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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HAVEN HILL

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration") is made as of the 13th day of June, 2023 by **HERITAGE LAND DEVELOPMENT PARTNERS, LLC**, a Tennessee limited liability company, on behalf of itself, its successors, and assigns ("Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY

The developer of Haven Hill established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance, and preservation of Haven Hill as a planned community.

Article I Creation of the Community

1.1. Purpose and Intent.

Declarant intends by this Declaration to establish a general plan of development for the planned community known as Haven Hill. An integral part of the development plan is Haven Hill Homeowners Association, Inc. ("Association"), an association comprised of all owners of real property in Haven Hill, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

1.2. Binding Effect.

All property described in Exhibit "A" (the "Community" or "Haven Hill"), shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of Haven Hill , their heirs, successors, successors-in-title, and assigns.

This Declaration, as it may be amended, is intended to have perpetual duration, subject to the right of the Owners to terminate this Declaration as provided herein.

1.3. Governing Documents.

The Governing Documents for Haven Hill consist of:

- this Declaration and such Supplemental Declarations as may be recorded from time to time;
- the Association's Charter and Bylaws;
- the Rules and Regulations described in Article III; and
- such resolutions, policies, and guidelines as the Association's Board of Directors may adopt;

all as they may be amended (“**Governing Documents**”). In the event of a conflict between or among any of the Governing Documents, the documents shall be given priority in the order listed above.

The Governing Documents apply to all Owners and occupants of property within Haven Hill , as well as to their respective tenants, guests, and invitees. If a Lot is leased, the tenant and all occupants of the leased Lot are bound by and obligated to comply with the Governing Documents, and the lease shall so provide.

The Association, the Declarant, and every Owner shall have the right to take legal action to enforce the Governing Documents. The Association shall have the specific enforcement powers and remedies described in Section 7.4 and elsewhere in the Governing Documents.

If any court should determine that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision.

Throughout the Governing Documents there are diagrams to illustrate the concepts discussed and aid in the reader’s comprehension. Such diagrams are for illustrative purposes only. In the event of a conflict between any diagram and the text of the Governing Documents, the text shall control.

Diagram 1.1 identifies the various Governing Documents and their functions.

GOVERNING DOCUMENTS		
Charter (filed with the Secretary of State)	→	establishes the Association as a nonprofit corporation under Tennessee law
Bylaws (Board of Directors adopts, membership can amend)	→	governs the Association’s internal affairs, such as voting, elections, meetings, etc.
Declaration (recorded)	→	creates obligations which are binding upon the Association and all present and future owners of property in Haven Hill
Supplemental Declaration (to be recorded)	→	Expands Haven Hill and/or creates additional obligations, restrictions, and easements on a portion of Haven Hill
Rules and Regulations (Board or members may adopt; initial set attached as Exhibit “B”)	→	govern use of property, activities, and conduct within Haven Hill
Board Resolutions, Policies, and Guidelines (Board adopts)	→	establish rules, policies, guidelines, and procedures for internal governance, interpret Governing Documents, and regulate operation and use of Common Area and Lots, among other things

Diagram 1.1. Governing Documents

Article II Concepts and Definitions

2.1. Defined Terms.

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below.

“Act”: Tennessee Not for Profit Corporation Act, Tenn. Code Ann. 48-51-101 et. seq. as it may be amended.

“Area of Common Responsibility”: The Common Area, the Maintained Areas, and such other areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, or other applicable covenants, contracts, or agreements.

“Articles”: The Charter of Haven Hill filed with the Office of the Secretary of State, State of Tennessee, as they may be amended or restated.

“Association”: Haven Hill Homeowners Association, Inc., a Tennessee nonprofit corporation, its successors, or assigns.

“Board of Directors” or “Board”: The body responsible for administration of the Association, selected as provided in the Bylaws.

“Bylaws”: The Bylaws of the Association as they may be amended or restated.

“Class “B” Control Period”: The period of time during which the Declarant, as the Class “B” Member, is entitled to appoint the members of the Board, as provided in Article IV of the Bylaws. The Class “B” Control Period shall terminate not later than 90 days after the first to occur of the following:

- (a) the date that 98% of the total number of Lots permitted by the Zoning Plan for the property described in Exhibits “A” if any, have certificates of occupancy issued thereon and have been conveyed to Class “A” Members;
- (b) 20 years from the date of recording of this Declaration; or
- (c) such earlier date as the Class “B” Member, in its sole discretion, executes and records a written notice voluntarily terminating the Class “B” Control Period.

