assigns, reserve the right to use or convey any such other lots, tracts and parcels with different restrictions or without restrictions.

3.02 Residential Use.

A. All of the Lots in the Development shall be residential Lots and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in these covenants and restrictions and in any amendments or supplements hereto.

B. "Residential" refers to a type of occupancy as opposed to "business" or "commercial" or "mercantile" activity and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant Lots and to improved Lots.

3.03 Plan Approval. Before any construction is commenced or carried on, plans and specifications for any dwelling house to be constructed on any Lot shall be submitted for approval to Developer, its successors or assigns, and written approval thereof procured. It is stipulated that such approval shall not be unreasonably withheld. In the event of the substantial completion of any residence on any Lot without a notice of non-compliance having been filed against the Lot Owner in the Register's Office, the dwelling shall be conclusively presumed to have had such approval.

3.04 No Multi-Family Residences, Business, Trucks. No residence shall be designed, patterned, constructed or maintained to serve, more than one single family, and no residence shall be used as a multiple family Dwelling Unit at any time, nor used in whole or in part for any business service or activity, or for any commercial purpose. No Lot shall be used for business purposes or for the parking of trucks or other equipment inconsistent with ordinary residential uses. No panel, commercial or tractor trucks shall be parked in the Subdivision except for deliveries. Nothing contained herein shall prohibit the developer or the Association from permitting, maintaining, or operating concessions or vending machines on the Common Properties.

3.05 Minimum Square Footage. No Dwelling Unit shall be erected or permitted to remain in the Property unless it has the number of square feet of enclosed living area measured from the exterior walls (exclusive of open porches, screened porches, garages or basements), set forth in this section. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer shall be final. **The minimum number of square feet required may be increased by Developer as to any Lot(s) prior to the sale thereof by Developer.** This Declaration shall be supplemented to incorporate any such increase in minimum number of square feet required. The minimum number of square feet required in the Development is as follows:

- (a) A single-level home shall contain not less than 2,000 square feet.
- (b) A two level home shall contain not less than 2,500 square feet with a minimum of 1,500 square feet on the first floor.
- (c) A split-level or split-foyer home shall contain not less than 2,500 square feet.

(NOTE: Developer will consider split-level and split foyer plans that are presented to it, but shall closely examine them to determine if they will fit the architectural standards for the Subdivision.)

3.06 Set-backs. No building shall be erected on any lot nearer than twenty-five (25) feet to the front Lot line, twenty-five (25) feet from the rear Lot line and ten (10) feet from the side Lot lines, unless the side Lot line fronts on a street, in which case no building shall be erected nearer than twenty (20) feet to such side Lot line. For the purposes of this covenant, steps and open porches shall not be considered as a part of the building. This exclusion shall not be construed to permit any portion of the building on the Lot to encroach upon another Lot. No provision of this paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the laws and regulations applicable thereto. Any Owner may petition the Developer for a variance from such set-back requirements. If the Developer grants such petition, the Developer will not oppose such Owner's attempt to obtain a variance from applicable laws and regulations.

3.07 Rearrangement of Lot Lines. Not more than one Dwelling Unit shall be erected or maintained on any one Lot. With the written approval of the Developer, contiguous Lots may be combined by the same Owner for the purpose of erecting an approved Dwelling Unit thereon. However, the assessments provided for herein will continue to be based upon the number of original Lots. Except as specifically provided herein, Lots may not be subdivided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plat.

3.08 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provisions of these restrictive covenants, shall have been erected thereon. The intent of this section is to prevent the use thereon of a garage, incomplete structure, trailer, barn, tent, outbuilding or other structure as temporary living

quarters before or pending the erection of a permanent building. No structure of temporary character, including trailers, mobile houses, prefabricated homes, and similar structures, shall be erected or permitted to remain on any Lot except during the period of construction of the permanent Dwelling Unit. No house may be moved from another location to any Lot.

Neither the foregoing nor any other section of this Declaration shall prevent the Developer or any builder approved by the Developer from constructing a house for use as a model home that may contain office-type furniture and be used for conducting the business of either selling that house or other houses within the Development, nor shall the foregoing or any other section of this Declaration prevent the Developer from designating a Lot or Lots from time to time for the temporary placement of a trailer or structure for use as an office and/or sales center by the Developer and/or by builders approved by Developer.

