

THIS INSTRUMENT PREPARED BY:
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DECLARATION OF COVENANTS AND RESTRICTIONS

SADDLE RIDGE SUBDIVISION

UNITS 1 and 2.

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants and Restrictions made and entered into this the 1st day of October, 1992, by PHS DEVELOPMENT CORPORATION, a Tennessee Corporation, hereinafter referred to as Developer,

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community with permanent parks, recreational facilities, open spaces, and other common facilities for the benefit of the said community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said parks, recreational facilities, open spaces and other common facilities; and, to this end, desires to subject the real property described in Article II, together with such additions as may hereinafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges, and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

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

WHEREAS, Developer has incorporated under the laws of the State of Tennessee as a non-profit corporation, SADDLE RIDGE HOMEOWNERS ASSOCIATION, INC. for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer declares that the real property described in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

In addition to other definitions herein provided and except where it is clearly evident from the context that a different meaning is intended, the following terms shall have the following meanings when used in this Declaration, any Supplemental Declaration, any record plat of the lands covered hereby, and any other documents related to the Properties.

(a) "Declaration" means this instrument as extended or supplemented from time to time in the manner herein provided.



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See TB 2812 pg 48 1st Amendment
See WB 2142 - 721 Waiver + Amend - 26-03

(b) "Developer" means PHS DEVELOPMENT CORPORATION, a Tennessee Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from PHS DEVELOPMENT CORPORATION, for the purpose of development

(c) "Association" shall mean and refer to the Saddle Ridge Homeowners Association, Inc., its successors and assigns.

(d) "The Properties" shall mean and refer to the real property, and additions thereto, subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(e) "Common Properties" shall mean and refer to any property owned by the Association and those areas of land which Developer may hereafter convey and transfer to the Association intended to be devoted to the common use and enjoyment of the Owners of the Properties, and, that property upon which detention basins and flowage or drainage easements are located, as noted more fully in the Agreement dated February 18, 1992 and recorded in Deed Book 2064, page 032, in the Register's Office for Knox County, Tennessee.

(f) "Lot" shall mean and refer to all numbered residential lots as shown on the recorded subdivision map of The Properties designated for use as residential lots by this Declaration or any Supplemental Declaration.

(g) "Utility Easements" shall mean and refer to those areas of land designated for such purposes on any recorded subdivision plat of The Properties or as may be provided for, in, or by this Declaration or any Supplemental Declaration.

(h) "Assessment" means such amounts as are levied against the Owners by the Association, in order to provide funds for payment of the expenses of owning, managing and maintaining the Common Properties.

(i) "Living Unit" shall mean and refer to any portion of a building situated upon the Properties designated and intended for use and occupancy as a residence by a single family.

(j) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated within the Properties, but shall not mean or refer to any mortgagee or secured creditor, unless and until such mortgagee or secured creditor has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(k) "Member" shall mean and refer to all those Owners who are members of the Saddle Ridge Homeowners Association, Inc., as hereinafter provided.

(l) "Traditional Architecture" as used herein shall be defined as residential architecture categorized as Williamsburg, Cape Cod, American Colonial, Georgian, French, Provincial, English Tudor, Gothic, and all other Traditional Single Family Residential Architecture common in the United States. Any design or development not included within one or more of the above categories must be approved by the Saddle Ridge Advisory Committee, before construction may commence.

(m) "Director" shall mean and refer to a Director of or member of the Board of Directors of Saddle Ridge Homeowners Association, Inc.

(n) "Board of Directors" shall mean and refer to the Board of Directors of Saddle Ridge Homeowners Association, Inc.

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ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION
ADDITIONS THERETO

Section 1. Existing Property. The existing real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Knox County, Tennessee, and is more particularly described as Units 1 and 2, including Common Areas, of Saddle Ridge Subdivision as shown on maps of record in Map Cabinet M, Slides 282C and 282D.

Section 2. Additions to Existing Property.

(a) The Developer, in its sole discretion, shall have the right, but not the obligation, to bring additional properties within the plan of this Declaration in future stages of development.

(b) The additions authorized hereunder shall be made by filing of record a Supplemental Declaration with respect to the additional property which shall extend the plan of this Declaration to such property, and the Owners, including the Developer, in such additions, shall immediately be entitled to all privileges herein provided, to the end that all rights and obligations resulting to members of the Homeowners Association shall be uniform as between all units of Saddle Ridge Subdivision.

(c) Such Supplemental Declarations, if any, may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Declaration. In no event, however, shall such Supplemental Declarations revoke, modify or add to the covenants, conditions and restrictions established by this Declaration or any Supplemental Declaration with respect to the then existing property.

Section 3. Limitation on Additions. No one other than the Developer shall have the right to subject additional lands to this Declaration unless the Developer shall indicate in writing to the Association that such additional lands may be included hereunder.

ARTICLE III

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

Section 1. MEMBERSHIP.

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

Section 2. VOTING RIGHTS.

The Association shall have two classes of voting membership:

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

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CLASS B: The Class B Member shall be the Developer. The Class B Member shall be entitled to two votes for each Lot in which it holds the interests required for membership by Section 1.

The Class B membership shall be non-transferable and shall remain in the Developer, its successors and assigns, until it has relinquished all ownership in all Lots within the Properties, including the "Existing Property" as described in Article II and any additions thereto, as provided for under Article II.

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

Section 3. BOARD OF DIRECTORS.

