

**RESTRICTIVE COVENANTS
AND
HOMEOWNERS' ASSOCIATION APPLYING TO
THE SUBDIVISION NAMED
LIVINGSTONE SUBDIVISION
RUTHERFORD COUNTY, TENNESSEE**

RESTRICTIONS

RCK Joint Venture, comprised of River Road Construction, LLC, Creative Homes, LLC and Keystone Homes of TN, Inc., hereinafter referred to as "Developer," being the owner in fee simple of the real estate known, described and identified as:

SEE ATTACHED EXHIBIT "A"

Which the Developer intends to develop, subdivide and record a plat naming the Property as Livingstone Subdivision to be recorded in Register's Office of Rutherford County, Tennessee, and does hereby agree and bind itself, its successors and assigns, that the following restrictions, limitations and covenants shall be binding on all purchasers of lots in said Livingstone Subdivision their heirs, successors and assigns, as follows:

RCK Joint Venture, the developer of the proposed Livingstone Subdivision, shall provide an architectural review committee which shall review and approve all proposed improvements to insure the adherence to covenants and restrictions, to enhance the aesthetics of the subdivision, and to insure that the design review guidelines for Livingstone Subdivision are followed. At such time as Developer owns less than seventy (75%) percent of the lots in the original section of Livingstone, and any additional sections added thereto, the Architectural Review Committee shall be elected by majority vote of the members of the Livingstone Subdivision Homeowners' Association, Inc. as hereinafter provided.

No building, fence, wall or other structure shall be commenced or changed on any lot until the construction plans and specifications have been submitted to the review committee and approved by the committee. The committee shall have thirty (30) days to approve or disapprove of submitted plans.

The Architectural Review Committee shall have the right to impose additional restrictions and requirements on any lot at time of sale whereby these additions shall enhance the subdivision.

The Architectural Review Committee shall also have the right to waive any restrictions or covenants for any lot when such waiver is deemed necessary. Any additional restrictions or waivers made shall apply to the lot upon which it is imposed and does not necessarily set a precedent for future construction.

The Architectural Review Committee members shall not be compensated for work done while serving on the committee. Members of the Architectural Review Committee and the Developer shall not be liable for decisions related to the action of the Architectural Review Committee or for any other actions related to the implementation, enforcement of these provisions or the failure to implement or enforce the provisions of this agreement.

The Developer, each lot owner, or the Livingstone Subdivision Homeowners' Association, Inc., its successors and assigns, shall have the right to enforce by any proceeding at law or in equity, all conditions, restrictions, covenants, reservations and easements herein or hereinafter contained or otherwise contained in any deed to any lot in the subdivision. Failure by the Developer, lot owners, or the Livingstone Subdivision Homeowners' Association, Inc. to enforce any of such shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one or more of the covenants and restrictions or other provisions herein contained by judgment or court order shall in no way affect any of the other covenants and restrictions herein contained which shall remain in full force and effect. Any owner of any lot in the subdivision which shall include any additional sections annexed by the Developer and made subject to these restrictions shall have the right to notify the Livingstone Subdivision Homeowners' Association, Inc. of any violation of these restrictive covenants and the Livingstone Subdivision Homeowners' Association, Inc. may, by majority vote of its board, elect to take action or not to take action.

The following set out restrictions shall apply to the real property fully and completely described in EXHIBIT "A", to be recognized as Livingstone Subdivision and to be placed of

record in the Register's Office of Rutherford County, Tennessee.

1. No lot shall be used for any purpose except for residential purposes. Only one single-family dwelling shall be erected, altered, placed or permitted on any lot not to exceed two (2) stories unless approved by the Architectural Review Committee. No improvement may be constructed on any lot without the express written consent of the Architectural Review Committee. However, it is specifically understood that nothing hereinafter contained shall prevent the sale of a lot or lots to the Homeowners' Association for a common area for the common use and enjoyment of the homeowners on which anything may be erected including without limitation roads, footpaths, bicycle paths, jogging trail, recreational facilities, gates, boundary walls and fences, median areas, landscape areas, swimming pools, and clubhouse.

2. All plans and specifications for all structures must be submitted to and approved in writing by the subdivision Architectural Review Committee.

