

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EXECUTIVE MEADOWS SUBDIVISION, A PLANNED UNIT DEVELOPMENT

THIS DECLARATION, is made and entered into this 4th day of October 1996, by Executive Meadows, L.L.C., a Tennessee Company, organized and existing under the laws of the State of Tennessee, with its principal place of business located in Loudon County, Tennessee, hereinafter referred to as the "Declarant."

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property located and being legally described as follows, to wit:

Located and being situated in the Fifth (5th) Civil District of Loudon County, Tennessee, being more particularly described as EXECUTIVE MEADOWS SUBDIVISION, a Planned Unit Development, as shown of record in Map Cabinet ____, Slide _____, in the Register's Office for Loudon County, Tennessee to which reference is heremade, and being more particularly described as follows:

Green Area (Golf Course)

Tract 1: Beginning at an iron pin at the northeastern corner of Lot No. 21 of Little Mountain Estates Subdivision four (4) calls: (1) South 88 deg, 37 min. 58 sec. West a distance of 98.24 feet to a TVA marker, (2) South 87 deg. 11 min. 07 sec. West a distance of 114.10 feet to an iron pin, (3) South 88 deg. 27 min. 01 sec. West a distance of 114.62 feet to an iron pin and (4) South 87 deg. 47 min. 01 sec. West a distance of 74.07 feet to an iron pin corner with Simpson; thence with Simpson the following three (3) calls: (1) North 01 deg. 42 min. 14 sec. West a distance of 129.52 feet to an iron pin, (2) North 70 deg. 18 min. 29 sec. West a distance of 268.14 feet to an iron pin and (3) South 30 deg. 00 min. 00 sec. West a distance of 143.67 feet to an iron pin in the line of Nix; thence with Nix the following two (2) calls: (1) North 60 deg. 00 min. 00 sec. West a distance of 300.09 feet to an iron pin and (2) North 88 deg. 44 min. 36 sec. West a distance of 499.49 feet to an iron pipe corner with Rayfield; thence with Rayfield the following two (2) call: (1) North 36 deg. 06 min. 13 sec. East a distance of 204.77 feet to an iron pipe and (2) North 80 deg. 13 min. 45 sec. East a distance of 1403.35 feet to an iron pin corner with Robinette; thence with Robinette North 80 deg. 44 min. 45 sec. East a distance of 456.88 feet to a corner with the townhouse area of Executive Meadows Subdivision; thence with the townhouse area the following fifteen calls: (1) south 05 deg. 44 min. 05 sec. East a distance of 204.62 feet to a point, (2) thence along a curve to the right whose radius is 25 feet and the chord of which is South 39 deg. 15 min. 55 sec. West a chord distance of 42.43 feet to a point, (3) South 84 deg. 15 min. 55 sec. West a distance of 523.70 feet to a point, (4) South 62 deg. 28 min. 10 sec. West a distance of 229.49 feet to a point, (5) south 05 deg. 44 min. 05 sec. East a distance of 194.13 feet to a point, (6) South 70 deg. 18 min. 29 sec. East a distance of 260.05 feet to a point near a TVA marker, (7) North 84 deg. 15 min. 55 sec. East a distance of 391.60 feet to a point, (8) a curve to the right along an arc whose radius is 25 feet and the chord of which is South 49 deg. 36 min. 23 sec. East a distance of 43.25 feet to a point, (9) south 03 deg. 28 min. 42 sec. East a distance of 133.70 feet to a point, (10) North 84 deg. 15 min. 53 sec. East a distance of 198.15 feet to a point, (11) North 03 deg. 28 min. 42 sec. West a distance of