The Association shall be governed by a Board of Directors to be elected annually by the membership. Initially, Class A Members shall elect two Directors and Class B Members shall elect three Directors as provided by the By-Laws.

Section 4. EMPLOYMENT BY BOARD OF DIRECTORS.

The Association acting by and through its Board of Directors shall have the right to engage and employ such individuals, corporations or professional managers for the purpose of managing and maintaining the common areas and performing such other duties as the Board of Directors shall from time to time deem advisable in the management of the Association.

Section 5. BY-LAWS.

The Developer shall prepare By-Laws to govern the Association and its members, which By-Laws may be amended from time to time by the Association, as the need arises.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. MEMBERS' EASEMENTS OF ENJOYMENT.

Subject to the provisions of Section 3, every member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every lot.

Section 2. TITLE TO COMMON PROPERTIES.

The Developer may retain the legal title to the Common Properties during the time the Developer is a Class B Member of the Association. When the Class B Membership terminates, the Developer shall convey and transfer the Common Properties to the Association.

Section 3. EXTENT OF MEMBERS' EASEMENTS.

The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Association to take reasonable action to protect and preserve the rights and interests of the Association and its Members in and to the Common Properties, including but not limited to rights to prevent the sale, confiscation or foreclosure of the Common Properties by creditors or lienholders of the Association or Members;



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(b) the right of the Association, as provided in its Charter and By-Laws, to suspend the enjoyment rights of any Member for any period during which any Assessment remains unpaid; for any infraction of its published rules and regulations; or for violation of this Declaration;

(c) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

(d) the right of the Association to dedicate or transfer all or any part of the Common Properties or areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the Board of Directors and Members of said Association; provided, however, that no such dedication or transfer shall be effective or permitted unless approved by the Board of Directors and the membership of the Association pursuant to the By-Laws of the Association.

(e) the rights of Members of the Association shall not be altered or restricted because of the location of the Common Property in a unit of Saddle Ridge Subdivision, in which such Member is not a resident. Common Property belonging to the Association shall result in membership entitlement, notwithstanding the unit in which the Lot is acquired, which results in membership rights as herein provided.

Section 4. PARKING RIGHTS.

The Developer shall have the absolute authority to determine the type, location and number of parking spaces in the Common Areas and to regulate and develop said parking until such time as the Association obtains authority over the same. Once the Association obtains authority over the Common Areas wherein said parking is situated, it shall have the absolute authority to regulate the maintenance and use of same.

Section 5. DRAINAGE AND DETENTION EASEMENTS - ADJOINING PROPERTY.

An Agreement between Charles W. Weigel and wife, Wanda P. Weigel, Jack Troutt and PHS Development Corporation has heretofore been entered into, and a copy of said Agreement is of record in Deed Book 2064, page 032, in the Register's Office for Knox County, Tennessee. In accordance with the provisions contained in said Agreement, two (2) detention basins are to be constructed on the property which is owned in part by Charles W. Weigel and wife, Wanda P. Weigel, and in part by Jack Troutt. The surface water run-off from Saddle Ridge Subdivision will be permitted to drain through a series of drainage easements, into one or both of the detention basins, and into the natural drainage area located on said property, for which an easement is also provided.

Once the detention basins and drainage or flowage easements have been developed, they shall be treated as "common areas" of the Saddle Ridge Subdivision, and shall be maintained as such, insofar as maintenance, repair or replacement is concerned, and the Saddle Ridge Homeowners Association, shall budget for and assess its members for such maintenance, repair or replacement, as provided for in Article V, herein.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Except as hereinafter provided, the Developer for each Lot owned by it within the Properties hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual Assessments or charges; (2) special

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Assessments for capital improvements, such Assessments to be fixed, established, and collected from time to time as herein-after provided. The annual and special Assessments together with such interest thereon and costs of collection thereof as herein-after provided shall be a charge on the land and shall be a continuing lien upon the property against which each Assessment is made. Each such Assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time the Assessment becomes payable.

Section 2. PURPOSE OF ASSESSMENT.

The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, welfare and beautification of the residences in The Properties and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon The Properties, including but not limited to, the payment of taxes and insurance thereon and repair, replacement, and addition thereto, and for the cost of utilities, labor, equipment, materials, management and supervision thereof. The Assessments shall not be specifically limited to the Common Properties, but shall extend to and include the right to maintain and repair the streets and accessways and the lighting, traffic signals and signs pertaining to The Properties. The cost, if any, of the operation and maintenance of street lights and lighting regardless of the location within The Properties and the proximity to the individual Lots shall be borne equally and prorated as to each Lot without regard to the ownership; it being the intent of this requirement to insure the safety, enjoyment and security of the entire Properties.

Section 3. ESTABLISHING INITIAL ANNUAL ASSESSMENT.

The Developer shall have the right to determine and set the annual Assessment for the calendar years of 1992 and 1993. The Assessment for each year shall be a sum reasonably necessary as deemed by the Developer to defray the expenses of the Association for each year. From and after the expiration of 1993, the Assessment may be adjusted upward or downward as herein provided.

As Developer will incur the initial costs of constructing, building and installing improvements on the Common Properties and incur most of the initial maintenance costs related thereto before transferring the Common Properties to the Association, the Developer shall not be required to pay any annual or special Assessment required hereunder or levied by the Association on Lots owned by the Developer.