3.09 Rainwater Drainage. Each Lot must be landscaped so that rainwater will drain into the street adjoining the Lot or into a drainage easement that drains into a street or pond. Unless otherwise set forth on the recorded plat, Lot lines shall be the center of the drainage easements or ponds.

3.10 Utility Easement. A perpetual easement is reserved on each Lot, five (5) feet on each side of the side and rear lot lines, for the construction and maintenance of utilities such as electricity, gas, water, sewerage, drainage, etc., and no buildings or structure of any kind shall be erected or maintained upon or over said easement without the prior written approval of Developer.

3.11 Exterior Appearance. The front, side and rear elevations of all Dwelling Units must be approved by Developer.

3.12 Building Requirements. All buildings or structures of any kind constructed on any Lot shall have full masonry foundations and no exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level except the rear foundation walls may be stuccoed except on corner lots. The exterior of the front of each Dwelling Unit must be covered with "Sto", brick, stone, or combination thereof. Alternatively, the exterior of the Dwelling Unit may be all lap siding provided that the lap siding is true lap siding and not artificial laps. Any other material must be approved in writing by the Developer. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or "Sto" to complement the house. All sheet metal work (roof caps, flashings, vents, chimney caps) must be prefinished or painted to match the roof. Gutters and downspouts must be prefinished or painted in colors approved by Developer. All roof stacks and plumbing vents must be placed on rear slopes of roofs where possible. Any above ground level swimming pool must be approved by the Developer in writing prior to the commencement of the construction of the pool.

3.13 Fences. No fences will be allowed on any Lot without the prior written consent of the Developer. Wire or chain link fences are prohibited. All wood fences must be painted or stained. No fencing shall be located forward of the rear line of the Dwelling Unit. All proposed

fences must be submitted to the Developer on plans showing materials, design, height and location.

3.14 Driveways. Each Dwelling Unit must be served by a driveway constructed of hard surface materials such as concrete, brick, exposed aggregate, or pre-cast pavers. All other hard surface materials must be approved by the Developer. Where a Lot borders on more than one street, the Lot shall be entered from the secondary street unless otherwise approved by Developer in writing.

3.15 Curbs. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw at the curb and along the gutter. Irregular cuts are prohibited. Driveways shall be installed so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner of the Lot. Notwithstanding the foregoing, nothing herein shall permit any curb cuts where such cuts are prohibited by any ordinance or law.

3.16 Signs. One sign offering the Lot for sale and one sign reflecting the name of the builder may be placed upon a Lot. Such sign must be in form approved by the Developer. No other signs shall be erected or maintained on any Lot except in accordance with approved standards for signs as set by the Developer.

3.17 Service Area. All air conditioner compressors, garbage cans, the electrical service entrance, or other such items shall be screened with landscaping or an enclosure of materials compatible with the residence.

3.18 Garages. Each Dwelling Unit shall have at least a double car garage constructed at the same time as the Dwelling Unit. Detached garages will be allowed only with written approval from the Developer. No carports will be permitted. All garages will have a rear or side entrance. Garage doors shall remain closed when not in use. No vehicles shall be parked on the street.

3.19 Landscaping. Each new Dwelling Unit will be reasonably landscaped prior to or shortly after occupancy. There will be no excessive removal of trees unless required to construct the Dwelling Unit. On Lots where no trees exist there shall be a minimum of two (2) hardwood trees six (6) feet or greater in height planted in front or side yard by the Owner.

3.20 Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time except that the keeping of dogs, cats or other household pets is permitted. Nothing herein shall permit the keeping of dogs, cats, or other animals for commercial purposes. Pet owners shall not allow pets to roam unattended.

3.21 Governmental Laws. Each Lot shall be subject to governmental zoning and subdivision ordinances or regulations now or hereafter in effect thereon.

3.22 Unsightly Conditions. All of the Lots in the Development must, from the date of purchase, be maintained by the Owner in a neat and orderly condition, the grass shall be cut

when needed and leaves, broken limbs, dead trees, and other debris shall be removed. Tree limbs, rocks and other debris must be kept out of the streets. In the event that an owner of a Lot fails to maintain his Lot in a neat and orderly condition, Developer, or Developer's agent, may enter upon said Lot without liability and proceed to put said Lot into an orderly condition. All costs of cleaning or mowing the Lot shall be paid by the Owner on demand. All Owners shall keep cars, trucks and deliver trucks off the curbs of the streets.

