

AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
THE BREAKERS AT RIVER SOUND

THIS AMENDMENT TO THE DECLARATION of Covenants, Conditions and Restrictions is made and entered into as of the 2 day of September, 1997, by the undersigned, being the owners of ninety percent (90%) or more of the Lots within The Breakers at River Sound Subdivision, hereinafter referred to as Owners.

W I T N E S S E T H:

WHEREAS, a Declaration of Covenants, Conditions and Restrictions is currently in effect in The Breakers at River Sound Subdivision and is recorded at the Register's Office for Knox County, Tennessee in Deed Book 1949, Pages 0714- 0728; and

WHEREAS, that Declaration provides that said Declaration may be amended by an instrument signed by not less than ninety percent (90%) of the Owners; and

WHEREAS, ninety percent (90%) or more of the Owners of Lots in The Breakers at River Sound Subdivision have by vote, written evidence of which is held in the files of the Association, elected to amend said Declaration by enacting the present amendment.

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to The Breakers at River Sound Homeowners Association, Incorporated, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described in Article II of this Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all existing or future acquired real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association shall include, but not by way of limitation, all that real property more particularly described in that certain Quit Claim Deed, dated April 22, 1997, appearing of record in Deed Book 2248, Page 350, in the Register's Office for Knox County, Tennessee.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and any dedicated street.

Section 6. "Developer" shall mean and refer to River Sound, Ltd., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purposes of development.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION AND ADDITIONS THERETO

Section 1. Existing Property. The 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 follows:

SITUATED in District Number Six (6) of Knox County, Tennessee, without the corporate limits of the City of Knoxville, Tennessee, being all of Unit One (1) of River Sound Subdivision as shown by map of said unit appearing of record in Cabinet K, Slide 347C, Slide 347D and Slide 348A, in the Register's Office of Knox County, Tennessee and being more fully bounded and described as shown on the recorded maps, to which reference is hereby made.

Section 2. Additional Property. Additional real property may become subject to this Declaration by recordation of additional declarations containing essentially the same substance as the instant indenture in the sole discretion of the Association. Any subsequent

Declarations of Covenants, Conditions and Restrictions shall interlock all rights of Members to the Association to the end that all rights resulting to Members of the Association shall be uniform as between all Properties of the Breakers at River Sound.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any assessment against such Owner's Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of all Members agreeing to such dedication or transfer has been recorded;
- (d) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, such Owner's right of enjoyment to the Common Area and facilities to the members of the Owner's family, tenants, or contract purchasers who reside on the property.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall

be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights.

(a) Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) In the event the Developer, its successors and assigns has a Lot leased or rented, then the Developer shall be entitled to one vote for each such Lot or Dwelling Unit leased or rented as well as one vote for each Lot otherwise owned by it.

Section 3. Membership in Riversound Homeowners Association. Membership in this Association shall automatically make each Member a Member in the River Sound Homeowner's Association. Said additional membership and associated dues shall be cumulative and shall in no way affect or reduce the membership rights or dues required herein.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

AND DEVELOPER'S CONTRIBUTION

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

(a) The Owner of each Lot within the Properties hereby covenants and each Owner by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association (i) annual assessments or charges and (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The Developer, its successors and assigns, however, shall not be required to pay either annual or special assessments to the Association for unimproved Lots owned by it but instead shall pay to the Association a developer's contribution for such unimproved or unoccupied Lots as set forth in Section two (2) of this Article; notwithstanding the developer's contribution, all Lots owned by the Developer with a completed and occupied Unit thereon shall be subject to both annual and special assessments, but no developer's

contribution shall be due with respect to any such completed and occupied lot. In the event the Developer shall have made any developer's contribution with regard to any such improved and occupied Lot as of the date the same shall become thus occupied, then the amount of such developer's contribution shall be prorated on a per diem basis from the date the contribution was made to the date the Lot shall become thus occupied, and the Developer shall be entitled to a credit for the prorated portion of such developer's contribution against any dues, maintenance fees and/or assessments to which said Lot shall thereafter become subject.

(b) The annual and special assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title unless expressly assumed by them; however, the lien upon the land shall continue until paid in full.

Section 2. Developer's Contribution.

(a) The Developer, its successors and assigns, hereby covenants and agrees to pay to the Association a developer's contribution for each unimproved Lot (vacant Lots and/or Lots on which a Unit is being constructed prior to occupancy) owned by it in an amount equal to Five Hundred dollars (\$500.00) per year per unimproved Lot with such amount being subject to increase or decrease as set forth in subparagraphs (b) and (c) of this section. The Developer's contribution shall be payable each year in a lump sum beginning September 1, 1996 and continuing upon the first day of September of each year thereafter, so long as the Developer, its successors or assigns owns any unimproved and unoccupied Lots within the Properties. Provided, however, that once a Lot becomes occupied, any subsequent vacancy thereof shall not cause a reversion to the developer's contribution from the annual and special assessments previously due upon such Lot.