“Class B Member”: The Class B Member shall be the Declarant, its successor, or assigns.

“Common Area”: All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use, benefit, or enjoyment of the Owners, including private streets within the Community, permanent detention or retention ponds, and any improvements within the Common Area Declarant elects to construct for the common use and enjoyment of the Owners. Any such improvements may be initially owned by the Declarant, but ultimately will be conveyed to the Association for the use and enjoyment of the Owners. Common Areas shall include all areas indicated as such on recorded plats for the Community.

“Common Expenses”: The actual and estimated expenses which the Association incurs, or expects to incur, for the general benefit of all Owners in performing its responsibilities and exercising its rights and powers under the Governing Documents, including any reasonable reserve, as the Board may find necessary or appropriate pursuant to the Governing Documents.

"Community" or "Haven Hill": The real property described on Exhibit "A," less any portion thereof which is withdrawn from or added to the coverage of this Declaration by amendment.

"Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing in Haven Hill, or the minimum standards established pursuant to the Restrictions and Rules, Board resolutions, and community policies and guidelines, whichever is the highest standard. Declarant initially shall establish such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within Haven Hill change.

"Declarant": Heritage Land Development Partners, LLC, a Tennessee limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibit "A" for the purpose of development, construction of improvements, and sale of all or substantially all of the Lots and the remaining undeveloped or unsold portions of the property described in Exhibit "A" and who the immediately preceding Declarant designates as Declarant in a recorded instrument and any Person acquiring all of Declarant's special rights and obligations pursuant to Section 10.5 below. During the Development and Sale Period, Declarant may delegate certain Declarant rights and obligations set forth in this Declaration to other Persons.

"Declarant Affiliate": Any Person that controls, is controlled by, or is under common control with the Declarant, and any Person that is an owner, member, partner, or shareholder of the Declarant.

"Development and Sale Period": The period of time between the recording of this Declaration and the date as of which neither Declarant nor any Declarant Affiliate owns property subject to this Declaration and the Declarant no longer has the right to unilaterally expand the Community pursuant to Section 9.1.

"General Assessment": Assessments levied on all Lots subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Lots, as determined in accordance with Section 8.2.

"Governing Documents": A collective term referring to this Declaration and any applicable Supplemental Declaration, Bylaws, Articles, Restrictions and Rules, Policies and Guidelines, and Board resolutions, all as they may be amended.

"Lot": A portion of Haven Hill, whether improved or unimproved, which may be separately owned and conveyed and which is either (i) depicted as a numbered lot on a recorded plat for Haven Hill, or (ii) a parcel of land intended for further subdivision and development. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon.

Lots may be combined or further subdivided, and boundary lines of Lots may be changed, only by recording of a plat or other legal instrument further subdividing or resubdividing the parcel of property (which subdivision shall be subject to such other restrictions as may be set forth in this Declaration, any Supplemental Declaration or the Restrictions and Rules). In the absence of recording such a legal instrument, ownership of adjacent Lots by the same Owner shall not permit such Lots to be treated as a single Lot for purposes of voting and assessment, notwithstanding that such Lots may be improved with a single dwelling.

"Maintained Areas": The lawn areas, mulched areas, (other than the interior of enclosed courtyard areas which are to be maintained by the Owner) and sidewalks, if any, and any other portions of a Lot which are to be maintained by the Association for the benefit of the Members and Occupants as more particularly set forth in this Declaration or as determined by the Board of Directors of the Association, but specifically excluding those portions of a Lot which are the Owner's responsibility under Section 5.1.

"Member": A Person subject to membership in the Association pursuant to Section 6.2.

"Mortgage": A mortgage, a security deed, a deed of trust, or any other form of security instrument affecting title to any Lot. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

"Occupant": A Person who occupies a Unit.

"Owner": One or more Persons who hold the record title to any Lot but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Person": A natural person, corporation, partnership, limited liability company, trust, or any other legal entity.

"Rules and Regulations": The restrictions and rules set forth in Exhibit "B," as they may be supplemented, modified, and repealed pursuant to Article III.

"Special Assessment": Assessments levied in accordance with Section 8.3.

"Specific Assessment": Assessments levied in accordance with Section 8.4.

"Supplemental Declaration": An instrument recorded pursuant to Article IX which creates or imposes additional easements, restrictions, and obligations on the land described in such instrument.

"Unit": A structure or structures comprising a single-family detached dwelling, including any garage.