STATE OF TENNESSEE, LOUDON COUNTY REGISTER'S OFFICE

THIS INSTRUMENT RECEIVED AT 4:20 O'CLOCK P. M. OF THE 11th DAY OF OCT. 19 96

DULY CERTIFIED AND REGISTERED IN SAID OFFICE IN TRUST BOOK NO. 390 PAGE 19

AND NOTED IN BOOK NO. U PAGE 147 STATE TAX PAID \$ —

160.00 [Signature] REGISTER

172.36 feet, (12) North 21 deg. 44 min. 28 sec. East a distance of 166.07 feet to a point, (13) North 68 deg. 15 min. 32 sec. West a distance of 70.27 feet, (14) North 79 deg. 42 min. 01 sec. East a distance of 89.65 feet and (15) South 03 deg. 28 min. 42 sec. East a distance of 504.11 feet to a point in the line of Lot No. 5 of Little Mountain Estates Subdivision; thence with the line of Little Mountain Estates Subdivision the following five (5) calls: (1) South 88 deg. 36 min. 24 sec. West a distance of 130.76 feet to a TVA marker, (2) South 88 deg. 36 min. 24 sec. West a distance of 332.27 feet to an iron pin, (3) South 88 deg. 55 min. 59 sec. West a distance of 247.04 feet to an iron pin, (4) North 19 deg. 40 min. 09 sec. East a distance of 17.39 feet to an iron pin and (5) North 22 deg. 03 min. 32 sec. East a distance of 189.80 feet to the point of beginning, and containing 17.73 acres, all according to the survey of Dennis N. Gore, Registered Engineer No. 18012, dated June 27, 1996.

Tract 2: Beginning at a point in the Townhouse boundary northwest of Lot No. 41 where the boundary begins the curve to the left (west) toward the Robinette property, thence North 56 deg. 25 min. 38 sec. East a distance of 20.72 feet to a point; thence South 48 deg. 42 min. 16 sec. East a distance of 49.27 feet to a point; thence North 05 deg. 44 min. 05 sec. West a distance of 68.02 feet to a point; thence North 80 deg. 18 min. 59 sec. East a distance of 227.83 feet to a point; thence South 10 deg. 17 min. 59 sec. East a distance of 104.66 feet to a point; thence South 79 deg. 42 min. 01 sec. West a distance of 43.29 feet to a point; thence South 10 deg. 14 min. 27 sec. East a distance of 93.22 feet to a point; thence South 38 deg. 50 min. 25 sec. West a distance of 77.63 feet to a point; thence South 79 deg. 42 min. 01 sec. West a distance of 30.57 feet to a point; thence North 38 deg. 50 min. 25 sec. East a distance of 91.62 feet to a point; thence North 10 deg. 14 min. 27 sec. West a distance of 84.08 feet to a point; thence South 79 deg. 41 min. 36 sec. West a distance of 173.08 feet to a point; thence North 05 deg. 44 min. 05 sec. West a distance of 10.09 feet to a point; thence North 48 deg. 42 min. 16 sec. West a distance of 76.15 feet to the point of beginning.

The above described boundary may vary slightly to coincide with as-built townhouse locations.

Townhouse Area

Beginning at a bronze TVA marker at the edge of Old Highway 95 and a corner with Loposser, thence with Old highway 95 the following four (4) calls: (1) South 04 deg. 38 min. 39 sec. East a distance of 243.23 feet to an iron pin, (2) South 03 deg. 37 min. 15 sec. East a distance of 205.57 feet to an iron pin, (3) South 03 deg. 28 min. 42 sec. East a distance of 142.76 feet to an iron pin and (4) South 03 deg. 28 min. 42 sec. East a distance of 198.36 feet to an iron pin corner with Ross; thence with Ross and Lot 5 of Little Mountain Estates Subdivision South 88 deg. 36 min. 24 sec. West a distance of 220.15 feet to a corner with the Executive Meadows Golf Course; thence with the golf course the following fifteen (15) calls: (1) North 03 deg. 28 min. 42 sec. West a distance of 504.11 feet to a point, (2) South 79 deg. 42 min. 01 sec. West a distance of 89.65 feet to a point, (3) south 68 deg. 15 min. 32 sec. East a distance of 70.27 feet to a point, (4) South 21 deg. 44 min. 28 sec. West a distance of 166.07 feet to a point, (5) South 03 deg. 28 min. 42 sec. East a distance of 172.36 feet to a point, (6) South 84 deg. 15 min. 55 sec. West a distance of 198.15 feet to a point, (7) North 03 min. 28 min. 42 sec. West a distance of 133.70 feet to a point, (8) North 49 deg. 36 min. 23 sec. West a distance of 43.25 feet to a point, (9) South 84 deg. 15 min. 55 sec. West a distance of 391.60 feet to a point, (10) North 70 deg. 18 min. 29 sec. West 260.05 feet to a point, (11) North 05 deg. 44 min. 05 sec. West a distance 194.13 feet to a point, (12) North 62 deg. 28 min. 10 sec. East a distance of 229.49 feet to a point, (13) North 84 deg. 15 min. 55 sec. East a distance of 523.70 feet to a point, (14) a curve to the left