(b) The amount of the developer's contribution shall remain at the above level set forth in subparagraph (a) of this section for a three year period following September 1, 1996 with

the contribution due at the beginning of each successive three (3) year period to be increased or decreased in accordance with the increase or decrease in the Consumer Price Index published at the beginning of such period, as compared with the level of that Index as of September 1, 1996.

(c) In the event that the developer resubdivides any of the unimproved Lots owned by it within the Properties and thereby causes an increase in the size and a decrease in the number of such Lots, then the developer's contribution due upon such Lots shall increase by a pro rata amount based upon the thirteen (13) such Lots owned by the Developer on September 1, 1996 and the original Five hundred dollars (\$500.00) developer's contribution (subject to CPI increase and/or decrease). For example, if the Developer increases the size of such Lots and causes the number to decrease to eight (8) from thirteen (13), then the developer's contribution shall increase to Eight hundred twelve dollars and fifty cents (\$812.50) per Lot (\$6500.00 divided by 8).

(d) The developer's contribution, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such contribution is made. Each such contribution, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the Developer, its successors and assigns holding such property at the time the contribution became due. The personal obligation for delinquent contributions shall not pass to the Developer's successors in title unless expressly assumed by them; the lien upon the land, however, shall continue until paid in full.

Section 3. Purpose of Assessments and Developer's Contribution. The assessments levied by the Association as well as the Developer's contribution shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvements, irrigation, upkeep and maintenance of the Common Area and for the irrigation and upkeep of individual Unit grounds as well as for the management of the Breakers at River Sound, taxes assessed against the Common Areas and insurance of all forms maintained in accordance with the By-laws and the employment of attorneys to represent the Association when necessary or when the need arises.

Section 4. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$900.00 per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year, without a vote of the Members, if such increase is not in excess of the increase in the Consumer Price Index as established by the Department of Labor and published the July preceding the increase.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year above that established by the Consumer Price Index by a two-thirds (2/3) vote of the Members who are voting in person or by proxy at a meeting duly called for this purpose as provided in Section five (5) herein.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum subject to the provisions of Section six (6) and seven (7) herein.

Section 5. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, 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, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the consent of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected monthly.

Section 6. Notice and Quorum for Action Under Sections Three (3) and Four (4). Written notice of any meeting called for the purpose of taking any action authorized under Section three (3) or four (4) of this Article shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast sixty percent (60%) of all votes of the membership shall constitute a quorum. If the required quorum is not present,

another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots subject thereto and may be collected on an annual or semi-annual basis, payment being made in advance. These assessments shall be collected by the Homeowner's Association.

Section 8. Due Dates of Annual Assessment. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 9. Nonpayment of Assessments or Developer's Contribution. Any assessment or developer's contribution which is not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner or Developer personally obligated to pay the same or foreclose the lien against the property. No Owner or Developer may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's or Developer's Lot.

Section 10. Subordination of the Lien to Mortgage. The lien of the assessments or developer's contribution provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment or developer's contribution lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments or developer's contribution as to payments which became due prior to such sale or transfer. No sale or

transfer shall relieve such Lot from liability for any assessments or contribution thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. All property dedicated to and accepted by a local public authority and all properties owned by charitable and nonprofit organizations exempt from taxation by the laws of the state of Tennessee shall be exempt from assessments herein. However, in any event, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

ARCHITECTURAL AND MAINTENANCE CONTROL

Section 1. Architectural Review Committee. An entity, known as the Architectural Review Committee, shall be formed in the following manner: The Architectural Review Committee shall be comprised of three (3) or more Owners of Lots in the Breakers at River Sound. The Board of Directors of the Homeowner's Association shall determine both the selection and the terms of service of these three (3) representatives of the Architectural Review Committee.

Section 2. Submission and Approval of Improvements. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee. In the event the Architectural Review Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Provided, that nothing herein contained shall be construed to permit interference with development of the properties by Developer so long as said development follows the general plan of development.

Section 3. Semi-Annual Inspection. The Architectural Review Committee shall cause semi-annual exterior inspections to be conducted of each Unit located in the Breakers at River

Sound for the purpose of ensuring appropriate exterior upkeep and harmony of design. Such exterior inspections shall be performed by a qualified building inspector selected by the Architectural Review Committee and such building inspector shall submit a written report of the inspection's results to the Architectural Review Committee. This report shall detail any and all exterior maintenance work necessary for each Unit located in the Breakers.