(a) As hereinabove provided, the Architectural Review Committee shall be appointed by the Developer until such time as Developer no longer owns any lots in Livingstone Subdivision or any section added thereto. Thereafter all future appointments to this three (3) person board shall be made by the Board of Directors of the Livingstone Subdivision Homeowners' Association, Inc. Each member of the Architectural Review Committee will serve at the pleasure of the Board of Directors of the Livingstone Subdivision Homeowners' Association, Inc.

(b) No clearing of trees, building, driveway, fence, wall, or structure of any type may be erected, placed or altered on any lot until and unless the Architectural Review Board has given its prior approval in writing.

(c) The Architectural Review Board may, in its discretion, adopt, alter, delete or amend Design Review Guidelines for the convenience of builders and lot owners, but the inclusion of any recommendation in those guidelines shall not preclude the absolute right of the Architectural Review Board to disapprove any plans. The Architectural Review Board may from time to time amend or change the Design Review Guidelines but the amendment or change of the restrictions herein can only be made by amendment as hereinafter specified.

(d) Neither the Architectural Review Committee nor any member thereof shall be liable to the Livingstone Subdivision Homeowners' Association, Inc. or to any member or former member, or any lot owner of Livingstone Subdivision, or any subsequent sections added hereto, for any damage, loss, or prejudice suffered or claimed on account of (1) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (2) the construction or performance of any work, whether or not pursuant to approved plans, specifications or drawings, or (3) the development of any property within the subdivision.

3. Prior to construction of any improvement, the owner of each lot shall maintain and keep the lot in a clean and neat manner which is satisfactory to the Architectural Review Committee. This includes but is not limited to the keeping of the grass cut and undergrowth under control and keeping the lot free of debris or obstructions which might prohibit right-of-way maintenance.

4. Each residence constructed on any lot in the said subdivision shall be constructed with a minimum of 2,800 square feet of heated floor space and exterior construction shall be 100% hardie plank, brick, and or stone or combination thereof. Fascia/soffitts and windows and shutters may be vinyl. Vinyl shake may be utilized in accent areas. Dryvit shall only be acceptable only for accent areas. Mailboxes shall be uniform and of metal construction, examples shall be provided by Developer. All garages shall enter from the side or rear (except the Architectural Committee has authorization to waive this requirement where the shape of the lot and the design of the residence necessitates a variance, provided, however, that if the requirement is waived, the garage door must be of the highest esthetic quality and design and the owner shall be required to install and maintain an operational garage door opener), and all garage doors shall remain closed, except for actual ingress or egress therein.

5. No building may be located on any lot nearer to the front lot line than the minimum building setback line shown on the plat of said subdivision to be recorded unless a variance is approved by the Architectural Review Committee and the appropriate governmental authorities. Actual setbacks to be determined by the Architectural Review Committee.

6. No healthy trees larger than 2" in diameter may be cut or destroyed on any lot which tree is outside of 10 feet from the building without the prior written consent of the

Architectural Review Committee.

7. Each lot owner or builder must install a four (4') foot wide sidewalk from two (2) feet from the curb before occupancy but not later than two (2) years after purchase of the lot from the Developer. If said sidewalk is not installed after two (2) 30-day notices to lot owners, then the Livingstone Subdivision Homeowners' Association, Inc., in the discretion of the Board of Directors, may expend the cost to correct the condition and charge it to the lot owner and the lot owner shall immediately reimburse said amount to the Association, the cost of same shall become a lien on the lot. Sidewalk and driveway to be concrete. Concrete finish to be determined by the Architectural Review Committee.

8. Any home site, proposed to be altered from its natural state, shall be landscaped according to plans approved by the Architectural Review Committee. All shrubs, trees, grass and plantings of every kind shall be kept well maintained, properly cultivated and free of trash and other unsightly material. Prior to occupancy, but no later than nine (9) months after construction begins, the front yard must have a good stand of grass, a minimum of twenty-four (24) two-gallon size or better plantings, and a minimum of four (4) 1-1/2" - 2" caliber trees or larger planted on each lot.