3.23 Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance, discomfort, embarrassment or nuisance to the Owners.

3.24 Detached Buildings. There shall be no detached garages, outbuildings or servants quarters without the prior written consent of the Developer. If Developer grants permission the detached building will be constructed with same or equal material as the Dwelling Unit.

3.25 Sewage Disposal. Before any Dwelling Unit on a Lot shall be occupied, a connection with a septic sewer system meeting applicable codes shall be made. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or septic system without written approval from the health department in the county in which the Lot is located.

3.26 Permitted Entrances. In order to implement and effect insect, reptile and woods fire control, and to clean unsightly Lots, the Developer or Developer's agents, may enter upon any Lot on which a Dwelling Unit has not been constructed with tractors or other suitable devices for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Developer and its agents or the Board and its agents may likewise enter upon a Lot to remove any trash which has been deposited on said Lot without such entrance and removal being deemed a trespass. The provisions of this section shall not be construed as an obligation on the part of the Developer and Developer's agents to mow, clear, cut or prune any Lots or to provide garbage or trash removal services. Expenses incurred for any of the foregoing shall be chargeable to and recoverable from the Owner of the Lot upon which such work is done.

3.27 Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and such tanks or receptacles may be installed only within a Dwelling Unit, within a screened area or buried underground. All garbage and trash containers must be placed in enclosed areas to the rear or side of the Dwelling Unit.

3.28 Wells. No private wells may be drilled or maintained on any Lot without the prior written consent of the Developer.

3.29 Satellite Dishes. No exterior satellite dish may be installed without the prior written consent of the Developer.

3.30 Excavation. No Owner shall excavate or extract earth from any of the Lots for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the surface grade of a Lot unless the prior written consent of the Developer is obtained.

3.31 Laundry. No Owner, guest, or tenant, shall hang laundry from any area within or outside a Dwelling Unit if such laundry is within public view. This provision, may, however, be temporarily waived by the Developer during a period of severe energy shortages or other conditions where enforcement of this section would create a hardship.

3.32 Mailboxes. All Lots must have a mailbox of the type specified by Developer at the Lot Owner's cost.

3.33 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economical value of all Lots within the Development, each Owner and Developer (with respect to improved Property owned by Developer) shall have the affirmative duty to rebuild, replace, repair, or clear and landscape, within a reasonable period of time, any building, structure, improvement or significant vegetation which shall be damaged or destroyed by fire or other casualty. Variations and waivers of this provision may be made only upon Developer establishing that the overall purpose of these restrictive covenants would be best effected by allowing such variation. Variations to this section are to be strictly construed and the allowance of a variance by the Developer shall not be deemed to be a waiver of the binding effect on this section upon all other Owners.

3.34 Vehicle Parking. Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. No inoperable vehicle, tractor or other machinery shall be stored outside on the Lot at any time, even if not visible from the street. No house trailer other such vehicle shall be stored on the premises. Recreational vehicles, vacation trailers, campers and boats must be stored and hidden from view within the garage. Such vehicles may not be stored anywhere else on the Lot.

3.35 Maintenance. Each Lot Owner shall, at all times, maintain all structures, driveways and fences located on such Lot in good repair. This shall include exterior painting, and maintenance of all vegetation and landscaping.

3.36 Continuous Construction. Once the footings of any Dwelling Unit or other structure are poured, construction must progress continuously (with allowance for weather conditions, labor conditions and availability of materials) until the building is fully completed. The exterior must be completed within twelve (12) months after commencement of construction.

3.37 Developer Reserves Right. Notwithstanding any other provisions herein to the contrary, the Developer reserves the rights, privileges and powers to subdivide Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lot to become a part of the Common Properties, and to cause portions of Common Property Lots to become a part of any of the Lots bordering them.

3.38 Lawn Care. All unimproved Lots (except those owned by the Developer) and all improved Lots must be fully seeded with grass (except where other provisions hereof require sodding) and regularly cut.

3.39 Adjoining Lot Damage. Any damage done to any adjacent or adjoining Lot by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner on whose Lot the contractor is employed. Temporary construction support must be provided for the curbs and sidewalks by the Owner or contractor during the time of construction. All construction debris shall be removed weekly and the street must be kept clear and clean during construction.