whose radius is 25 feet and whose chord is North 39 deg. 15 min. 55 sec. East a distance of 42.43 feet to a point and (15) North 05 deg. 44 min. 05 sec. West a distance of 204.62 feet to a point in the line of Robinette; thence with Robinette the following two (2) calls: (1) North 80 deg. 44 min. 45 sec. East a distance of 14.75 feet to an iron pin and (2) North 80 deg. 33 min. 01 sec. East a distance of 259.37 feet to an iron pin corner with Lopper; thence with Lopper the following two (2) calls: (1) South 05 deg. 42 min. 45 sec. East a distance of 172.00 feet to an iron pin and (2) North 87 deg. 23 min. 15 sec. East a distance of 145.00 feet to the point of beginning and containing 13.95 feet, all according to the survey of Dennis N. Gore, Registered Engineer No. 18012, dated July 27, 1996.

The above described boundary may vary slightly to coincide with as-built townhouse locations.

There is specifically excepted from the above described property the golf clubhouse area and the adjoining parking lot which is shown on the plat of record in the Register's Office for Loudon County, Tennessee in Plat Cabinet _____, Slide _____ and which is described as follows:

Beginning at a point in the Townhouse boundary northwest of Lot No. 41 where the boundary begins the curve to the left (west) toward the Robinette property, thence North 56 deg. 25 min. 38 sec. East a distance of 20.72 feet to a point; thence South 48 deg. 42 min. 16 sec. East a distance of 49.27 feet to a point; thence North 05 deg. 44 min. 05 sec. West a distance of 68.02 feet to a point; thence North 80 deg. 18 min. 59 sec. East a distance of 227.83 feet to a point; thence South 10 deg. 17 min. 59 sec. East a distance of 104.66 feet to a point; thence South 79 deg. 42 min. 01 sec. West a distance of 43.29 feet to a point; thence South 10 deg. 14 min. 27 sec. East a distance of 93.22 feet to a point; thence South 38 deg. 50 min. 25 sec. West a distance of 77.63 feet to a point; thence South 79 deg. 42 min. 01 sec. West a distance of 30.57 feet to a point; thence North 38 deg. 50 min. 25 sec. East a distance of 91.62 feet to a point; thence North 10 deg. 14 min. 27 sec. West a distance of 84.08 feet to a point; thence South 79 deg. 41 min. 36 sec. West a distance of 173.08 feet to a point; thence North 05 deg. 44 min. 05 sec. West a distance of 10.09 feet to a point; thence North 48 deg. 42 min. 16 sec. West a distance of 76.15 feet to the point of beginning.

The above described tracts are a part of the property described in deeds of record in the Register of Deeds Office for Loudon County, Tennessee in Deed Book No. 226, Pages 27, 29 and 35.

NOW THEREFORE, Declarant hereby declares that all of the real property hereinabove described shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property herein above described, and shall be binding on all parties having any right, title or interest in the above described property, or any part thereof, their respective heirs, successors and assigns, and shall inure to the benefit of every Owner(s) thereof by virtue of such ownership.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to EXECUTIVE MEADOWS SUBDIVISION HOMEOWNERS' ASSOCIATION, INC., a mutual benefit, not for profit corporation, organized and existing under the laws of the State of Tennessee, with its' principal office being located in Loudon County, Tennessee, it's successors and/or assigns, the Charter and specimen By-Laws for which are attached hereto as EXHIBITS "A" AND "B", respectively.

Section 2. "Owner(s)" shall mean and refer to the record owner whether one or more persons or entity, of a fee simple title to any lot which is a part of the "Property", including contract seller(s), but not including those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any designated plat of land shown on any recorded subdivision map of the "Property", exclusive of any designated common areas, green space, streets and parking areas as shown on the recorded plat, and as hereinabove brought within the jurisdiction of the Planned Unit Development by the recordation of additional plats by the Declarant, its' successors and assigns. The lots are those areas specifically designated for sale to individual owner(s).