9. No antenna for transmission or reception of television signal or any other form of electromagnetic radiation shall be erected, used or maintained where visible from any adjoining lot, unless new technology makes the same compatible with the purpose of these covenants and approval is received from the Architectural Review Committee. Notwithstanding anything contained herein, however, a satellite dish no larger than 18" in diameter may be installed on the rear of the residence. Any installation of such must be approved by the review committee prior to installation commencement.

10. All exterior lighting shall be consistent with the character established in the subdivision and be limited to the minimum necessary for safety, identification and decoration. Exterior lighting of buildings for security and/or decoration shall be limited to uplighting or downlighting and the style and type of lighting shall be compatible with the building design and materials. No color lens or lamps are allowed.

11. No drainage ditches, cuts, swales, streams, impoundments, ponds, or lakes; no mounds, knolls, dams or hills, and no other physical improvements or elements of the landscape or terrain which control or determine the location or flow of surface water and drainage patterns may be created, destroyed, altered or modified without the prior consent of the Architectural Review Committee, whether on private property or in common areas.

12. No bird baths, frog ponds, flag poles, lawn sculptures, artificial plants, birdhouses, statues or similar types of accessories and lawn furnishings are permitted on any lot without prior written approval of the Architectural Review Committee.

13. All basketball backboards and other fixed and play structures are subject to approval by the Architectural Review Committee and shall be located at the side or rear of the building. Tree houses or platforms of a like kind or nature shall not be constructed unless approved by the Architectural Review Committee.

14. No signs whatsoever, (including but not limited to commercial, political and similar signs) shall be erected or maintained on the home site, except such signs as may be required by law and such signs as may be approved by the Architectural Review Committee.

15. Mailboxes shall be uniform and of metal construction, examples shall be provided by the Architectural Review Committee and purchased from Developer, or Developer's designated supplier shall be constructed on any lot.

16. All fences and walls must be approved by the Architectural Review Committee; chain link or wire fence will not be allowed. However, vinyl clad steel fence may be approved by the Architectural Review Committee, and if so, only if the colors appropriately blend with the environment. In no event shall any fence exceed four (4) feet in height.

17. No lot shall be split, divided, or subdivided except to increase the size of adjoining lots and when this occurs, the side lot lines shall be the extreme side lines of the combined lots. Developer, however, hereby expressly reserves the right to replat any lot or lots making said lot or lots larger or smaller as well as replat any property including common area in the subdivision.

18. No structure of a temporary nature, trailer, tent, shack, barn, storage sheds or other outbuilding shall be constructed or used at any time on any lot either temporarily or permanently unless approved by the Architectural Review Committee.

19. No noxious or offensive activity may be carried on upon any lot, nor may anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Any loose debris, subject to being scattered by wind or animals, shall be bagged or otherwise contained before placing same on the street or curb. Parking on the streets shall not be allowed except that said parking shall be allowed for special events or for private parties.

If noxious or offensive activity occurs and same is not corrected after one (1) 30-day notice to lot owners, then the Livingstone Subdivision Homeowners' Association, Inc., in the discretion of the Board of Directors, may expend the cost to correct the condition and charge it to the lot owner and the lot owner shall immediately reimburse said amount to the Association, the cost of same shall become a lien on the lot.

Additionally, and during construction, there shall be no violation of any requirement set forth by the Architectural Review Committee for such matters including, but not limited to, erosion control including erection of silt screens, and protection of neighboring lots and drainage areas, curb and asphalt street damage, dirt in streets or failure to contain construction materials including, but not limited to, spilling of construction materials such as concrete onto streets, common areas or adjoining lots.

20. No animals, livestock, or poultry of any kind may be raised, bred, or kept on any lot, except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose and provided said animals do not become a nuisance because of noise or otherwise.

21. No lot may be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste may not be kept except in sanitary containers. All trash bins or other equipment for disposal of such materials must be kept in a clean and sanitary condition. If garbage, trash or other waste are on the lot and such problem is not corrected after one (1) 30-day notice to lot owners, then the Livingstone Subdivision Homeowners' Association, Inc., in the discretion of the Board of Directors, may expend the cost to correct the condition and charge it to the lot owner and the lot owner shall immediately reimburse said amount to the Association, the cost of same shall become a lien on the lot.