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

In addition to the annual Assessments authorized by Section 3 hereof, the Association may levy, in any Assessment year, a special Assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such Assessment shall be approved by the Board of Directors and Members, pursuant to the By-Laws of the Association.

Section 5. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS.

Since development will commence during the calendar year of 1992, the Developer shall have the right to determine the date of commencement of the first annual assessment, which shall be prorated on a calendar year basis. The 1993 annual assessment shall become due and payable on January 1, 1993, and shall become



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delinquent and subject to the interest and penalty provisions hereinafter recited, if not paid in full before February 1, 1993. Thereafter, all Annual Assessments shall become due and payable on January 1st and delinquent on February 1st, of each year. In the event of a transfer of a Lot or Lots, the Annual Assessment shall be pro-rated as of the date of transfer, and credit given to the Seller or Buyer, as their interests may appear.

The Association may increase or decrease the amount and basis of the Annual Assessment established by the Developer beginning with the Assessment for the 1994 calendar year, provided that any such change have the approval of the majority of both Classes of Voting Membership at a regular or called meeting, pursuant to the By-Laws.

Section 6. QUORUM FOR CHANGE IN BASIS AND/OR AMOUNT OF ANNUAL ASSESSMENT AND LEVYING SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS..

In order to effect any change in the Annual Assessment, or to levy a Special Assessment, the presence at a duly called meeting of Members, or of their proxies, entitled to cast fifty one (51%) per cent of all the votes of both Classes of Voting Membership, shall constitute a quorum. If the required quorum is not present, an adjourned meeting may be called, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Said adjourned meeting shall be held not less than thirty (30) days from the date of notice.

It shall be the duty of the Board of Directors to notify each Owner of any proposed change in the annual Assessment or any special Assessment and the due date of such Assessment. The requirement of notice shall be satisfied if such notice is given by regular deposit in the United States Mail to the last known address of each of such Owner, not less than thirty (30) days from the date the meeting is scheduled to occur.

The due date of any special Assessment under Section 4 hereof shall be fixed in the resolution authorizing such Assessment.

Section 7. EFFECT OF NON-PAYMENT OF ASSESSMENT.

THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN REMEDIES OF ASSOCIATION.

If the Assessments are not paid on the date when due (being the dates specified in Section 5 hereof), then such Assessment shall become delinquent and shall, together with such monetary penalty, as hereinafter recited, and cost of collection thereof, as hereinafter provided, become a continuing lien on the property.

If the Assessment is not paid by the 1st day of February of any calendar year, then a \$2.00 per day penalty shall be assessed against each lot for which payment has not been made, retroactive to January 1st, of said calendar year, and the Association may bring an action at law against the Owner or Owners to enforce payment of same or foreclose the lien against the property, and there shall be added to the amount of such Assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and a reasonable attorney fee, together with the costs of the action.

Section 8. SUBORDINATION OF THE LIEN TO MORTGAGES.

The lien of the Assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon The Properties subject to Assessment; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a sale

or transfer of such property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Assessments thereafter becoming due nor from the lien of any such subsequent Assessment. An Assessment shall not be subordinate to a mortgage held by a prior Owner who was the Owner at the time such Assessment accrued.

Section 9. EXEMPT PROPERTY.

The following property subject to this Declaration shall be exempted from the Assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1, hereof; (c) all properties exempted from taxation by the laws of the State of Tennessee or United States Government upon the terms and to the extent of such legal exemption.

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

ARTICLE VI

TERM

These covenants shall take effect immediately and shall be binding on all parties and all persons claiming under them until 1 January 2012, at which time said covenants shall be automatically extended for successive periods of ten years unless by vote of the majority of the then Owners of the Lots it is agreed to change said covenants in whole or in part.

ARTICLE VII

ENFORCEMENT

If the parties hereto or any of their heirs and assigns shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for the Association or any Owner as defined herein to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent him or them from so doing or to recover damages or other dues for such violation.

ARTICLE VIII

SEVERABILITY

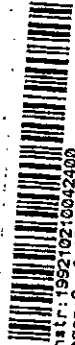
Invalidation of any one of these covenants by judgment or court order shall not in any way affect any of the other provisions which shall remain in full force and effect.

ARTICLE IX

LAND USE AND BUILDING TYPE

All Lots in the Properties shall be known and designated as residential Lots unless otherwise noted. No structure shall be erected, altered, placed or permitted to remain on any of the said Lots other than one detached single-family dwelling and a private attached garage, except by approval and sanction of the Saddle Ridge Advisory Committee.

No out-buildings such as pool houses, carports, or detached garages, shall be built unless approved by the Advisory Committee.



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Any such out-buildings shall be in substantial conformity with the architectural design used for the construction of the main dwelling, located on said lot. Metal and/or wood storage buildings are specifically prohibited on any lot within the subdivision, including the common areas.

ARTICLE X

BUILDING LOCATION

No building shall be located on any lot nearer to the front boundary than 35 feet, unless special permission coupled with a waiver is granted in hardship cases by the Developer for so long as said Developer shall have authority over such matters, and thereafter, the Association shall have exclusive jurisdiction and authority to permit or deny variances in hardship cases. All other rear and side set back requirements shall comply with regulations of the Zoning Authority and said Zoning Authority shall have the exclusive authority to permit or deny variances in hardship cases as to rear and side set back requirements, or except in those cases in which these Restrictive Covenants, or the plat of Saddle Ridge Subdivision, are more restrictive, in which case, the Association shall have the exclusive authority to permit or deny variances, after such time as the Developer no longer exercises such authority.