Section 5. "Declarant" shall mean and refer to Executive Meadows, L.L.C., its' successors and assigns. Declarant and Developer are synonymous for the purposes of this Declaration.

Section 6. "Member" shall mean and refer to those person(s) entitled to membership as provided in this Declaration.

Section 7. "Lender" as used herein shall mean and be defined as any lender, whether institutional investor, bank, savings and loan association, or loan broker, whose loan is secured by a Lot in the Development as shown on the recorded plat; and shall include without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Housing Administration (FHA) and the Veterans Administration (VA), their respective successors or assigns, as their respective interests may appear.

Section 8. "Common Areas" as used herein shall mean all real property, including the improvements thereon, owned by the Association within the Townhouse Area for the common use and enjoyment of the "Owner(s), and as designated on the recorded plat, if any, and being more particularly described above as the Townhouse Area (except the townhouses themselves). The common areas do not include the property under the footprint of each building which is subdivided by the developer into lots for sale to owners nor the golf clubhouse area and the parking lot located at the golf clubhouse which are specifically excepted from the townhouse area description. The Developer has the right and authority to make minor adjustments in the location of townhouses within the Townhouse Area.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements and Enjoyment. Every Owner(s) shall have a right and easement of enjoyment in and to the Common Areas, 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 facilities situated upon the Common Areas;

(b) The right of the Association to suspend the voting rights and right of use to the recreational facilities of an owner(s) for any period during which any assessment against their respective Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association published rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided that, any such dedication or transfer shall not be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3rds) of such class of members has been recorded.

Section 2. Delegation of use. Any owner(s) may delegate, in accordance with the By-Laws, his/her right of enjoyment to the Common Areas and facilities to the members of his/her family, his/her tenants, or contract purchasers who reside on the property.

Section 3. The golf course which surrounds this planned unit development as defined in the Loudon County, Tennessee, zoning resolution, will remain a golf course or otherwise be maintained as green space for and in conjunction with the planned unit development know as Executive Meadows Subdivision unless otherwise approved by the County Court for Loudon County, Tennessee or one of its appointed boards empowered to enforce the county zoning ordinance.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner(s) 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 every Owner(s) with the exception of the Declarant and each Owner(s) shall be entitled to one (1) vote for each Lot owned; when more than one (1) person owns an interest in any Lot, all such person(s) shall be members; the vote for such lot shall be exercised as the co-owners may among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot. In the event the Declarant, their successor or assigns, have a Lot leased or rented, the Declarant shall be entitled to one (1) vote for each such Lot and one (1) vote for each Lot retained by it upon the termination of the Class B membership.

Class B. The Class B member shall be the Declarant, and it shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs

earlier:

- (a) After seventy-five percent (75%) of the Lots in the development have been conveyed to Lot Purchasers; or
- (b) Five (5) years following the conveyance of the first Lot; or
- (c) 7 June, 2002, whichever of the afore-mentioned events occurs first.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessment. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner(s) of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (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 a reasonable attorney's fee, shall be charged on the land and shall be a continuing lien upon the Lot against which the assessment is made. Each such assessment, together with interest, costs, and a reasonable attorney's fee, shall also be the personal obligation of the person(s) who is the Owner(s) of such lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to their respective successor(s) in title unless expressly assumed by such successors and assigns.

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 property and for the improvement and maintenance of the common areas situated within the Property, including, but not limited to costs of repairs, maintenance, replacements, additions, management, insurance maintained in accordance with the Association By-Laws, the improvement and maintenance of the uniform scheme of the exterior surfaces of all residential buildings within the Property as constructed on each Lot, and the employment of attorneys to represent the Association when the need arises.

Section 3. 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 FIVE HUNDRED FORTY AND 00/100 Dollars (\$540.00) per Lot, payable in a lump sum payment or installments as the members of the EXECUTIVE MEADOWS SUBDIVISION HOMEOWNERS ASSOCIATION (EMSHA) may establish.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner(s) 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 (CPI) as established by the Department of Labor and published the July preceding the increase in the annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner(s), the maximum annual assessment may be increased each year above that

established by the consumer price index (CPI) by a vote of the members with a two-thirds (2/3rds) affirmative vote of each class of members who are eligible to vote, whether voting in person or by proxy, at a meeting duly called for the purpose of establishing said annual assessment as provided in Section 5 hereof.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum set forth herein subject to the provisions of Sections 6 and 7 hereof.