22. No boat, boat trailer, house trailer, horse trailer, camper, motor home, motorcycle or other similar recreational item or broken down vehicles shall be stored on any lot for a period in excess of 24 hours unless housed in a carport or garage, or unless adequately screened from public views behind the building setback lines and unless approved by the Architectural Review Committee.

23. No commercial vehicle or equipment shall be stored at any place on any lot within public view and unless approved by the Architectural Review Committee.

24. Each lot owner shall have the non-exclusive right to use all common areas or rights of ingress and egress, as may be established by the Developer or the Livingstone Subdivision Homeowners' Association, Inc. upon such terms and conditions as set forth by either of them. No lot owner shall cause or allow to be caused any damage or waste to such common areas.

25. The exterior of any such improvements on any lot shall and must be properly maintained and this includes but is not limited to painting, replacing rotten or defective items and maintaining the exterior maintenance to prevent such as chipped and peeling paint and mildew. Each landowner shall be responsible for cutting grass, trimming trees and shrubs, and generally keeping the appearance of the lot up. This further includes anything that would generally detract from the neighborhood. If such deterioration occurs and is not corrected after two thirty-day notices to the lot owner, then the Livingstone Subdivision Homeowners' Association, Inc., in the discretion of the Board of Directors, may expend the cost to correct the condition and charge it to the lot owner and the lot owner shall immediately reimburse said amount to the Association, the cost of same shall become a lien on the lot.

26. Any structure which is pre-assembled or already constructed and which a lot owner desires to move onto a lot covered by these restrictions must receive the prior approval of the Architectural Review Committee, which approval may be withheld on the

subjective grounds that the structure does not conform with the character and general atmosphere of the subdivision even though such structure may meet all minimum square footage and all other requirements.

27. Once construction has commenced on any lot, it shall proceed diligently. Owner is responsible for maintaining a neat and orderly construction site. Site is to be cleaned up on the outside at least once weekly. A temporary gravel drive must be installed prior to construction.

28. All automobiles owned or used by the Owner or Occupant of any dwelling and their respective family members shall be parked in garages to the extent garage space is available. Garages shall not be used for storage or for any other purposes or uses which would result in the garage being unavailable for the parking of vehicles therein.

29. Recreational Vehicles and Equipment.

(a) Mobile homes, motor homes, trailers of any kind, campers, vans, motorcycles, bicycles, motorized carts and all-terrain vehicles, lawn mowers, tractors, tools, construction machinery and equipment of any nature, golf carts, boats and any other type of watercraft, including boat trailers, and any other similar types of vehicles, machinery or equipment shall: (i) not be parked on the street at any time and (ii) not be permitted stored or allowed to remain on any lot, unless the same is placed, stored and maintained within a wholly-enclosed structure, with roofing and doors, on such lot. Any such enclosed structure must be approved by the Architectural Review Committee. The Common Areas shall not, unless expressly permitted by the Association, be utilized for the parking or storage of any of the foregoing vehicles, recreational vehicles, machinery or equipment.

(b) Each lot or dwelling shall provide for adequate off-street parking (i.e., parking areas located solely within the property lines of such lot or dwelling). Vehicles owned by inhabitants of a dwelling shall not be parked on the street. Vehicles shall be parked only in driveways constructed in accordance with those provisions or in garages. Vehicles shall not be parked on any landscaped or natural areas of a lot or dwelling.

(c) Any vehicle which is inoperable shall be immediately removed from the development. No owner or occupant shall repair or restore any vehicle, machinery or equipment of any kind upon or within any lot or dwelling or within any portion of the common areas.

30. These covenants are to run with the land and shall be binding upon all lot owners, the Developer, and the Livingstone Subdivision Homeowners' Association, Inc., their heirs, successors, and assigns for a period of thirty (30) years from the date this instrument is recorded, after which time, said covenants shall automatically be extended for successive periods of ten (10) years, unless an instrument signed by two-thirds (2/3) of the then owners of the lots has been recorded agreeing to change said covenants in whole or in part.

31. Enforcement may be had by the Developer, each lot owner, or the Livingstone Subdivision Homeowners' Association, Inc., by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain or enjoin such violation or to recover damages. In the event any action of enforcement is taken against an offending lot owner, the said offending lot owner shall pay the cost of enforcing these restrictions including all court costs and attorney's fee.