ARTICLE XI

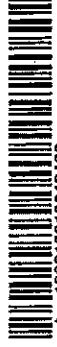
DIVISION OF LOTS

Not more than one single family dwelling may be erected on any one lot as shown on the recorded map and no lot shown on said map may be subdivided or reduced in size by any method, such as voluntary alienation, partition, judicial sale, or other process of any kind, except for the explicit purpose of increasing the size of another lot.

ARTICLE XII

SADDLE RIDGE ADVISORY COMMITTEE

No building shall be erected, placed, altered, or permitted to remain on any building lot in The Properties until the building plans and specifications and a plan showing the location of the dwelling have been approved in writing by the Saddle Ridge Advisory Committee (the Committee) as to quality of workmanship and materials, harmony of exterior design with existing structures and as to location with respect to topography and finish grade level and elevation. The Saddle Ridge Advisory Committee shall be composed of not less than three members appointed by the Developer (which may include the Developer). A majority of the Committee may designate a representative to act for the Committee. In the event of the death or resignation of any member of the Committee, the Developer shall have the exclusive authority to designate a successor. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. In the event the Committee or its designated representative fails to approve or disapprove such plans and specifications within fifteen (15) days after they have been submitted to it, such approval shall be automatically granted without further action. Further, upon approval, a set of plans and specifications shall be furnished to and retained by the Saddle Ridge Advisory Committee during the period of construction. The building shall be constructed consistent with the approved plans and specifications. If no suit to enjoin the construction has been filed prior to completion thereof, further approval will not be required and the covenant shall be deemed to be fully made. In the event the Saddle Ridge Advisory Committee rejects plans and/or specific-



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cations submitted for approval under this covenant, upon written request or application by eighty (80%) percent of Lot owners within a 1,000.00 foot radius desiring the approval be given, then same shall be deemed approved by the Saddle Ridge Advisory Committee. The Developer shall continue to have the exclusive authority to appoint the members of the Committee until such time as it shall in writing expressly confer such authority to the Association.

The decision of the Advisory Committee in the performance of its duties under Articles IX, XII and XIII hereof shall be final and conclusive in all respects and shall not be subject to review by any authority, Owner, or the Association, except when its disapproval of a plan is permitted to be overruled under this Article XII. Neither the Advisory Committee nor any of its members shall be liable to any person for damages or otherwise resulting from the performance of its duties hereunder and the exercise of the authority and discretion granted to it herein.

ARTICLE XIII

DWELLING RESTRICTIONS

Section 1. DESIGN REQUIREMENTS.

No dwelling shall be erected, placed, altered or permitted to remain on any lot without the prior approval of the Advisory Committee and unless it conforms to the following requirements:

1. The design of the dwelling and related improvements shall be of Traditional Architecture, or such other design as may be approved by the Advisory Committee.
2. The minimum living area square footage requirements shall be determined by the Advisory Committee on a case by case basis and shall be within the sole discretion of the Committee; however, except for special circumstances justifying an exception, (a) houses with one and one-half or two stories shall contain at least 1300 square feet of heated living area on the ground floor and a total of not less than 2600 square feet of heated living area on all floors; (b) houses with one floor or one floor and a basement, shall contain not less than 2200 square feet of heating living area on the upper-most level, and (c) square footage requirements for multi-level houses will be determined by the Advisory Committee on a case by case basis, considering design and terrain. Computation of square footages shall be exclusive of porches and garages.
3. All windows and related trim shall be of wood or wood clad construction.
4. All dwellings, except one story dwellings shall have a minimum roof pitch of 8/12 and the one story shall have a minimum roof pitch of 9/12.
5. All dwellings shall be of brick, stone, stucco, or a combination of brick or stone or stucco, and natural wood siding, with no masonry or other type of artificial or synthetic siding.
6. All above ground exterior foundation walls shall be veneered with brick or stone, or such other materials as may be approved by the Advisory Committee.
7. All chimneys are to be faced with brick or stone, or stucco or such other materials as may be approved by the Advisory Committee, so as to match the foundation of the dwelling.
8. The outside wiring for all dwellings, buildings and any other structure shall be placed underground. No overhead wiring of any type shall be permitted. Outside light poles, etc., shall be approved by the Advisory Committee.



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9. All dwellings shall have not less than a two-car, attached garage capable of accommodating two automobiles. The driveway shall provide a minimum of two additional off-street parking spaces. All driveways shall be paved with concrete or such other materials as are approved by the Advisory Committee.

10. Heating, air conditioning systems, and garbage containers shall be concealed from view by appropriate screening, subject to approval of the Advisory Committee.

11. Every dwelling shall be connected to the sanitary sewer and public water systems serving the lots.

12. All private swimming pools must be constructed below the ground surface, shall be enclosed and maintained in a manner consistent with the Knox County Health Department regulations, and all other appropriate governmental agencies, and the plans and specifications must be submitted to, and approved by, the Advisory Committee, prior to construction. Any fencing requirements which vary from those set out herein, are also subject to the prior approval of the Advisory Committee, before construction may commence.

13. There shall be no occupancy permitted of any dwelling until such time as the dwelling, yard and landscaping are complete except by approval of the Advisory Committee.