Section 4. Replacement Reserves. The Association shall maintain in a separate bank account funds for Replacement Reserves to maintain, improve and preserve a) exterior building surfaces and roofs and b) Common Areas, if any. The Replacement Reserves shall be a part of and collected from Lot Owner(s) by the Association as regular assessments in an amount determined and established in the annual Association budget. The initial Replacement Reserves fund shall be established by Declarant in an amount equal to two (2) months assessments allocated for each Lot and shall be collected from and transferred by the Declarant to the Replacement Reserves Fund of the Association at the time of the closing of the sale of each Lot in the Property.

Section 5. Special Assessments 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 exterior maintenance requirements upon individual Lots and/or a capital improvement upon the Common Areas designated on the recorded plat, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are eligible to vote and are voting in person or by proxy at meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected monthly. The Capital Improvement Fund shall be maintained in a separate bank account in the name of the Association as the Capital Improvement fund.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than (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 the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. Subsequent meetings shall not 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 the uniform rate for all improved Lots and may be collected on a monthly basis; provided that, during the continuation of construction and improvement by the Developer, the rate of assessment for improved Lots in the hands of the Developer shall be at TWENTY-FIVE percent (25.0%) of the rate of assessment for improved Lots held by Owner(s). There will be no assessment for unimproved Lots..

Section 8. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of the Common Areas to the Homeowners' Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

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(s) 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. Effect of nonpayment of Assessments. Any assessment not paid within thirty (30) days after the due date shall require the payment of a penalty of \$20.00 with an additional \$20.00 for each 30 days until paid. The Association may bring action at law against the Owner(s) personally obligated to pay the same, or foreclose the lien against the property. Owner(s) may not waive or otherwise escape liability for the assessment provided herein by abandonment of their Lot or by non-use of the Common Areas.

Section 10. Subordination of the Lien to Deed of Trusts. The lien of the assessments provided for herein shall be subordinate to the lien of any first deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to trust deed foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which have become due prior to such sale or transfer. A sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. All property dedicated to and accepted by a local public authority and all properties owned by charitable and nonprofit organizations shall not be subject to the assessments provided for herein. However, in no event, shall any land or improvements devoted to residential use and occupancy within the Property be exempt from said assessments.

ARTICLE V

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residential units upon the Property and placed on the dividing line between Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence, or wilful acts or missions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owner(s) who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner(s) who has used the wall may restore it, and if the other Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner(s) to call for a larger contribution from the other Owner(s) under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner(s) who by their negligent or willful act causes the party wall to be exposed to the elements

shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner(s) to contribution from and Owner(s) under this Article shall be appurtenant to the land and shall pass to such Owners' respective successor(s) in title.

Section 6. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator, and such arbitrators shall choose one (1) additional arbitrator, and the decision concerning said dispute shall be determined by a simple majority of all the arbitrators.

ARTICLE VI

EXTERIOR MAINTENANCE

The Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, flowers, sidewalks, and any structures which may exist or hereafter be constructed within the Common Areas shown on the recorded plat. Such exterior maintenance shall not include glass surfaces. In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of its' Owner(s), or through the willful or negligent acts of the family, guests, or invitees of the Owner(s) of the Lot needing such maintenance or repair, the costs of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject, and shall be collected in accordance with terms of this Declaration.

ARTICLE VII

RESTRICTIONS ON USAGE

Section 1. Land Use and Building Types. Lots shall not be used except for residential purposes. In the event that in a future annexation or development, if any, certain plots of land are designated as "commercial areas" on recorded plats, then such plots may be used for any commercial purposes permitted by applicable municipal and zoning ordinances.

Section 2. Nuisance. Noxious or offensive activities shall not be conducted upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood and Property

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any residential Lot, except that domesticated 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.

a. Pets will be accompanied by a resident at least 12 years of age when outside Owner(s)' dwelling unit.

b. Pets will be kept on a leash when outside Owner's dwelling unit.