3.40 Material Quality. Only good quality materials and design will be accepted on any structure built on any Lot. PermaStone and asbestos shingles are specifically prohibited.

3.41 Sidewalks. The Association or any Lot Owner may install a sidewalk along the lines of any Lot which front a road. Such installation shall be at no cost to Developer. If a sidewalk is constructed, maintenance of same will be the responsibility of the Lot Owner or the Association.

3.42 Sodding. The front yard of the Lot must be sodded unless otherwise approved by Developer in writing.

3.43 Exterior Siding. All exterior siding must be approved in writing by the Developer. Vinyl siding and aluminum siding will not be permitted. All wood or fiber-cement hardboard siding or its equivalent must have laps no greater than eight (8) inches.

3.44 No Waterway Use. No boat of any kind shall be permitted upon, nor shall any swimming be permitted in, any pond on the Common Properties. No garbage, trash, or other refuse shall be dumped into any pond on the Common Properties. Owners will be assessed a \$500.00 fine for each violation of this provision in addition to assessments for the cost of removal.

3.45 Renting or Leasing. No Dwelling Unit may be rented or leased for a period of time that is less than six (6) months.

3.46 Violations and Enforcement and Waivers. In the event of the violation, or attempted violation, of any one or more of the provisions of these Restrictive Covenants, the Developer, its successors or assigns, or the Association, its successors or assigns, or any Owner may bring an action or actions against the Owner in violation, or attempting violation. The Owner shall be liable for such damages as may accrue, including any court costs and reasonable attorney's fees incident to any such proceeding, which costs and fees shall constitute liquidated damages and be a lien on the Lot. In the event of a violation of set-back lines, a waiver thereof may be made by the Developer or the Board. Further, the Developer or the Board may grant variances of the restrictions set forth in these Restrictive Covenants if such variances do not, in the sole discretion of the Developer or the Board, adversely affect the purposes sought to be obtained hereby.

By reason of the rights of enforcement of the provisions of this section being given unto Owners of Lots (subject to rights of variances reserved by the Developer and the Board), it shall not be incumbent upon the Developer or the Board to enforce the provisions of these Restrictive Covenants or to prosecute any violation thereof. Developer shall not be responsible or liable for any violation of these Restrictive Covenants by any person or entity other than Developer.

ARTICLE IV
ARCHITECTURAL CONTROL

4.01 Architectural and Design Review.

A. In order to preserve, to the extent possible, the natural beauty of the Property and its setting, to maintain, a pleasant and desirable environment, to establish and preserve an harmonious design for the development, and to promote and protect the value of the Property, the Developer or the Board shall create a body of rules and regulations covering details of Dwelling Units, which shall be available for all Owners or prospective Owners of Lots.

B. The Developer shall have sole architectural, and design reviewing authority for the Development until the Developer has transferred governing authority to the Board in accordance with the Bylaws; provided, however, that prior to calling the meeting of the Association to elect a Board to succeed the Developer as provided in the Bylaws, the Developer may execute and record in the office of the Recorder a document stating that the Developer reserves unto itself, its successors, or assigns, the architectural and design reviewing authority provided in this Article, and stating that said reservation, notice of which is thus provided, shall survive the election of the Board to succeed the Developer. Thereafter, the Developer shall continue to exercise the rights thus reserved to it until such time as it shall execute and record in the office of the Recorder a document assigning these rights to the board. Upon such occurrence, the Board shall establish an Architectural Review Committee as soon as is practicable. When such Committee has been established, the Developer shall transfer reviewing authority to it.

C. No Dwelling Unit, other building, structure, fences, exterior lighting, walls, swimming pools, children's play areas, decorative appurtenances, or structures of any type, shall be erected, placed, added to, remodeled or altered and no trees or shrubs shall be cut or removed and no grading shall be commenced until the proposed building plans and specifications (including height and composition of roof, siding, or other exterior materials and finish), plot plan (showing the proposed location of such Dwelling unit, building or structure, drives and parking areas, drainage plan, landscape plan or construction schedule, as the case may be, shall have been submitted to the Developer or the Architectural Review Committee for approval at least ten (10) days prior to the proposed date of construction. In addition, any repainting of a substantial portion of the exterior of any structure in a manner not previously approved by the Developer or the Architectural Review Committee shall be subject to prior approval of the Developer or the Architectural Review committee as provided in the preceding sentence. The Developer or the Architectural Review committee shall give written approval or disapproval of the plans within ten (10) days of submission. However, if written approval or disapproval is not given within ten (10) days of submission, the plans shall be deemed to have been approved. Developer or the Architectural Review committee may, by written notice given from time to time to the Owners of

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Lots, exempt certain matters of a non-essential nature from the review requirements subject to the terms and conditions and for the time periods established by Developer or Architectural Review Committee.