"Unit Exteriors": The Unit Exteriors refer to the outside of a Unit structure including but not limited to: roof and roof decking, foundations, footings, steps, outer surfaces of exterior walls, front porches, decks, gutters, drains, and downspouts of Units, and any gates, fences, or enclosed patio areas. Unit Owners are responsible for all yards, shrubs, mulch and maintenance inside of any enclosed courtyard areas.

"Zoning Plan": The land plan for the development of Haven Hill approved by the Lenoir City, Tennessee Regional Planning Commission, its successors or assigns, as it may be supplemented or amended, which includes all of the property described in Exhibit "A" and may include all or a portion of the Additional Property. Inclusion of property on the Zoning Plan shall not, under any circumstances, obligate Declarant to submit such property to this Declaration, nor shall the omission of property described in Exhibit "B" from the Zoning Plan bar its later submission to this Declaration as provided in Article IX.

2.2. Interpretation of Certain References.

(a) Recording. All references in the Governing Documents to a "recorded" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed, or the filing of a legal instrument, in the Office of the Register of Deeds for Loudon County, Tennessee.

(b) Consent or Approval. All references in the Governing Documents to "consent" or "approval" shall refer to permission or approval that, unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

(c) Discretion and Determinations. All references in the Governing Documents to "discretion" or to the right to "determine" any matter shall refer to the sole and absolute power or right to decide or act and, unless otherwise expressly limited in the Governing Documents, a Person entitled to exercise discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use and conduct, maintenance, architecture, landscaping, and other aesthetic matters at Haven Hill are what give the community its identity and make it special. Each Owner and resident participate in upholding such standards and can take pride in the results of that common effort. This Declaration establishes procedures for adopting, modifying, applying, and enforcing such standards while providing the flexibility for the community standards to evolve over time.

Article III Use and Conduct

3.1. Framework for Regulation.

The Governing Documents establish, as part of the general plan of development for Haven Hill, a framework of affirmative and negative covenants, easements, and restrictions that govern the Community. The initial Rules and Regulations attached as Exhibit "B" are a part of that framework. However, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, and trends. Therefore, this Article establishes rulemaking authority and procedures for modifying and expanding the Rules and Regulations set forth in Exhibit "B." This Article is not intended to apply to rules and regulations relating to use and operation of the Common Area which the Board may adopt by resolution pursuant to Section 7.1(c), nor to administrative policies which the Board may adopt by resolution to interpret, define, or implement the Rules and Regulations.

3.2. Rule Making Authority.

(a) So long as the Declarant has the right to unilaterally amend this Declaration pursuant to Section 17.1, the Declarant may unilaterally execute and record amendments to Exhibit "B" to add new Rules and Regulations or modify or rescind existing Rules and Regulations.

(b) Subject to the terms of this Article and the Board's duty to exercise its powers in a reasonable, fair, and nondiscriminatory manner, the Board may adopt new Rules and Regulations or modify, cancel, limit, create exceptions to, or expand the Rules and Regulations.

(c) In addition, Members may, at an Association meeting duly called for such purpose, modify, cancel, limit, create exceptions to, or expand the Rules and Regulations then in effect. Any such action shall require approval of persons entitled to cast at least 50% of the total Class "A" votes in the Association. In addition, during the Development and Sale Period, any such action shall require the written consent of Declarant.

(d) The Board shall send notice to all Owners or publish notice in a community newsletter or on a community website information concerning any Rules and Regulations change proposed under subsections (b) or (c) above at least five business days prior to the meeting of the Board or Members at which such action is to be considered. At any such meeting, Members shall have a reasonable opportunity to be heard before the proposed action is put to a vote.

(e) Prior to any action taken under this Section becoming effective, the Board shall send a copy of the new rule or explanation of any changes to the Rules and Regulations to each Owner. The effective date shall be not less than 30 days following distribution to Owners. The Association shall provide, without cost, a copy of the Rules and Regulations then in effect to any requesting Member or Mortgagee.

(f) No action taken under this Article shall have the effect of modifying, repealing, or expanding the any provision of this Declaration other than the Rules and Regulations set forth in Exhibit "B."

3.3. Owners' Acknowledgment and Notice to Purchasers.

ALL OWNERS ARE GIVEN NOTICE THAT USE OF THEIR LOTS AND THE COMMON AREA IS LIMITED BY RULES AND REGULATIONS AS AMENDED, EXPANDED, AND OTHERWISE MODIFIED FROM TIME-TO-TIME. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by changes to the Rules and Regulations adopted pursuant to Section 3.2. Except for amendments adopted pursuant to Section 3.2(a), there is no requirement that modifications to the Rules and Regulations be recorded; therefore, all purchasers of Units are advised to request a current copy of the Rules and Regulations from the Association

3.4. Protection of Owners and Others.

Except as may be set forth in this Declaration (either initially or by amendment) or in the Rules and Regulations set forth in Exhibit "B," all Rules and Regulations shall comply with the following provisions:

(a) Similar Treatment. Similarly situated Owners shall be treated similarly.