Section 4. Outside Antennas. Outside radio, television or satellite antennas, inclusive of

satellite dishes, shall not be erected on any Lot or residential unit within the Property unless and until permission for the same has been granted by the Board of Directors of the Association.

Section 5. Signs. Sign(s) of any kind shall not be displayed to public view on any Lot except one (1) professional sign of not more than five (5) square feet advertising the property for sale or rent, and signs used by the builder to advertise and market the property during the construction and sales period.

Section 6. Garbage and Refuse Disposal. Lots shall not be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, and such refuse shall not be kept except in sanitary containers; all equipment for the storage of such material shall be kept in a clean and sanitary condition and maintained within the dwelling unit until the designated day for pickup; incinerators or other disposal equipment shall not be allowed on any Lot.

Section 7. Lawful Use. Immoral, improper, offensive, or unlawful use shall not be made of the Lots and residential units within the property, nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 8. Commercial Business. Commercial business may not be maintained or transacted on any Lot or in any residential unit.

Section 9. Sports Apparatus and Equipment. Basketball goals, posts or backboards or any other fixed sports apparatus shall not be attached to any residential unit or garage or be erected on the Lot of any residential Unit.

Section 10. Vehicles and Parking. Vehicles of any type shall not be permanently or semi-permanently parked on the Property or in the vicinity of any Lot or residential unit for the purpose of accomplishing repairs thereto, or the reconstruction thereof, except as permitted by the By-Laws, Rules and Regulations promulgated by the Association. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being repaired for continued operation.

Section 11. Recreational Vehicles. There shall not be any parking of recreational vehicles, including, but not limited to, camping trailers, boats, motor homes, and the like, except in areas specifically designated for this purpose by the Board of Directors of the Association.

Section 12. Commercial Vehicles. The Association shall have the power to adopt Rules and Regulations concerning the parking of any commercial vehicles within the Property or on Individual residential Lots. Until the Association establishes such rules, no commercial vehicles will be kept within the boundaries of the development except with the specific approval of the Association.

ARTICLE VIII

EASEMENTS

Section 1. Utilities and Drainage. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements areas, structures, planting or other material shall not be placed or permitted to remain, which may 1) interfere with the installation and maintenance of utilities, 2) change the

direction of flow of drainage channels in the easement, or 3) obstruct, alter, or retard the flow of water through drainage channels in the easements.

Section 2. Maintenance. Easements for repair and maintenance of exterior surfaces of each Lot are reserved for the completion of necessary repairs as determined by the Board of Directors of the Association to be required to perpetuate the architectural continuity of the development and preserve the residential structures therein. The Association has a reasonable right of entry upon any Lot to make emergence repairs and to do such other work as reasonably necessary or useful for the proper maintenance, welfare, safety and operation of the development.

The Association has a right to grant permits, licenses and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance of operation of the Development.

ARTICLE IX

DISCLOSURE

Section 1. Owners and Lenders. The Declarant during the period of development and the Association thereafter shall make available to Lot owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declarations, By-Laws, other rules concerning the Development and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request during normal business hours or under other reasonable circumstances.

Section 2. Financial Disclosure. Any lender and holder of a first mortgage on any Lot in said Development is entitled, upon request, to a financial statement for the immediately preceding fiscal year of the Association.

Section 3. Notice of Lender. Upon written request to the Association identifying the its name and address, any mortgagee, insurer or guarantor will be entitled to timely written notice of:

a) Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage.

b) Any sixty (60) day delinquency in the payment of assessments or charges owed by a respective Lot Owner(s) on which it holds the mortgage.

c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

d) Any proposed action that requires the consent of a specific percentage of mortgage noteholders.

ARTICLE X

INSURANCE

Section 1. Insurance required by the Association. The Association shall obtain and maintain casualty and hazard insurance on all insurable improvements and fixtures for the full

replacement cost thereof within the Property Common Areas and public Liability insurance on the Common Areas within the Property. The Association may obtain insurance against such other hazards and casualties as the Association may deem desirable, including such other real and/or personal property owned by the Association. The Association will be the owner and the beneficiary of all such insurance policies and fidelity bonds obtained pursuant to this Article. The insurance coverage with respect to the Common Areas shall be written in the name of and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the common assessments made by the Association as provided in ARTICLE IV herein.