32. Invalidity of any of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

HOMEOWNERS' ASSOCIATION

Developer further makes the property hereinabove described and any property annexed hereto subject to the authority of the Livingstone Subdivision Homeowners' Association, Inc. in order to establish the rules and methods of operating same.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to LIVINGSTONE SUBDIVISION HOMEOWNERS' ASSOCIATION, INC., 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 constituting Livingstone Subdivision and any such additions thereto as may hereafter be brought within the jurisdiction of the Association as hereinabove provided.

Section 4. "Common Areas" shall mean and refer to all facilities within the Development used in common by the Owners, including without limitation, all roads, footpaths, bicycle paths, jogging trails, recreational facilities, swimming pools, gates, boundary walls and fences, median areas, and any areas lying within or adjacent to the roads which are desirable for the Association to maintain and landscape. The Common Areas may be owned by the Association in fee or for a term of years, but for the non-exclusive use, benefit and enjoyment of the owners subject to the provisions of this Declaration, and will be shown as Common Areas on the plats of the Development placed of record now or in the future.

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.

Section 6. "Declarant" shall mean and refer to RCK Joint Venture, a Tennessee limited liability company, its heirs, successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Board" shall mean and refer to the Board of Directors of the Association.

Section 8. "By-Laws" shall mean and refer to the By-Laws of the Association as the same may be amended from time to time.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' 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 suspend the voting rights by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(b) the right of the Board 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 approved by a majority of the Board of the Association.

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

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. 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. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the

Declarant, and 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A when Declarant owns less than twenty-five (25%) percent of the lots in Livingstone Subdivision but in any event no sooner than the twelve (12) month anniversary date of the recordation of this document.

Section 3. Voting rights of each member shall be subject to the rights reserved to the Developer herein and in the Articles of Incorporation and By-laws which, among other things, provide that only Developer, so long as Developer owns any lots in the original section or in any additional sections added hereto, shall be exclusively entitled to take various actions and vote on various matters including but not limited to the right to appoint the Board of the Association.

ARTICLE IV THE BOARD

The Board shall have the rights and duties set forth in the Association By-laws and as set out herein.

A R T I C L E V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, with the exception of lots owned by the Declarant which shall not be subject to assessments, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. 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. This is to say that lots which have been sold are subject to the assessments but lots held by Declarant are not subject to assessments. However, the Declarant may, from time to time, make contributions to the Homeowners' Association. This being the case, each lot owner shall notify the Association thirty (30) days prior to the sale of any lot the name and address of a new owner and if said obligation is being assumed by said new owner. If said obligation is not being assumed, said assessment is to be paid prior to closing. Any lot owner who remains responsible for an assessment shall notify the Homeowners' Association of his current mailing address.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area; and to provide liability and casualty insurance on same; the improvement, upkeep and maintenance of the drainage systems and retention basins located within the project; and the maintenance of all landscaping placed throughout the Properties for the joint use and enjoyment of the project. The assessments levied by the Association shall also be used to pay for maintenance of any green areas, landscaped areas, fences, guard houses, lighting, decorative lighting, located within any street or public right-of-way, including but not limited to the cost of water or electric power to maintain and provide same.

Section 3. Annual Assessments. Annual assessments or charges shall be determined by the Board of the Homeowners' Association as hereinafter provided.

The Board shall have the power and authority to levy annual assessments against the Lots within the Development. Annual Assessments shall be used to provide funds for such purposes as the Board shall determine to be for the benefit of the Development, including, without limitation, the improvement, maintenance, operation and security of the Development and Common Areas, payment of taxes and insurance thereon, payment of utility bills thereon (including water for sprinkler systems), payment of reasonable costs to provide attractive seasonable landscaping of the Common Areas, street maintenance costs, the repair, replacement and additions that may be necessary to the Common Areas and the cost of labor, equipment, materials, management and supervision thereof. The Board shall have the right, but not the obligation, to use the Annual

Assessments to provide supplemental landscaping, maintenance within Lots, and to provide garbage and trash collection and disposal, if needed, to supplement that provided by public authority. The Board shall fix the amount of Annual Assessment each year by preparing an annual budget for the services to be provided by the Association in the coming year, and allocating said amount as set out herein.