Section 4. Unit Maintenance.

(a) Each Owner shall be responsible for ensuring that the Owner's individual Unit adheres to any and all maintenance requirements and/or deficiencies detailed in the semi-annual inspection report as well as for providing for the day by day ordinary care of the Unit in order to maintain the Unit in a clean and neat appearance, subject to the Architectural Review Committee's restrictions on appearance. These maintenance requirements include any and all items set forth in the written report submitted to the Architectural Review Committee by its selected building inspector as well as any additional maintenance and architectural specifications issued to Owners by the Architectural Review Committee, including but not limited to, the type, color and brand of exterior paint, shingles, siding and other building products of exterior necessity and utility.

(b) In the event the Owner of any Lot fails to provide for required and necessary maintenance of the Owner's Unit, the Architectural Review Committee shall have the right, but not the obligation, to go upon the property and perform or have performed any and all maintenance and/or repairs necessary to bring the exterior of the Unit into compliance with the building inspector's written report or other requirements of the Architectural Review Committee. Any such maintenance and repairs shall be performed at the expense of the individual Owner and shall be payable by the Owner to the Homeowner's Association upon demand and any unpaid portion thereof shall be a lien upon the property in accordance with the provisions of Article V, Section 1.

ARTICLE VII

INSURANCE

The Homeowner's Association shall maintain insurance on the Common Area. Each individual Unit shall be insured by the Owner of such Unit. Each individual Owner must

maintain an insurance policy equal to the replacement costs of the Unit and in the event of complete or partial destruction of the Unit, this insurance must be used to rebuild the destroyed Unit. In the event an Owner fails to maintain an insurance policy as required herein, the Association may purchase such a policy and the expense shall be charged to the Owner as an assessment under the provisions of this document.

ARTICLE VIII

UPKEEP OF COMMON AREAS AND INDIVIDUAL LOTS

Section 1. Responsibilities of Association and Lot Owner.

(a) The Association shall be responsible for the maintenance and upkeep of the Common Areas, including insurance and other expenditures associated therewith, the costs of which shall be paid out of the Association's annual fee. The Association also shall be responsible for the upkeep of the grounds of the individual Lots including, but not limited to, tree and shrub maintenance, trimming and mowing of grass, fertilizing, mulching, weeding, insect control and other horticultural tasks necessary to maintain the individual Lots in a clean, neat and harmonious appearance. The responsibility for the replacement of plants, however, will remain the responsibility of the individual Owner, and the Architectural Review Committee will provide each individual Owner with written notification of the necessity to replace any plants on the Owner's grounds. The Architectural Review Committee shall issue such notification of plant replacement to Owners upon its receipt of the same from the lawn service.

(b) If an Owner fails to timely replace any plant designated for replacement by the Architectural Review Committee, the Architectural Review Committee shall have the right, but not the obligation, to go upon such Owner's Lot and replace or have replaced any such plants so designated by it. Any such replacement of plants shall be at the expense of the Owner and shall be payable by the Owner to the Homeowner's Association upon demand and any unpaid portion thereof shall be a lien upon the property in accordance with the provisions of Article V, Section 1.

Section 2. Willful or Negligent Acts of Lot Owner. In the event that the need for maintenance of an individual Lot or the Common Area is caused through the willful or

negligent acts of an Owner or through the willful or negligent acts of the family, guests or invitees of the Owner of the Lot or the Common Area requiring such maintenance or repair, the cost of such grounds maintenance shall be added to and become part of the assessment to which such individual Lot is subject.

ARTICLE IX

RESTRICTIONS ON USAGE

Section 1. Land Use and Building Types. No Lot shall be used except for single family residential purposes. To that extent, no Unit at any time situated on any Lot shall be used for any business, commercial, amusement, hospital, sanitarium, school, clubhouse, religious, charitable, philanthropic or manufacturing purposes or as a professional office, and no billboards or advertising signs of any kind shall be erected or displayed thereon, except such signs as set forth in Section 6 of this Article IX.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done therein which may be or become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that the Association may regulate the keeping and maintaining of household pets.

Section 4. Outside Antennas. No outside radio or television antennas shall be erected on any Lot or dwelling Unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its Architectural Review Committee.

Section 5. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time except by Developer during construction.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot except for a single sign of a type and size approved by the Association advertising the

property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

Section 7. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground. Rubbish, trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 8. Lawful Use. No offensive or unlawful use shall be made of the Common Area or Lots and Living Units, nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 9. Commercial Business. No commercial businesses may be maintained on the Common Area or in the Living Units, except for the sales and development offices during the course of initial development.

Section 10. Alterations. Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Association.