Section 2. Fidelity Bonds. The Association shall also obtain and maintain fidelity bonds on all officers and directors of the Association who are responsible for handling, receipting for, and managing the monies and funds of the Association, which shall be carried for the protection of and in the name of the Association.

Section 3. Replacement and Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all Lot Owner(s) to cover the addition cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Lot Owner(s) as provided by ARTICLE IV herein. In the event that the Association is maintaining blanket casualty and fire insurance on the dwelling units on the Lots, the Association shall repair or replace the same from the insurance proceeds available.

Section 4. Dwelling Unit Replacement Election. In addition to casualty insurance on the Common Area(s), the Association, through the Board of Directors, may elect to obtain and continue fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the dwelling units, including the structural portions and fixtures thereof, owned by such Owner(s). Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be a common expense of the Association to be included in the regular common assessments of the Owner(s), as levied by the Association in accordance with ARTICLE IV hereof. The insurance coverage with respect to the dwelling units shall be written in the name of, and the proceeds thereof shall be payable to the Association as Trustee for the Lot Owner(s).

Section 5. Ratable Assessments by the Association. The Association is hereby empowered to assess each Lot ratably for an amount equal to the sum of the current premium for said blanket hazard and casualty insurance based on the valuation of the improvements within the Common Areas and the premiums for the fidelity bonds. Such premiums shall be held in a separated account and accumulated from monthly assessments and collected for the specific purpose of paying the premiums on such insurance as the premiums become due.

Section 6. Annual Review of Insurance Policies and Fidelity Bonds. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of any such property which is covered by said insurance and is subject to damage or destruction.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner or Owners, 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 any Owner(s) to enforce any covenant or restriction herein contained shall not in any event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one (1) of these covenants or restrictions by judgment or court order shall not in any way affect any other provision, and all other provisions shall remain in full force and effect.

Section 3. 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) years period by an instrument signed by not less than ninety percent (90%) of the Lot Owner(s), and thereafter by an instrument signed by not less than seventy-five (75%) of the lot Owner(s). Any amendment will not be effective until it is recorded in the Register's Office of Loudon County, Tennessee.

Section 4. Annexation. Additional residential property may be annexed to the Property by the Declarant within five (5) years of the sale of the first Lot,

Section 5. Encroachments. It is understood that the residential units which adjoin each other and have a party wall built as a part of the original construction of any of said units, which is placed upon the dividing line between adjoining Lots, may encroach on such adjoining Lots or Common Areas 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(s), or by permissible repairs, construction, or alteration. With regard to any differences which may exist on the Plat entitled Executive Meadows Subdivision, A Planned Unit Development, as shown of record in Map Cabinet _____, Slide _____, in the Register's Office for Loudon County, Tennessee, or in any other lands which may hereafter be platted or annexed to the Property and the party walls and Lot lines which exist on the additional plats and annexations to the Property, the Lot lines and party walls which actually exist shall control over discrepancies in such plats and annexations.

Section 6. Contracts. The Association, prior to passage of the Declarant's control period, is not bound either directly or indirectly to contracts or leases, including management contracts, unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control from Declarant upon not more than ninety (90) days notice to the other party.

EXECUTIVE MEADOWS, L. L. C.

BY: 

James E. Simpson, President

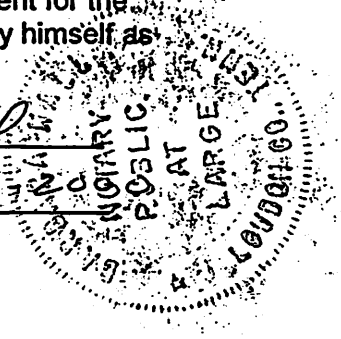
State of Tennessee
County of Loudon

On this 15 day of October 1996, before me personally appeared James E. Simpson, with whom I am personally acquainted and who, upon oath acknowledged himself to be the President of Executive Meadow, L. L. C., the within named Grantor, a Limited Liability Company, and that such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the Limited liability Company, by himself as such president.

Barbara Hall

Notary Public

My Commission Expires: 6-10-2000



THIS INSTRUMENT PREPARED FOR RECORDING BY:

James H. Harris, Attorney
306 Wharf Street
Loudon, Tennessee