Section 4. Special Assessments for Capital Improvements. Special assessments for capital improvements shall be determined by the Homeowners' Association as hereinafter provided.

Section 5. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. Special assessments shall be approved by majority vote of members present or by proxy.

Section 6. Rate of Assessment. Annual and special assessments shall be fixed as hereinabove provided.

Section 7. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each lot in Livingstone Subdivision subject to these restrictions upon the closing of the purchase of each lot. The Declarant shall not be required to pay any assessments on any lots until said lots are sold.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Creation of Lien and Personal Obligations for Assessments. Each Owner of any Lot shall, by its acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and conditions of this Declaration and promises to pay to the Association all Impositions which may be due from an Owner from time to time. All Impositions, together with interest thereon and cost of collection thereof shall be a continuing lien upon the Lot against which such Impositions is levied as of the effective date of each such Imposition. Each such Imposition, together with such interest thereon and cost of collection therefor as are hereinafter provided, shall also consist of the personal obligation of the Person who was Owner of such Lot at the time when the same fell due. In the event a Lot is owned by more than one Member, all of such Members shall be jointly and severally liable for the entire Imposition then due.

Section 10. Effect of Non-Payment of Imposition. If any Imposition hereunder is not paid upon the due date, or if any similar charge otherwise agreed to be paid by Owners in this Declaration is not paid when due, then such Imposition shall be delinquent and shall accrue interest thereon at the highest rate then permissible under the laws of the State of Tennessee commencing upon the due date. If such Imposition is not paid within thirty (30) days after the due date, then the Association may bring an action at law against the Owner personally, and/or at its option, foreclose the lien against the Lot by court action or trustee sale as hereinafter provided, and there shall be added to the amount of such Imposition, all reasonable attorney's fees and costs incurred by the Association in any such action, and in the event a judgment is obtained, such judgment shall include interest on the Imposition as indicated above.

Section 11. Enforcement of Lien by Trustee's Sale. For and in consideration of the privileges and protections granted in this Declaration, and the mutual enjoyment and use of the Common Areas, and for the express purpose of securing the payment of the Impositions described above, in order to avoid unnecessary court proceedings or delays for the enforcement of the liens described above, each Owner by accepting a deed to a Lot for their heirs, successors and assigns, does hereby transfer and convey unto Jack E. Gritton, Trustee, his successors and assigns ("Trustee"), each such Lot deeded to such Owner with the appurtenances, estate, title and interest thereto belonging to the Trustee for the following uses in trust:

Each Owner agrees to pay all Impositions provided herein when due and upon demand of said Trustee or the Association, to pay, discharge, or remove any and all liens except a first

mortgage or deed of trust lien which may hereafter be placed against said Lot which would adversely affect the lien granted herein, and in case the Trustee or his successors of the Association shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, or costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed and be payable by said Owner upon demand of the Trustee or the Association, and upon failure to do any of these things then said Trustee or Association may do any or all of said things, and the amounts so paid shall bear interest from the date of payment at the highest rate then permitted by the laws of the State of Tennessee and shall be and become a part of the indebtedness secured hereby.

If any Imposition, together with interest thereon, is not paid promptly when due or within a period of cure allowed above, or if after said Owner fails to pay any other sums due as above provided, or further, fail to reimburse the Trustee or Association within thirty days from the date of the Trustee's or Association's payment of such sums, this trust conveyance shall remain in full force and effect, and the said Trustee or his successor in trust is hereby authorized and empowered, upon giving twenty (20) days' notice by three publications in any daily or weekly newspaper published in Rutherford County, Tennessee, to sell said Lot at the front door of the Courthouse in said County to the highest bidder for cash at public outcry, free from the equity of redemption, statutory rights of redemption, homestead, dower, and all other exemptions of any kind which are hereby expressly waived; and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser at such foreclosure sale. The Association may bid at any sale under this trust conveyance. The Trustee may at any time after default and the payment of any of the above described indebtedness enter and take possession of said Lot and shall only account for the net rents actually received by said Trustee. It is further agreed that in the event the Trustee fails, before selling said Lot as herein provided, to enter and take possession hereof, the purchaser shall be entitled to immediate possession of said Lot upon delivery to him by the Trustee of a deed for said Lot. In case of sale hereunder, the proceeds shall be applied by the Trustee as follows:

- (a) to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, together with reasonable attorney's fees for advice or for instituting and defending any litigation which may arise on account of the execution of this conveyance or the enforcement of said lien, together with the expenses and costs of any such litigation,
- (b) to the payment of all taxes which may be unpaid upon said Lot,
- (c) to the payment of all unpaid Impositions herein secured,
- (d) the residue, if any, to be paid to the order of said Owners or their representatives or assigns.