Section 11. Rules for Common Area. The Association is authorized to adopt rules for the use of Common Areas and such rules shall be furnished in writing to the Owners. The voting rights and right to use the recreational facilities by an Owner may be suspended for a period of up to sixty (60) days for violation of such rules.

Section 12. Sports Apparatus and Equipment. No basketball standards or fixed sports apparatus shall be attached to any Living Unit or garage or be erected on the Lot of any Unit.

Section 13. Vehicles and Parking. No vehicles of any type shall be permanently or semi-permanently parked on the Properties or in the vicinity of any Living Unit or in the Common Area for the purpose of accomplishing repairs thereto or the reconstruction thereof, except as permitted by the Rules of the Association. This reconstruction shall also apply to all vehicles not in operable condition regardless of whether or not such vehicles are being operated.

Section 14. Garages. Each Owner shall keep his garage area in a neat and orderly condition with all storage areas completely enclosed.

Section 15. Recreation Vehicles. There shall be no parking of recreational vehicles including, but not limited to, camping trailers, boats, motor homes and the like except in areas

specifically designated for the purpose by the Association.

Section 16. Commercial Vehicles. The Association shall have the power to adopt Rules and Regulations concerning the parking of all commercial vehicles on the Properties, Common Area or individual Lots.

Section 17. Residential Leases.

(a) No Owner of any Lot in the Properties shall lease the Lot or the Unit thereon for a term of less than twelve (12) months. In addition, any Owner wishing to lease a Unit in the Properties shall submit the basic lease form and/or the specific terms agreed to by the Owner and the Owner's lessee to the Board of Directors prior to entering into any lease agreement. In the event the Board of Director fails to approve or disapprove such lease within seven (7) days after the basic lease form and/or the specific terms thereof have been submitted to it, approval shall not be required and this section shall be deemed to have been fully complied with, provided that nothing herein shall be construed to permit an Owner to lease a Unit in contravention of any of the terms set forth herein.

(b) No Unit situated on any Lot in the Properties shall be rented or leased separately from the rental or lease of the entire Unit and no part of any such Unit shall be used for the purpose of renting rooms therein or as a boarding house, hotel, motel, tourist or motor court or other transient accommodations. No duplex or triplex residence, garage apartment or apartment house shall be erected or allowed to remain on any Lot in the Properties and no Unit on any Lot in the Properties at any time shall be converted into or leased as a duplex or triplex residence, garage apartment or apartment house.

Section 18. On Site Sales Office. So long as the Developer shall own any Lot in the Properties or any Lot which may be annexed to the Properties in the future, it shall have the right to maintain an on site sales office for the conduct of its business.

Section 19. Fences. No chain link type fences shall be allowed.

Section 20. Lawn Irrigation. The entire development shall be served by a lawn irrigation system which shall be considered to be the property of the Homeowner's Association which bear responsibility for it's operation and upkeep.

ARTICLE X

EASEMENTS

Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct, alter, or retard the flow of water through drainage channels in the easements. Easements to each individual Lot for ingress and egress shall be provided to each property over the Common Area or by access easements as shown on the recorded plat. The Association shall have a permanent easement across and under all lawns for the purpose of owning and maintaining the lawn irrigation systems and also shall have permanent easement to go upon each Lot for the purpose of individual Lot upkeep and exterior maintenance pursuant to Articles VI and VIII.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall not invalidate any provision herein or act as a waiver or bar of the right of enforcement, which right may be exercised at any time.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Counterparts. This instrument may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is

recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 5. Annexation.

(a) Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of the members.

(b) Additional residential property and Common Area shall be considered annexed to the Properties upon the recording of a plat in the Register of Deeds Office for Knox County, Tennessee. At said time, the Owners of Lots in the annexed properties shall acquire all rights and privileges as Owners of Lots in the initial phase of the development of the Properties.

(c) All improvements intended for future use in the future phases shall be substantially completed prior to annexation to the original Properties subject to this Declaration of Covenants, Conditions and Restrictions.

(d) All future improvements will be consistent with the initial improvements in terms of quality and construction.

Section 6. Encroachment. It is understood that the Living Units built as a part of the original construction of the homes may encroach on such adjoining Lots due to construction or other reasons. Accordingly, an easement is reserved for such encroachments as are contained in the buildings, whether the same now exist or may be caused or created by construction, settlement or movement of the building or by permissible repairs, construction or alteration with regard to any differences which may exist in the plat entitled "RIVER SOUND, UNIT ONE," recorded in Plat Cabinet K, Slide _____, in the Register's Office for Knox County, Tennessee or in other lands which may be platted or annexed thereto, and the actual party walls and Lot lines which exist on the Properties, the Lot lines and party walls which actually exist shall control over discrepancies in such plats.