(b) Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in dwellings located in single-family residential neighborhoods shall not be abridged, except that the Board may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling.

(c) Flags. No rule shall regulate or prohibit the display on a Lot of the flag of the United States by the Owner or occupant of such Lot. No Owner shall construct, install, erect, or maintain upon any Lot or Common Area, any flagpoles. The Association may adopt or enforce reasonable Rules and Regulations regarding placement or display of the flag of the United States of America and/or replica flag of any branch of the United States armed forces.

(d) Household Composition. No rule shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to require that all Occupants be members of a single housekeeping unit.

(e) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, to the extent in compliance with local laws and ordinances, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, create a danger to the health or safety of occupants of other Lots, generate excessive noise or traffic, create unsightly conditions visible outside the dwelling, or create an unreasonable source of annoyance to persons outside the Lot.

(f) Alienation. No rule shall prohibit the transfer of any Lot or require consent of the Association or Board for leasing or transfer of any Lot; however, rules may restrict leasing of multiple Lots by the same Owner or by related or affiliated Persons and may require a minimum lease term. The Association may also require that Owners adhere to those leasing restrictions listed in the Rules and Regulations, attached to this Declaration as Exhibit "B."

(g) Reasonable Rights to Develop and Sell. No rule or action by the Association or Board shall impede Declarant's right to develop Haven Hill, nor restrict Declarant or such builders as Declarant may so authorize from maintaining upon Common Areas and Lots which they own any facilities necessary or incidental to construction or sale of Lots. By way of example and not limitation, no rule shall prohibit Declarant or such builders as Declarant may so authorize from maintaining temporary structures for use during construction of a Lot or from using any home as a sales office.

Article IV Architecture

4.1. General.

No structure or thing shall be placed, erected, or installed upon any Lot within Haven Hill, and no improvements work to Unit Exteriors or other work including installing fences, staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or planting or removal of landscaping shall take place within Haven Hill, except in conformity with this Article. No signs, except political signs, such signs as may be installed by Declarant or the Association, and such signs as must be posted by law shall be permitted within Haven Hill. This Article shall not be construed to regulate or prohibit those flags permitted under Section 3.4(c), or those antennae and other permitted devices described in Exhibit "B", provided they are installed in compliance with those sections and such rules as are specifically authorized in those sections.

Any Owner may remodel, paint, or redecorate the interior of his or her residential dwelling on a Lot without approval. However, modifications to the interior of screened porches, patios, and similar portions of a dwelling visible from outside the structure shall be subject to approval.

4.2. Architectural Review.

(a) By Declarant. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, agrees that no activity within the scope of this Article shall be commenced on such Owner's Lot unless and until Declarant or its designee has given its prior written approval for such activity, which approval may be granted or withheld in the Declarant's or its designee's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other Person. Declarant's rights reserved under this Article shall continue so long as Declarant owns any portion of Haven Hill or any real property that may be made a part of Haven Hill pursuant to Section 9.1 and until a certificate of occupancy has been issued for a dwelling on every Lot, unless earlier terminated in a written instrument that Declarant executes and records.

Declarant may, in its sole discretion, designate one or more Persons to act on its behalf in reviewing applications hereunder.

Declarant may, but shall not be obligated to, delegate all or a portion of its reserved rights under this Article to (i) an architectural review committee appointed by the Board of Directors (the "ARC"), or (ii) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association. Any such delegation shall be in writing specifying the scope of responsibilities delegated. It shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (ii) Declarant's right to veto any decision which Declarant determines, in its sole discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of the foregoing entities shall be limited to such matters as Declarant specifically delegates to them.

(b) Architectural Review Committee. Upon delegation by Declarant or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARC, shall assume jurisdiction over architectural matters. The ARC, when appointed, shall consist of at least three, but not more than seven, persons who shall serve and may be removed and replaced in the Board's discretion. The members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount if any, as the Board may establish.

Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or Declarant's rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

(c) Fees; Assistance. For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications

and may require such fees to be paid in full prior to review of any application by the applicant. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget or may charge the applicant for such fees as part of the approval process.