D. The Developer or Architectural Review Board may charge a fee for each application submitted for review. The amount of the fee shall be set and adjusted from time to time in the sole discretion of the Developer or Architectural Review Board.

E. The architectural and design review shall be directed toward preventing excessive or unsightly grading, indiscriminate clearing of property and removal of trees and vegetation which could cause disruption of natural water courses, insuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the surrounding property and improvements thereon, and insuring that plans for landscaping provide visually pleasing settings for structures on the same Lot and on adjoining or nearby Lots.

4.02 Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under this Article will be withheld unless such plans, location and specifications comply with this Declaration. Approval of the plans and specifications by the Developer or the Architectural Review Committee is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications and compliance with all building and fire codes.

ARTICLE V **ASSESSMENTS**

5.01 Creation of the Lien and Personal Obligation of Assessments. Each Owner by acceptance of a deed conveying a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of these covenants and pay to the Association annual assessments and special assessments for the purpose set forth in this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are two or more Owners, to the Association for the payment of all assessments, whether annual or special, which may be levied while such party or parties are the owners of a Lot. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot and all of the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from due date to date of payment at the rate set by the Board, and said rate can be changed from time to time so that the rate is reasonably related to the economic situation. In the event that two or more Lots are combined into a single Lot by an Owner, the assessments will continue to be based upon the number of original Lots purchased. If

any original Lot is subdivided, the assessment on such original Lot shall be prorated between the Owners based upon the square footage owned by each Owner.

5.02 Purpose of Annual Assessment. The annual assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners and for the improvements and maintenance of the Common Properties

5.03 Amount of Annual Assessment. Until the transfer of governing authority from the Developer to the Board takes place as described in the Bylaws, the amount of the annual assessments shall be set by the Developer at such amount as the Developer, in its sole discretion, deems appropriate to promote the recreation, health, safety and welfare of its Members. Thereafter, the amount of the annual assessments shall be set by the Board unless seventy-five (75%) of the Members who are in attendance or represented by proxy at the annual or any special meeting of the Association vote to increase or decrease the said annual assessment set by the Board. At any such meeting, the Developer shall have the number of votes as provided in the Bylaws.

5.04 Special Assessments for Improvements and Additions. In addition to the annual assessments, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, or the cost of any addition to the Common Properties, provided that any such assessment shall have the assent of seventy-five percent (75%) of the vote of the Members who are in attendance or represented at a duly called meeting of the Association, written notice of which shall be sent to all members at least thirty (30) days in advance setting forth the purpose of the meeting. At any such meeting, the Developer shall have the number of votes as provided in the Bylaws.

5.05 Property Subject to Assessment. Only land within the Property which has been subdivided into Lots, and the plats thereof filed for public record, shall constitute a Lot for purposes of these assessments.

5.06 Exempt Property. No Owner may exempt himself from liability for any assessment levied against his Lot by waiver of the use or enjoyment of any of the Common Properties or by abandonment of his Lot in any other way.

The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantee of a utility easement.
- (b) All properties dedicated and accepted by a local public authority and devoted to public use.
- (c) All Common Properties as defined in Article I hereof.

- (d) Developer-owned Lots.
- (e) Builder-owned Lots for a period from the time the Lot is conveyed by Developer to the date the Builder sells the Lot to the Owner, or the expiration of twenty-four (24) months from the date title to the Lot is conveyed by Developer to the Builder, whichever shall first occur.

5.07 Date of Commencement of Annual Assessments.

A. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Developer to be the date of commencement..

B. The amount of the first annual assessment shall be based pro rata upon the balance of the calendar year and shall become due and payable on the date of commencement. The assessments for any year after the first year shall become due and payable the first day of January of each year; however, the Board may authorize payment in four (4) equal quarterly payments.

C. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

5.08 Liens. The Association is hereby granted a lien upon each Lot and the improvements thereon as security for the payment of all assessments against said Lot, which lien shall also secure all costs and expenses, and reasonable attorney's fees which may be incurred by the Association in enforcing the lien upon said Lot. The lien shall become effective on a Lot immediately upon the due date of the delinquent assessment. The lien granted to the Association may be foreclosed as other liens are foreclosed in the State of Tennessee.

5.09 Lease, Sale or Mortgage of Lot. Whenever any Lot may be leased, sold or mortgaged by the Owner thereof, which lease, sale or mortgage shall be concluded only upon compliance with other provisions of this Declaration, the Association, upon written request of the Owner of such Lot, shall furnish to the proposed lessee, purchaser or Mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the Owner of such Lot, and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such Lot and the Association under this Declaration. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase, or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Lot is to be leased, sold or mortgaged at the time when payment of any assessment against said Lot shall be in default, then the net proceeds of such lease, sale or Mortgage shall be applied by the lessee, purchaser or Mortgagee first to payment of any then delinquent assessment or installments thereof due to the Association before payment of any rent, proceeds of purchase or Mortgage to the Owner of any Lot who is responsible for payment of such delinquent assessment.

Article VI
REGISTER OF OWNERS AND SUBORDINATION
OF LIENS TO MORTGAGES

6.01 Register of Owners and Mortgages. The Association shall at all times maintain a register setting forth the names of the Owners, and, in the event of a sale or transfer of any Lot to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such Lot, together with such recording information that shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Lot. Further, the Owner shall at all times notify the Association of any Mortgage and the name of the Mortgagee on any Lot, and the recording information which shall be pertinent to identify the Mortgage and Mortgagee. The Mortgagee may, if it so desires, notify the Association of the existence of any Mortgage held by it, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same. The Association may rely on such register for the purpose of determining the Owners of Lots and holders of Mortgages.

6.02 Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to the lien of a first Mortgage held by an institutional lender. In the event any such first Mortgagee shall acquire title to any Lot by any foreclosure, deed in lieu of foreclosure, or judicial sale, any assessments, whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expense. Provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than enforcement of the lien herein created.

6.03 Examination of Books. Each Owner and each Mortgagee of a Lot shall be permitted to examine the books and records of the Board and Association during regular business hours.

ARTICLE VII
OWNER COMPLAINTS

7.01 Scope. The procedures set forth in this Article for Owner Complaints shall apply to all complaints regarding the use of enjoyment of the Property or any portion thereof or regarding any matter within the control or jurisdiction of the Association, including, without limitation, decisions of the Association or of the Board of Directors of the Association.

7.02 Grievance Committee. There shall be established by the Board a Grievance Committee to receive and consider all Owner complaints. The Grievance Committee shall be composed of the President of the Association and two other Owners appointed by and serving at the pleasure of the Board of Directors, or the Manager may be appointed by the Board to function as the Grievance Committee.

7.03 Form of Complaint. All complaints shall be in writing and shall set forth the substance of the complaint and the facts upon which it is based. Complaints are to be addressed to the

President of the Association and sent in the manner provided in Section 10.03 for sending notices.

7.04 Consideration by the Grievance Committee. Within twenty (20) days of receipt of a complaint, the Grievance Committee shall consider the merits of the same and notify the complainant in writing of its decision and the reasons therefor. Within ten (10) days after notice of the decision, the complainant may proceed under Section 7.05; but if the complainant does not, the decision shall be final and binding upon the complainant.

7.05 Hearing Before the Grievance Committee. Within ten (10) days after notice of the decision of the Grievance Committee, the complainant may, in writing addressed to the President of the Association, request a hearing before the Grievance committee. Such hearing shall be held within twenty (20) days of receipt of complainant's request. The complainant, at his expense, and the Grievance committee, at the expense of the Association, shall be entitled to legal representation at such hearing. The hearing shall be conducted before at least two members of the Grievance committee and may be adjourned from time to time, as the Grievance Committee in its discretion deems necessary or advisable. The Grievance Committee shall render its decision and notify the complainant in writing of its decision and the reasons therefor within ten (10) days of the final adjournment of the hearing. If the decision is not submitted to arbitration within ten (10) days after notice of the decision, as provided for in Section 7.07, the decision shall be final and binding upon the complainant.