Section 7. Permanent Easement. Developer has dedicated a permanent easement for ingress and egress to a public right of way to the Owners of any Lots in the Properties.

ARTICLE XII

BOAT DOCKS

Construction and ownership of any and all boat docks shall be governed by the rules and regulations set forth in the By-Laws of The River Sound Homeowner's Association, Inc.

IN WITNESS WHEREOF, the undersigned Owners have caused this instrument to be executed on the dates indicated below.



William S. Nix, Gen. Part.
Signature

STATE OF TENNESSEE)

COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, William S. Nix, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Dated: 5/23/97

WILLIAM S. NIX, GENERAL PARTNER
Print Name RIVER SOUND, LTD.

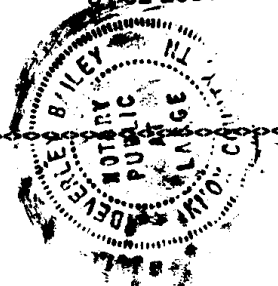
Witness my hand, at office, this 23rd day of May, 1997.
Shirley Bailey
Notary Public

Comm. Exp. **MY COMMISSION EXPIRES 01-02-2001**

2119 COTTAGE ROW LANE
Street Address

Lot No. 20 Unit No. ONE

THE BREAKERS @ RIVER SOUND



William S. Nix, Gen. Part.
Signature

STATE OF TENNESSEE)

COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, William S. Nix, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Dated: 5/23/97

WILLIAM S. NIX, GENERAL PARTNER
Print Name RIVER SOUND, LTD.

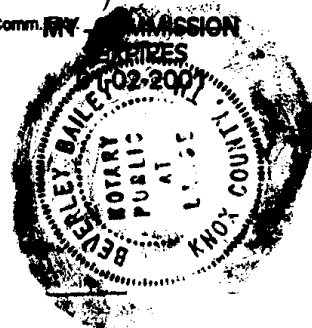
Witness my hand, at office, this 23rd day of May, 1997.
Shirley Bailey
Notary Public

Comm. Exp. **MY COMMISSION EXPIRES 01-02-2001**

Lots Nos. 11R-12R-14R-15R-16R & 18R
STREET NAME: COTTAGE ROW LANE

Lots Nos. 40R-41R & 43R
STREET NAME: BREAKWATER DRIVE

UNIT ONE, THE BREAKERS @ RIVER SOUND



THIS INSTRUMENT PREPARED BY:

MCDONALD, LEVY & TAYLOR
Attorneys at Law
10805 Kingston Pike, Suite 200
Knoxville, Tennessee 37922
(423) 966-7665

[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: 5-21-97

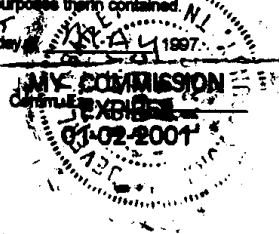
Personally appeared before me, the undersigned authority, a notary public in and for said county and state, JOHN TAYLOR, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

JOHN TAYLOR
Print Name

Witness my hand, at office, this 21st day of MAY 1997.

Print Name

[Signature]
Notary Public



2012 BREAKERS POINT
Street Address

Lot No. 3 Unit No. One THE BREAKERS @ RIVER SOUND



[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF Anderson)

Dated: 6/2/97

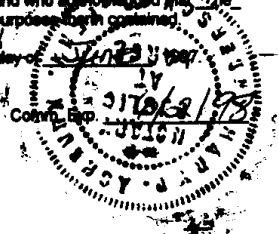
Personally appeared before me, the undersigned authority, a notary public in and for said county and state, BRADLEY L. STURM, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

BRADLEY STURM
Print Name

Witness my hand, at office, this 2nd day of June 1997.

Print Name

[Signature]
Notary Public



2215 Breakwater Drive
Street Address

Lot No. 36 Unit No. One THE BREAKERS @ RIVER SOUND



[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: 6/7/97

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Robert A. Munzer, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

J. LESLIE MUNZER
Print Name

Witness my hand, at office, this 7th day of June 1997.