14. Once the detention basins have been constructed, and dedicated by the recordation of the plat of subdivision, in the Register's Office for Knox County, Tennessee, all future maintenance, repair or replacement shall be the responsibility of the Saddle Ridge Homeowners Association.

15. The finished grading for all lots shall be completed in conformity with the recorded plat for the properties and in such manner as to retain all surface water drainage on said lot or lots in "property line swales" designed to direct the flow of all surface waters into the drainage easements as created by the overall drainage plan for the development, as approved by the City of Farragut or such other authority, as may have jurisdiction over the Properties.

Section 2. MISCELLANEOUS RESTRICTIONS.

1. Mail boxes, outside lighting, and other post structures shall be of a traditional type and design consistent with the overall character and appearance of the neighborhood and as selected by the Developer or as approved by the Advisory Committee.

2. No outside radio transmission towers, receiving antennas, television antennas, satellite antennas or dishes or solar panels may be installed or used, except as may be approved by the Advisory Committee.

3. No one shall be permitted to store or park house trailers, campers, trailers, trucks over one ton, buses, motor homes, pleasure or fishing boats, unless the same are stored or parked inside a garage or to the rear of the dwelling, so as not to be readily visible from the street, except in the case of corner lots, upon which all the above must be parked or stored in the garage, and may not be parked or stored anywhere else on the lot. In no event shall any trailer, camper, truck, bus, motor home, pleasure or fishing boat in excess of 24 feet be parked any place on the lot. No automobiles or other vehicles which are inoperable or being stored shall be repeatedly parked, kept, repaired or maintained on the street, driveway or lawn of any lot.

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4. Builders will be responsible for providing silt control devices on each lot during construction activities.

5. Clotheslines and other devices or structures designed and customarily used for the drying or airing of clothes, blankets, bed linen, towels, rugs or any other type of household ware shall not be permitted and it shall be strictly prohibited for articles or items of any description or kind to be displayed or placed on, or in the yard, porch or deck railings, or on the exterior of any dwelling for the purpose of drying, airing or curing of said items.

6. No wall, hedge or shrub planting which obstructs sight lines above the roadways shall be placed or permitted to remain on any corner lot with the triangular area formed by the street property line connecting them at twenty-five (25) feet from the intersection of the street lines or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet of the intersection of street property line with the edge of a driveway. No trees shall be permitted to remain within such sight distances of the intersection unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.

Section 3. MODIFICATION.

In keeping with the purpose of this Declaration, Developer recognizes that the restrictions set forth in this Article XIII are not inclusive nor totally comprehensive for a quality and aesthetically pleasing neighborhood development. Accordingly, notwithstanding anything to the contrary in this Article XIII, as to the design of dwellings, the Advisory Committee may, in its sole discretion, in special circumstances, make exceptions to the design criteria set forth herein and approve other types of architecture and design requirement, provided that such exceptions in each instance shall be consistent with the intent and purpose of this Declaration and be approved by the Developer.

ARTICLE XIV

NUISANCES

No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

ARTICLE XV

TEMPORARY STRUCTURES

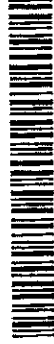
No trailer, basement, tent, shack, garage, barn or other outbuildings shall be erected on the tract at any time and be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence. Utility buildings or areas shall not be permitted to be constructed or utilized, on any subdivision lot.

ARTICLE XVI

EASEMENTS

Easements and other restrictions in conformity with the recorded plat of Saddle Ridge Subdivision, are expressly reserved for the overall development of the Properties and no easements, rights of way or rights of access shall be deemed granted or given to any person or entity over, across, upon or through any lot in the Properties unless prior written permission is granted by the Developer. Easements to each individual lot for

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installation and maintenance of utilities and drainage facilities are reserved on each lot as shown on the recorded plat.

ARTICLE XVII

COMMISSION OF WASTE AND UNSIGHTLINESS

At no time shall any lot or parcel be stripped of its top soil, trees, or allowed to go to waste or waste away by being neglected, excavated, or having refuse or trash thrown or dropped or dumped upon it. No lumber, brick, stone, cinder block, concrete block or other materials used for building purposes shall be stored upon any lot more than a reasonable time for the completion of construction in which they are to be used. Before or after construction, no person shall place or leave on any lot in the Properties refuse, stumps, rock, concrete blocks, dirt, debris, or building materials or other undesirable materials. All unimproved lots must be mowed and cleaned a minimum of two (2) times per calendar year, and in no event, shall any lot be allowed to become unsightly, so as to constitute an annoyance or nuisance to the neighborhood, as determined by the Association.

Any person doing so shall, five days after notice by the Developer or the Association, correct said condition and if said condition is not corrected within said time period, the Developer or Association shall have the right to injunctive relief against the Owner of the affected lot and the Contractor or Agent of the Owner and the right to make all necessary corrections at the Owner's expense, the cost of which shall be a lien upon the affected lot.

ARTICLE XVIII

SIGNS

No sign of any kind shall be displayed to the public view on any lot, except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the lot for sale or rent, or signs used by the builder to advertise the property during the construction and sales period.

ARTICLE XIX

LIVESTOCK AND POULTRY

No animals, livestock, poultry or fowl of any kind shall be raised, bred or kept on any lot except pets such as dogs or cats which are permitted; provided they are not kept, bred or maintained for any commercial purpose and do not create a nuisance. However, in no event shall any household have more than two animals of any species. The Association shall have exclusive authority to further regulate the maintenance and care of pets and animals as it deems advisable.