7.06 Questions of Law. Legal counsel for the Association shall decide all issues of law arising out of the complaint, and such decisions shall be binding on the complainant.

7.07 Questions of Fact; Arbitration. If there shall be any dispute as to any material fact, either the Grievance Committee or the complainant may, at their option, within ten (10) days after notice of the decision as provided for in Section 7.05, submit the same to arbitration in accordance with the provisions for arbitration adopted by the American Arbitration Association by filing with the other party a notice of its intention to do so. The decision of the arbitrator shall be final and binding upon the complainant and the Grievance Committee. In the event of arbitration, each party shall bear one-half of the expense thereof.

7.08 Exclusive Remedy. The remedy for Owner complaints provided herein shall be exclusive of any other remedy, and no Owner shall bring suit against the Grievance Committee, the Association, the Board of Directors or any member of same in his capacity as such member without first complying with the procedures for complaints herein established.

7.09 Expenses. All expenses incurred by complainant, including, without limitation, attorney's fees and arbitration expenses and the like, shall be the sole responsibility of complainant. All expenses of the Grievance Committee incident to such complaint shall be deemed a Common Expense of the Association.

ARTICLE VIII
REMEDIES OF DEFAULT

8.01 Scope. Each Owner shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations of the Association as they presently exist or as they may be amended from time to time, and each Owner shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.

8.02 Grounds For and Form of Relief. Failure to comply with this Declaration, the Bylaws or the Rules and Regulations promulgated by the Board shall constitute a default and shall entitle the Developer or the Association to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, together with interest as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof.

8.03 Recovery of Expenses. If any proceeding arising because of an alleged default by an Owner, the Developer or the Association, if successful, shall, in addition to the relief provided for in Section 8.02, be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be allowed by the court, but in no event shall the defaulting Owner be entitled to such attorney's fees.

8.04 Waiver. The failure of the Developer, the Association or an Owner to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Association of any part payment of an assessment shall not constitute a waiver of any breach of a Covenant, nor shall same constitute a waiver to enforce such Covenant(s) in the future.

8.05 Election of Remedies. All rights, remedies and privileges granted to the Developer, the Association or an Owner or Owners pursuant to any term, provision, covenant or condition of this Declaration or the Bylaws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

ARTICLE IX
EMINENT DOMAIN

9.01 Board's Authority. If all or any part of the Common Properties (excluding personalty) is taken or threatened to be taken by Eminent Domain, the Board or the Developer is authorized and directed to proceed as follows:

- A. To obtain and pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons, as the Board in its discretion deems necessary or advisable, to aid and advise it in all matters relating to such taking and its effect, including, but not limited to (i) determining whether or not to resist such proceedings or convey in lieu thereof (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with respect to such taking or attempted taking and (iv) deciding if, how and when to restore the Common Properties.

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B. To negotiate with respect to any such taking, to grant permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, and appeal from, all proceedings as it may deem necessary or advisable in connection with the same.

C. To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in Boards of Directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.

9.02 Notice to Owners and Mortgagees. Each owner and each first Mortgagee on the records of the Association shall be given reasonable advance notice of all final offers before acceptance, proposed conveyances, settlements and releases, contemplated by the Developer or the Board, legal proceedings and final plans for restoration, and shall be given reasonable opportunity to be heard with respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owner's or Mortgagee's own expense.

9.03 Reimbursement of Expenses. The Developer and/or Board shall be reimbursed for all attorneys', engineers', architects', and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, if any. To the extent that the expenses exceed the compensation received, such expenses shall be deemed a Common Expense.

ARTICLE X
GENERAL PROVISIONS

10.01 Duration. The Covenants of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Board, the Association, the Developer or the Owner, their respective legal representatives, heirs, successors and assigns, in perpetuity, unless amended or terminated as provided herein.

10.02 Amendments. This Declaration may be amended, modified, or revoked in any respect from time to time by the Developer prior to the date that the governing authority for the Development is transferred from the Developer to the Board in accordance with the Bylaws. Thereafter, this Declaration may be amended in accordance with the following procedure:

A. An amendment to this Declaration may be considered at any annual or special meeting of the Association; provided, however, that, if considered at an annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the annual meeting provided for in the Bylaws, and, if considered at a special meeting, similar notice shall be included in the notice of the special meeting provided for in the Bylaws. Notice of any meeting to consider an amendment that would adversely affect Mortgagees' rights shall also be sent to each Mortgagee listed upon the register of the Association.