ROBERT A. MUNZER
Print Name

[Signature]
Notary Public



2225 BREAKWATER DR
Street Address

Lot No. 31 Unit No. One THE BREAKERS @ RIVER SOUND



[Signature]
Signature
Sally A. Lighter
Signature

Dated: 5/23/97
DONALD E. LIGHTER
Print Name

SALLY A. LIGHTER
Print Name

2217 Breakwater Drive
Street Address

Lot No. 35 Unit No. One THE BREAKERS @ RIVER SOUND

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Donald E. Lighter, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 23rd day of May, 1997
[Signature]
Notary Public



[Signature]
Signature

Signature

Dated: 5/28/97
GAIL W. FARZANEGAN
Print Name

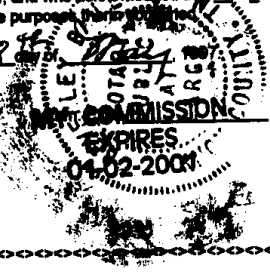
2231 Breakwater Drive
Street Address

Lot No. 28 Unit No. One THE BREAKERS @ RIVER SOUND

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Gail Farzanegan, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 28th day of May, 1997
[Signature]
Notary Public



[Signature]
Signature

Signature

Dated: 5-29-97
William Anthony Hollin
Print Name

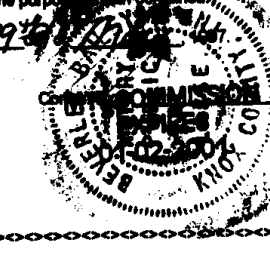
2239 Breakwater
Street Address

Lot No. 24 Unit No. One THE BREAKERS @ RIVER SOUND

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, William Anthony Hollin, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 29th day of May, 1997
[Signature]
Notary Public



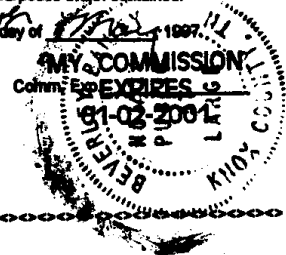
[Signature]
Signature
[Signature]
Signature

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Mr. Charles E. Stephens, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purpose therein contained.

Dated: 5/20/97
Charles E. Stephens
Print Name
Charles E. Stephens
Print Name
2237 Breakwater Dr.
Street Address
Lot No. 25 Unit No. One, THE BREAKERS @ RIVER SOUND

Witness my hand/at office, this 20th day of May, 1997.
[Signature]
Notary Public



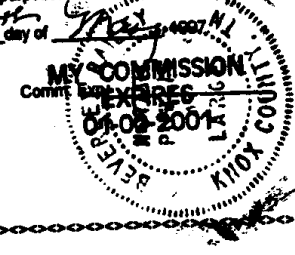
[Signature]
Signature
[Signature]
Signature

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Melvin P. Stulberg, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purpose therein contained.

Dated: 3/20/97
Print Name Melvin P. Stulberg
Print Name Dorothy B. Stulberg
Street Address 2211 Breakwater Dr
Lot No. 38 Unit No. One, THE BREAKERS @ RIVER SOUND

Witness my hand/at office, this 20th day of March, 1997.
[Signature]
Notary Public



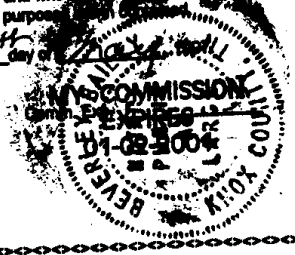
[Signature]
Signature
[Signature]
Signature

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Linda H. Strachan, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purpose therein contained.

Dated: May 20, 1997
Richard D. Strachan
Print Name
Linda H. Strachan
Print Name
2117 Cottage Row Lane
Street Address
Lot No. 19 Unit No. One, THE BREAKERS @ RIVER SOUND

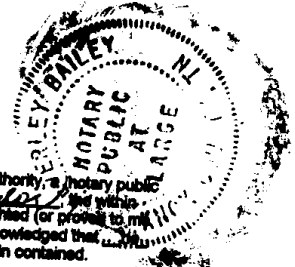
Witness my hand, at office, this 20th day of May, 1997.
[Signature]
Notary Public



Jannie G. Taylor
Signature

STATE OF TENNESSEE)

COUNTY OF KNOX)



Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Jannie Taylor, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 9th day of June 1997.

Beverly Bailey
Notary Public

Comm. Exp. **MY COMMISSION EXPIRES 01-02-2001**

Signature _____

Dated: June 9, 1997

Print Name JANNIE G. TAYLOR

Street Address 2219 Breakwater Dr

Lot No. 34 Unit No. One, THE BREAKERS @ RIVER SOUND

Alice R. Belt
Signature

STATE OF TENNESSEE)

COUNTY OF KNOX)



Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Alice R. Belt, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 10th day of June 1997.

Beverly Bailey
Notary Public

Comm. Exp. **MY COMMISSION EXPIRES 01-02-2001**

Alice R. Belt
Signature

Dated: 6/10/97
Ned W. Belt, Jr.