In the event of the death, absence, inability, or refusal to act of said Trustee at any time when action of the foregoing powers and trusts may be authorized, or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor in trust to execute this trust by an instrument in writing to be recorded in the Register's Office for Rutherford County, Tennessee, and title therein conveyed to the above named Trustee shall be vested in said Successor Trustee. The Trustee is authorized to appoint an attorney-in-fact to conduct in his stead and on his behalf and with the same power possessed by said Trustee as granted herein any and all foreclosure sales authorized above.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment 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 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 thereafter becoming due or from the lien thereof.

Section 13. Exempt Property. The impositions and liens created under this Article shall not apply to the Common Areas. All property within the Development which is dedicated to and accepted by a local public authority, which is granted to or used by a utility company, or is designated as part of the Common Area shall be exempt from such Impositions.

ARTICLE VI GENERAL PROVISIONS

Section 1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

EXHIBIT A

Being a certain tract or parcel of land lying and being in the Ninth Civil District of Rutherford County, Tennessee, located on Tax Map 058 as all of Parcel 24.00 and being a portion of the property recorded in Deed Book 236, Page 510, and is more particularly described as follows:

Beginning at a point in the center of Leanna Road, this being the northeast corner of the property described herein, reference the centerline intersection of Leanna Road and Allen Road at N 13°01'48" E a distance of 547.30 feet; thence with the center of the aforementioned road S 10°25'22" W a distance of 650.77 feet to a Mag Nail (N), this being the southeast corner of the property described herein and the northeast corner of McNabb (247/607); thence leaving the center of Leanna Road and with McNabb and a fence N 80°54'26" W, passing a ½" Rebar (N) w/ Sexton Cap 25.00 feet off the center of Leanna Road, and continuing on in all 961.21' to a Concrete Post (O) at a fence corner, this being the southwest corner of the property described herein and the northwest corner of McNabb in the east line of Pointer (213/244); thence leaving McNabb and with Pointer and a fence N 10°36'27" E a distance of 579.89 feet to a ½" Rebar (O) at a fence corner, this being the northwest corner of the property described herein and the southwest corner of Estes (267/434); thence leaving Pointer and with Estes and a fence for two calls: S 85°15'57" E a distance of 206.80 feet to a ½" Rebar (O); S 85°15'57" E a distance of 218.71 feet to a point, this being the southeast corner of Estes and the southwest corner of Nolen (425/163); thence leaving Estes and with Nolen and a fence S 85°19'16" E a distance of 192.10 feet to a point, this being the southeast corner of Nolen and the southwest corner of Newsom (333/416); thence leaving Nolen and with Newsom and a fence S 84°50'55" E a distance of 320.99 feet to a ½" Rebar (N) w/ Sexton Cap, this being the southeast corner of Newsom; thence leaving the fence and Newsom S 84°50'55" E a distance of 25.00 feet to the Point Of Beginning containing 13.58 acres, more or less, according to a survey performed by Mid-Tenn Surveying, LLC, Christopher Blake Sexton, RLS 2400, 2159 N. Thompson Lane, Suite B1, Murfreesboro, TN 37129 on March 27, 2006.

Being the same property conveyed to RCK Joint Venture by Warranty Deed of record in Record Book 627, page 2362, of the Register's Office of Rutherford County, Tennessee.

Jennifer M Gerhart, Register
Rutherford County Tennessee
Rec #: 525319
Rec'd: 55.00 Instrument #: 1511455
State: 0.00
Clerk: 0.00 Recorded
EDF: 2.00 7/25/2007 at 3:03 PM
Total: 57.00 in
Record Book 767 Pgs 2557-2567