B. At any such meeting of the members of the Association, the amendment must be approved by an affirmative seventy-five percent (75%) vote of those Owners who are in attendance or represented at the meeting. At any such meeting, the Developer shall have the

number of votes as provided in the Bylaws. Any amendment which adversely affects the rights of the Mortgagees must be approved by an affirmative seventy-five percent (75%) vote of the Mortgagees of which the Association has been properly notified (based upon one vote for each Lot on which a First Mortgage is held) and who vote within the period of time set by the Board to vote, which shall be a least ten (10) days and no longer than sixty (60) days.

C. An amendment adopted under Paragraph B of this Section shall become effective upon its recording with the Recorder, and the President of the Association and Secretary of the Association shall execute, acknowledge and record the amendment and the Secretary shall certify on its face that it has been adopted in accordance with the provisions of this Section. In the event of the disability or other incapacity of either, the Vice President of the Association shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any person who relies thereon in good faith, including, without limitation, any Mortgagee, prospective purchaser, tenant, lienor or title insurance company that the amendment was adopted in accordance with the provisions of this Section.

D. The certificate referred to in Paragraph C of this Section shall being substantially the following form:

CERTIFICATE

I, _____, do hereby certify that I am the Secretary of RiverBend Hills Homeowners' Association, Inc. and that the within amendment to the Declaration of Covenants and Restrictions for RiverBend Hills Subdivision was duly adopted by the Members of said Association (and their Mortgagees, if applicable) in accordance with the provisions of section 10.02 of said Declaration.

Witness my hand this ____ day of _____, 20__.

Secretary
RiverBend Hills Homeowners' Association, Inc.

10.03 Notices. Any notice required to be sent to any Owner or Mortgagee under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner or Mortgagee on the records of the Association at the time of such mailing. Notice to one or two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, or the Developer under the provisions of this Declaration shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

Robert L. Brown

DRAFT

The address for the Board, the Association, or any officer thereof may be changed by the Secretary or President of the Association by executing, acknowledging and recording an amendment to this Declaration stating the new address or addresses. Likewise, the Developer may change its address by executing, acknowledging, and recording an amendment to this Declaration stating its new address.

10.04 Severability. Should any part of this Declaration be declared void, invalid, illegal, or unenforceable for any reason, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

10.05 Captions. The captions herein are inserted only as a matter of convenience and for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.

10.06 Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.

10.07 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

10.08 Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of Tennessee.

10.09 Effective Date. This Declaration shall become effective upon its recording in the office of the Register of Hamilton County, Tennessee.

Article XI **Easements for Lots 1-16**

11.01 Creation of Easements. Developer intends that the Owner of all Lots will have access to the Common Properties, including the walking trails. Therefore Developer hereby declares and creates a permanent, non-exclusive easement for pedestrian ingress and egress over and across the rear of each of Lot. The center line of the easement area shall be the center line of

the walking trail as constructed by Developer and the width of the easement area shall be twenty (20) feet. Other access areas shall be as shown on the Plat unless modified by Developer on an amended plat.

11.02 Use of Easement Area. The easement areas shall be used only for ingress and egress. No vehicles shall be parked in, or other obstructions placed in, the easement areas. No horses or motorized vehicles shall be permitted on the walking trails.

11.03 Pedestrian Easements. In addition, the Owners of all Lots shall have permanent pedestrian easements to access the Common Properties. These easements shall be across the areas designated by Developer.

IN WITNESS WHEREOF, the Developer has this Declaration as of the date first above written.

River Hills, LLC, a Tennessee limited liability company

BY: _____
Robert L. Brown

BY: _____
Ben Kelly

BY: _____
Lanny McNabb

STATE OF TENNESSEE

COUNTY OF HAMILTON

Before me, the undersigned Notary Public of the state and county aforesaid, personally appeared Robert L. Brown, Ben Kelly and Lanny McNabb, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged themselves to be Members of River Hills, LLC, a Tennessee limited liability company, and that they as such Members executed the foregoing instrument.

WITNESS my hand and seal at office in Chattanooga, Tennessee, this ____ day of March, 2007.

Date of Expiration of Commission:

Notary Public (SEAL)