Print Name Alice R. Belt

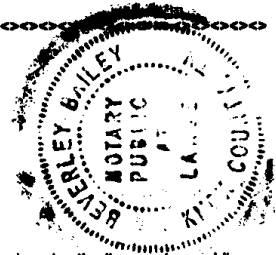
Street Address 2233 Breakwater

Lot No. 27 Unit No. One, THE BREAKERS @ RIVER SOUND

Gail Guy
Signature

STATE OF TENNESSEE)

COUNTY OF KNOX)



Personally appeared before me, the undersigned authority, a notary public in and for said county and state, WARREN & GAIL Guy, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 13th day of June 1997.

Beverly Bailey
Notary Public

Comm. Exp. **MY COMMISSION EXPIRES 01-02-2001**

Warren Guy
Signature

Dated: 6-13-97
GAIL Guy

Print Name WARREN Guy

Street Address 2005 BREAKERSTPOINT

Lot No. 8 Unit No. One, THE BREAKERS @ RIVER SOUND

Ronald H. Cordover
Signature

Signature

Dated: May 28, 1997

Print Name
Ronald H. Cordover
Print Name
2008 Breakers Point
Street Address

Lot No. 1 Unit No. One THE BREAKERS @ RIVER SOUND

STATE OF New Jersey)

COUNTY OF Passaic)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Ronald H. Cordover the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 28th day of May, 1997.

DeLores G. Manburg Comm. Exp. 11/16/99
Notary Public

DELORES G. MANBURG
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan 18, 1999



Richard M. Briggs
Signature

Stephanie R. Briggs
Signature

Dated: JUNE 2, 1997

Print Name
RICHARD M. BRIGGS
Print Name
STEPHANIE R. BRIGGS
Street Address
2235 BREAKWATER DR.

Lot No. 26 Unit No. One THE BREAKERS @ RIVER SOUND

STATE OF TENNESSEE)

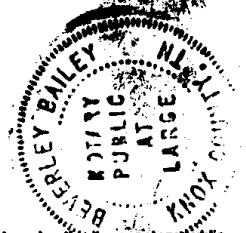
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Richard M. Briggs the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 2nd day of June, 1997.

Sherley Bailey
Notary Public

MY COMMISSION
Comm. Exp. EXPIRES
01-02-2001



John A. Cronkrite
Signature

John E. Cronkrite
Signature

Dated: JUNE 7, 1997

Print Name
JOHN A. CRONKRITE
Print Name
JOHN E. CRONKRITE
Street Address
2241 BREAKWATER DR

Lot No. 23 Unit No. One THE BREAKERS @ RIVER SOUND

STATE OF TENNESSEE)

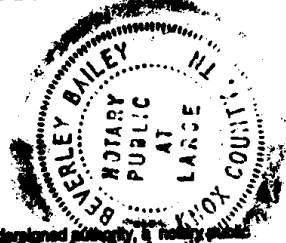
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, John A. Cronkrite the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 7th day of June, 1997.

Sherley Bailey
Notary Public

Comm. Exp. MY COMMISSION
EXPIRES
01-02-2001



Sharon M. Evans
Signature
Richard Meede
Signature

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Richard Meede, being within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Dated: 6-23-97 HOODOWNERS ASSOC.
SHARON M. EVANS
Print Name
RICHARD MEED
Print Name
2010 BREAKERS POINT
Street Address
Lot No. 2 Unit No. One, THE BREAKERS @ RIVER SOUND

Witness my hand, at office, this 23rd day of June 1997
Cheerley Bailey
Notary Public



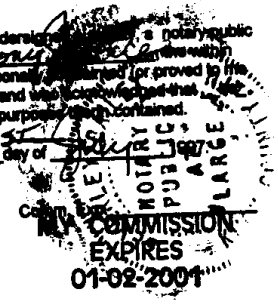
[Signature]
Signature

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Anthony G. Justice, being within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Dated: July 21st, 1997
Anthony G. Justice
Print Name
2001 BREAKERS POINT
Street Address
Lot No. 10 Unit No. One, THE BREAKERS @ RIVER SOUND

Witness my hand, at office, this 21st day of July 1997
Cheerley Bailey
Notary Public



John Baucum
Signature
Marcy Baucum
Signature

STATE OF TENNESSEE)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, John Baucum, being within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Dated: July 21, 1997
JOHN BAUCUM
Print Name
MARCY BAUCUM
Print Name
2221 Breakwater
Street Address
Lot No. 33 Unit No. One, THE BREAKERS @ RIVER SOUND

Witness my hand, at office, this 21st day of July 1997
Cheerley Bailey
Notary Public



[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: July 10 1997

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Toshiki Hayase, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Print Name
Toshiki Hayase (Central Glass Co.)

Witness my hand, at office, this 10 day of July, 1997.