ARTICLE XX

GARBAGE AND REFUSE DISPOSAL

No lot shall be used or maintained as a dumping ground for trash or rubbish. Trash, garbage or other waste shall not be kept except on a temporary basis and in concealed sanitary covered containers. All incinerators or other equipment for the storage of such material shall be kept in a clean and sanitary condition in locations and under rules and regulations approved by the Developer or the Association.

ARTICLE XXI

FENCING AND WALLS

No fencing, walls or hedge rows shall be erected, placed or altered on any lot or parcel in front of the front building line

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of the dwelling or the garage, whichever is closer to the street, unless approved by the Advisory Committee; provided that, fencing and/or walls shall not be approved for corner lots. All authorized fences constructed on lots or parcels are to be of natural wood, unpainted, with the finished side out, and have a maximum height of four (4) feet. Chain link fences are specifically prohibited on any lot, except the Common Areas, where they may be erected as protection or part of the structure of tennis courts, swimming pools and/or recreation areas.

ARTICLE XXII

FIRST REFUSAL FOR RE-PURCHASE

In the event any Owner of any residential lot not improved by a dwelling but otherwise improved or unimproved, desires to sell the same, the lot shall be offered for sale to the Developer at the same price at which the lot is about to be sold, and the Developer, shall have fifteen (15) days within which to exercise its option to purchase the property. Should the Developer fail or refuse within said fifteen (15) days after receipt of registered notice to exercise this option to purchase said property at the price and on the terms which it is about to be sold, then the Owner of said property shall have the right to sell the same, subject to each and every restriction, limitation, condition and agreement herein contained. This clause shall have no application to any person, firm or corporation acquiring any right, title or interest in any property or improvements in the Properties through mortgage or deed of trust nor shall it apply to any purchase at a judicial or non-judicial sale of any such property or improvements.

ARTICLE XXIII

WAIVER AND MODIFICATION

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 as to any part of The Properties, subject to this Declaration, then owned by Developer and with the consent of the Owner as to any other land in The Properties, and shall have the further right before a sale to change the size of or locate or relocate any of the lots, parcels, streets, or roads shown on any of the plats of Saddle Ridge Subdivision.

ARTICLE XXIV

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 individuals, partnerships, 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 shall thereupon be released therefrom.

IN WITNESS WHEREOF, PHS Development Corporation has caused this instrument to be executed and its name to be signed by its President pursuant to authority of its Board of Directors, this the 8th day of October 1992.



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PHS DEVELOPMENT CORPORATION

BY: *Phillip H. Schrader* President
Phillip H. Schrader, President

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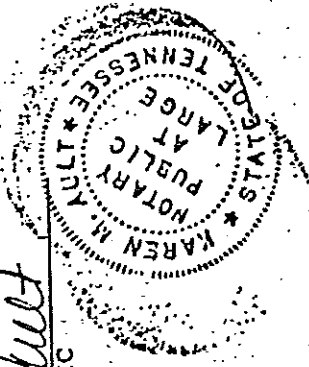
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STATE OF TENNESSEE
COUNTY OF KNOX

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared, PHILIP H. SCHRADER, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the President of PHS DEVELOPMENT CORPORATION, the within named bargainer, a corporation, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal at office, this the 8th day of
October, 1992.

Karen M. Alt
NOTARY PUBLIC
My commission expires: 11/16/92



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THIS INSTRUMENT PREPARED BY:

Harold W. Mills, Attorney
9051 Executive Park Drive, Suite 301
Knoxville, Tennessee 37923

DECLARATION OF COVENANTS AND CONDITIONS

SADDLE RIDGE SUBDIVISION

UNIT 3



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WHEREAS, PHS Development Corporation, a Tennessee Corporation, has heretofore declared and imposed certain covenants, conditions and restrictions upon a tract of land in the sixth (6th) Civil District of Knox County, Tennessee, being known and designated as Units 1 and 2, including common areas, of Saddle Ridge Subdivision, as shown on maps of record in Map Cabinet M, Slides 282C and 282D, as revised in Map Cabinet M, Slides 328A and 328B, and Map Cabinet M, Slide 342D, all in the Register's Office for Knox County, Tennessee, said restrictions being of record in Deed Book 2086, page 1027, in said Register's Office, which are hereinafter referred to as the "Declaration", and

WHEREAS, it is desired to add additional property to the original development and impose the same covenants, conditions and restrictions as applicable to Units 1 and 2, so as to impose a uniform plan of development throughout the subdivision, by including the property herein described, which has been subdivided, as shown on the plat of subdivision of record in Map Cabinet A, slide 52D, 53A

NOW, THEREFORE, pursuant to Article II, Section 2, of the Declaration, PHS Development Corporation, the Declarant, hereby amends the Declaration of Covenants, Conditions and Restrictions of record in Deed Book 2086, page 1027, and does hereby impose said Declaration upon the property hereinafter described (to be known as Unit 3, Saddle Ridge Subdivision):

SITUATED in District No. Six (6) of Knox County, Tennessee, and within the Town of Farragut, Tennessee, and being more particularly described as follows:

BEGINNING at an iron pin located at or near the common corner of Lots 25 and 26, Sedgefield Subdivision (as shown by plat of record in Map Cabinet K, Slide 226B); thence with the boundary of Lot 26, North 44 deg. 13 min. West, 120 feet to an iron pin, common corner to Lots 26 and 27; thence with the boundary of Lots 27, 28, 66 and 67, Sedgefield Subdivision, as shown on plat of record in Map Cabinet K, Slide 226C, the following calls and distances: North 43 deg. 52 min. West, 234.18 feet to an iron pin; North 40 deg. 44 min. West, 117.63 feet to an iron pin; North 42 deg. 15 min. West, 399.08 feet to an iron pin corner to property now or formerly owned by George E. Roettger (tax parcel 016, map 151); thence with the line of Poettger, North 43 deg. 41 min. West, 244.58 feet to an iron pin; thence North 48 deg. 48 min. West, 186.11 feet to an iron pin; thence with a line severing the property herein described from other property presently owned by Charles W. Weigel and wife, Wanda P. Weigel, North 27 deg. 15 min. East, 131.39 feet to an iron pin; thence North 36 deg. 33 min. East, 1181.64 feet to an iron pin in the line of property now or formerly owned by Sue Cox Ivey (tax parcel 054, map 151); thence with the line of said property, South 48 deg. 03 min. East, 1464.25 feet to an iron pin; thence South 47 deg. 32 min. East, 427.40 feet to an iron pin, corner to the property acquired by PHS Development Corporation through deed recorded in Deed Book 2064, page 030; thence with the line of said property,

See 7B 2812 pg. 48 1st Amendment
See WB 2142 - 721 Waiver + Acknowledgment

South 59 deg. 49 min. West, 1466.88 feet to an iron pin, the point of BEGINNING, containing 49.71 acres, more or less, and being according to the survey of Batson, Himes & Norvell, Surveyors, dated October 29, 1991 and last revised on April 2, 1993.

BEING the same property conveyed to PHS Development Corp - oration, by deed dated January 25, 1993 and recorded in Deed Book 2096, page 339, in the Register's Office for Knox County, Tennessee.

Article I(d) is hereby amended to include within the definition of "The Properties", the property herein described, and, Article I(e) is hereby amended to include within the definition of "Common Properties", those areas of land which Developer may hereinafter convey and transfer to the Association, from the property herein described.

All other provisions of the Declaration, are adopted and made applicable to the property herein described as though the same had been originally imposed upon said property.

IN WITNESS WHEREOF, the undersigned Declarant has caused this instrument to be executed on this the 7th day of September, 1993.

PHS DEVELOPMENT CORPORATION

BY: Philip H. Schrader
Philip H. Schrader

TITLE: President

STATE OF TENNESSEE

COUNTY OF KNOX

Before me, the undersigned authority, a Notary Public in and for said County and State, PHILIP H. SCHRADER, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the President of PHS DEVELOPMENT CORPORATION, the within named bargainer, a corporation, and that he as such president being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, by himself as President.

Witness my hand and official seal at office, this the 7th day of September, 1993.

My commission expires: 11/5/96

NOTARY PUBLIC



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THIS INSTRUMENT PREPARED BY:
Harold W. Mills, Attorney
9051 Executive Park Drive, Suite 301
Knoxville, Tennessee 37923

DECLARATION OF COVENANTS AND CONDITIONS
SADDLE RIDGE SUBDIVISION

UNIT 4

WHEREAS, PHS Development Corporation, a Tennessee Corporation, has heretofore declared and imposed certain covenants, conditions and restrictions upon a tract of land in the Sixth (6th) Civil District of Knox County, Tennessee, being known and designated as Units 1 and 2, including common areas, of Saddle Ridge Subdivision, as shown on maps of record in Map Cabinet M, Slides 282C and 282D, as revised in Map Cabinet M, Slides 328A and 328B, and Map Cabinet M, Slide 342D, all in the Register's Office for Knox County, Tennessee, said restrictions being of record in Deed Book 2086, page 1027, in said Register's Office, which are hereinafter referred to as the "Declaration", and

WHEREAS, by instrument dated September 7, 1993, PHS Development Corporation, added additional property to the original development and imposed the covenants, conditions and restrictions applicable to Units 1 and 2, to Unit 3 of Saddle Ridge Subdivision, as shown by maps of record in Map Cabinet M, Slides 520 and 53A, said instrument being recorded in Deed Book 2120, page 537, all in the Register's Office for Knox County, Tennessee and,

WHEREAS, the Declaration of Covenants and Conditions for Saddle Ridge Subdivision, Units 1, 2 and 3, were amended by instrument dated October 25, 1993 and recorded in Trust Book 2812, page 4R, in the Register's Office for Knox County, Tennessee, and

WHEREAS, it is now the desire of PHS Development Corporation to add additional property to the original development and impose the same covenants, conditions and restrictions as applicable to Units 1, 2 and 3, and, provide for additional restrictions applicable to Unit 4, by including the property herein described, which has been subdivided, and is shown on plat of subdivision of record in Map Cabinet N, slide(s) 310B, 310C.