Print Name
2123 COTTAGE ROW LANE

Charlene Hampton Comm. Exp. 3-17-2000
Notary Public

Lot No. 22 Unit No. One THE BREAKERS @ RIVER SOUND



[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: July 18, 1997
EDWARD R. CARLID
Print Name

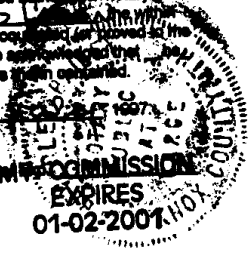
Personally appeared before me, the undersigned authority, a notary public in and for said county and state, EDWARD R. CARLID, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 18th day of July, 1997.

Print Name
2003 BREAKERS POINT

Reverley Bailey Comm. Exp. 01-02-2001
Notary Public

Lot No. 9 Unit No. One THE BREAKERS @ RIVER SOUND



[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: July 21, 1997
JOSEPH DAWY
Print Name

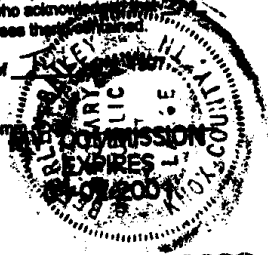
Personally appeared before me, the undersigned authority, a notary public in and for said county and state, JOSEPH DAWY, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 21st day of July, 1997.

Print Name
2123 COTTAGE ROW LANE

Reverley Bailey Comm. Exp. 01-02-2001
Notary Public

Lot No. 21 Unit No. One THE BREAKERS @ RIVER SOUND



[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: June 14, 1997
Edward Fitzgerald
Print Name

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Edward Fitzgerald, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Print Name
2223 BREAKWATER DR
Street Address

Witness my hand, at office, this 16th day of June, 1997.
[Signature]
Notary Public



Lot No. 32 Unit No. One THE BREAKERS @ RIVER SOUND

[Signature]
Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: 6-17-97
L. MICHAEL WYATT
Print Name

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, MICHAEL WYATT, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Print Name
2213 BREAKWATER DR.
Street Address

Witness my hand, at office, this 17th day of June, 1997.
[Signature]
Notary Public



Lot No. 37 Unit No. One THE BREAKERS @ RIVER SOUND

[Signature]
Signature

STATE OF TENNESSEE)

[Signature]
Signature

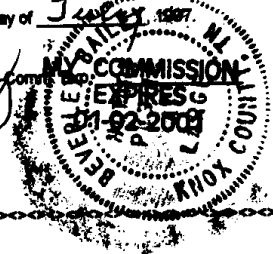
COUNTY OF KNOX)

Dated: July 23, 1997
JENNY H. JUKES
Print Name

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, Jenny Jukes, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained.

Print Name
2229 BREAKWATER DR
Street Address

Witness my hand, at office, this 23rd day of July, 1997.
[Signature]
Notary Public



Lot No. 29 Unit No. One THE BREAKERS @ RIVER SOUND

Brian Conley
Signature

STATE OF TENNESSEE)

Signature

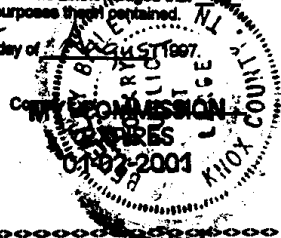
COUNTY OF KNOX)

Dated: 8-1-97
BRIAN CONLEY
Print Name

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, BRIAN CONLEY, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Print Name
2009 BREAKER'S POINT
Street Address

Witness my hand, at office, this 1st day of AUGUST 1997.
Shirley Haley
Notary Public



Lot No. 6 Unit No. One THE BREAKERS @ RIVER SOUND

Robert L. Crouch
Signature

STATE OF TENNESSEE)

Signature

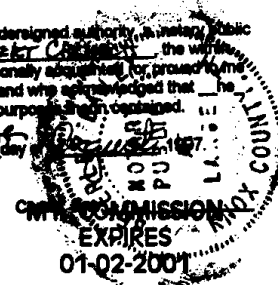
COUNTY OF KNOX)

Dated: 8-26-97
ROBERT L. CROUCH
Print Name

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, ROBERT CROUCH, the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Print Name
2011 BREAKERS POINT
Street Address

Witness my hand, at office, this 26th day of AUGUST 1997.
Shirley Haley
Notary Public



Lot No. 5 Unit No. One THE BREAKERS @ RIVER SOUND

Signature

STATE OF TENNESSEE)

Signature

COUNTY OF KNOX)

Dated: _____

Personally appeared before me, the undersigned authority, a notary public in and for said county and state, _____ the within named bargainer, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Print Name _____

Witness my hand, at office, this _____ day of _____ 1997.

Print Name _____

Notary Public Comm. Exp. _____

Street Address _____

Lot No. _____ Unit No. One THE BREAKERS @ RIVER SOUND