NOW, THEREFORE, pursuant to Article II, Section 2, of the Declaration, as amended, PHS Development Corporation, the Declarant, hereby amends the Declaration of Covenants, Conditions and Restrictions of record in Deed Book 2086, page 1027, as amended in Trust Book 2812, page 4R, and Adopted for Unit 3, in Deed Book 2120, page 537, to impose said Declaration upon the property hereinafter described (to be known as Unit 4, Saddle Ridge Subdivision):

SITUATED in District No. Six (6) of Knox County, Tennessee, and within the Town of Farradut, Tennessee, and being more particularly described as follows:

BEGINNING at an iron pin located at the northwestern corner of the property conveyed to PHS Development Corporation by Charles W. Weigel and Wanda P. Weigel, through deed dated January 25, 1993 and recorded in Deed Book 2096, page 339, said iron pin also being the northwest corner of Lot 38, Block D, Saddle Ridge Subdivision, Unit 3 (Map Cabinet N, Slide 520), and in the line of property now or formerly owned by George E. Roettger (tax parcel 016, map 151); thence with the line of Roettger, North 56 deg. 38 min. West 365.97 feet to an iron pin, corner to property now or formerly



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owned by Alfred G. Millikan (Deed Book 1478, page 1009); thence with the line of said property, North 59 deg. 30 min. West, 101.86 feet to an iron pin; thence continuing with Millikan, North 58 deg. 56 min. West, 859.05 feet to an iron pin corner to property now or formerly owned by Morris L. Shagan (Deed Book 1480, page 687); thence with the line of said property, North 47 deg. 05 min. West, 124.05 feet to an iron pin, corner to property now or formerly owned by Roland A. Harris (Deed Book 1357, page 535 and Deed Book 1984, page 728); thence with the line of said property, North 49 deg. 06 min. East, 1,374.96 feet to an iron pin; thence with a line severing the property herein described from other property presently owned by Charles W. Weigel and Wanda P. Weigel, South 44 deg. 59 min. East, 974.42 feet to an iron pin; thence North 56 deg. 23 min. East, 233.68 feet to an iron pin, corner to property now or formerly owned by Sue Cox (Deed Book 801, page 001); thence with the line of said property, South 48 deg. 03 min. East, 82.54 feet to an iron pin, corner to property acquired by PHS Development Corporation through deed recorded in Deed Book 2096, page 339; thence with the line of said property, South 36 deg. 33 min. West, 1,181.64 feet to an iron pin; thence South 27 deg. 15 min. West, 131.39 feet to an iron pin, the point of BEGINNING, containing 36.40 acres, more or less, and being according to the survey of Ratson, Himes & Norvell, Surveyors, dated November 5, 1993.

BEING the same property conveyed to PHS Development Corporation by deed dated February 10, 1994 and recorded in Deed Book 2133, page 482, in the Register's Office for Knox County, Tennessee.

Article I(d) is hereby amended to include within the definition of "The properties", the property herein described, and, Article I(e) is hereby amended to include within the definition of "Common properties", those areas of land which Developer may hereinafter convey and transfer to the Association, from the property herein described.

All other provisions of the Declaration, as amended are adopted and made applicable to the property herein described as though the same had been originally imposed upon said property.

In addition to the adoption of the Declaration of Covenants and Conditions for Saddle Ridge Subdivision, Units 1, 2 and 3, as amended, PHS Development Corporation desires to impose the following additional restrictions on Unit 4:

Subsection 10, of Section 1, of Article XIII entitled "Dwelling Restrictions" shall be amended to read as follows:

"Heating, air conditioning systems, and garbage containers shall be enclosed on two of three sides, other than the dwelling unit, so as to limit visibility from any street, through the use of appropriate screening constructed of brick, wood, stucco, rock, or such other composition as might be approved by the Advisory Committee."

Subsection 1, of Section 2, of Article XIII entitled "Dwelling Restrictions" shall be amended to read as follows:

"All homes constructed in Unit 4, shall have metal mail boxes that meet federal regulations and standards, which shall be enclosed in a brick, stucco or stone structure, and shall also contain a separate compartment or receptacle for news papers and other forms of literature or advertising, which may not be deposited in the mail box. Additionally, all mail box structures shall have a light similar to that located at the front door of the dwelling unit it serves, which is controlled by a photo-cell, directly wired to said dwelling unit. The homeowner shall be responsible for the replacement of light bulbs, photo-cells and/or gas lighting systems, when required. If after receiving notice,

2.



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An owner fails to make the necessary improvements or repairs, the Advisory Committee, may do so, and assess the cost to the Owner, for which a lien may be filed, as provided for the Non-payment of Assessments under Article V, Section 7. Outside lighting, and other post structures shall be of traditional type and design consistent with the overall character and appearance of the neighborhood and as selected by the developer or as approved by the Advisory Committee."

IN WITNESS WHEREOF, the undersigned Declarant has caused this instrument to be executed on this the 15th day of March 1995.

PHS DEVELOPMENT CORPORATION

BY: Philip H. Schrader
PHILIP H. SCHRADER

TITLE: President

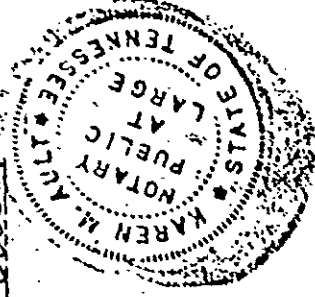
STATE OF TENNESSEE

COUNTY OF KNOX

Before me, the undersigned authority, a Notary Public in and for said County and State, PHILIP H. SCHRADER, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the President of PHS DEVELOPMENT CORPORATION, the within named herein, a corporation, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, by himself as president.

Witness my hand and official seal at office, this the 15th day of March 1995.

Karen M. Ault
NOTARY PUBLIC



My commission expires: 11/05/96

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