Article V Maintenance and Repair of Lots

5.1. Maintenance by Owners.

Except to the extent that such routine maintenance responsibility is otherwise specifically assigned to the Association pursuant to Section 7.2 or any Supplemental Declaration applicable to the Lot, each Owner shall maintain his or her Lot, the Unit Exteriors, and all landscaping and improvements comprising the Lot in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants, and that there shall be no right to remove trees, shrubs, or similar vegetation without prior approval pursuant to Article IV. Without limiting the generality of the preceding sentence, and notwithstanding anything to the contrary set forth in this Declaration, Owners shall be responsible for maintenance, repair, and replacement of the following within their respective Lots: the enclosed courtyard area of the Lot (which may include an easement over a portion of the neighboring Lot or land in part of the courtyard area where a fence connects each adjacent structure front and back), all landscaping, mulched area and yard and property maintenance and/or repair and replacement not covered by or done by the Association, all structures, roofs, windows, screens, doors (including storm and garage doors), any deck, screened porch, patio, covered porch, its structural components, and all improvements thereon; utility pipes, lines, fittings, and pumps serving only the Lot; and the interior of the Unit and all interior Unit improvements, including bathroom and kitchen fixtures, light fixtures, or other electrical or plumbing equipment, and all structural components of the Unit including the foundation and footers. Further, each Owner shall be responsible for maintenance, repair, and replacement of the heating and air conditioning systems servicing the Unit whether located on the Lot or not. Each Owner shall be responsible for interior pest control.

5.2. Responsibility for Repair and Replacement; No Obstructions; Miscellaneous

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement as necessary to maintain the property to a level consistent with the Community-Wide Standard.

Each Owner and its invitees or occupants shall not obstruct the Area of Common Responsibility in any way, including, but not limited to, interfering with any utilities, roads, or lawns.

In the event of damage to or destruction of structures on or comprising a Lot, the Owner shall, within 180 days thereafter, complete the repair or reconstruction of the damaged structures in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IV. Alternatively, the Owner shall clear the Lot and maintain it in a neat, attractive, and landscaped condition consistent with the Community-Wide Standard.

Neither the Association nor Declarant shall bear any responsibility for the maintenance or safekeeping of personal property of any Owner or occupant of a Lot, their family, guests, or invitees, nor shall the Association or Declarant be held liable for the condition of, or any loss or damage to, any such personal property except to the extent directly attributable to the reckless acts or willful misconduct of the Association, Declarant, or their respective agents or employees.

5.3 Irrigation of Landscaping.

The Association shall have the authority to create rules, restrictions, and procedures governing the operation of an irrigation system that services the Common Area, Lots, or both including controlling how frequently the irrigation system is utilized.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

This Declaration establishes the Association as a mechanism by which each Owner is able to participate in the governance and administration of Haven Hill. While many powers and responsibilities are vested in the Association's board of directors in order to facilitate day-to-day management and operation, some decisions are considered of such importance that they are reserved for the Association membership -- the owners of property in Haven Hill.

Article VI The Association and its Members

6.1. Function of Association.

The Association has been established to administer Haven Hill in accordance with the Governing Documents. Its responsibilities include, but are not limited to:

- (a) management, maintenance, operation, and control of the Area of Common Responsibility;
- (b) interpretation and enforcement of the Governing Documents;
- (c) establishing and upholding the Community-Wide Standard; and
- (d) upon delegation or termination of Declarant's authority under Article IV, administering the architectural review process for Haven Hill as provided in that Article.

6.2. Membership.

(a) Classes of Membership. The Association initially shall have two classes of membership, Class "A" and Class "B". Class "A" Members shall be all Owners, including the Declarant as to any Lot which it owns. The sole Class "B" Member shall be the Declarant. The Class "B" membership shall terminate upon the earlier of:

(i) the date that 98% of the total number of Lots permitted by the Zoning Plan for the property described in Exhibits "A" and "B" have certificates of occupancy issued thereon and have been conveyed to Class "A" Members;

(ii) 20 years from the date of the recording of this Declaration; or

(iii) such earlier date as the Class "B" Member, in its sole discretion, executes and records a written notice voluntarily terminating the Class "B" membership.

Declarant shall hold a Class "A" membership for each Lot that it owns notwithstanding the termination of the Class "B" Membership.

(b) Automatic Membership; Exercise of Privileges. Every Owner automatically becomes a Member of the Association upon taking title to a Lot and remains a Member as long as the Owner holds title to such Lot. Acceptance of a deed to a Lot shall be deemed consent to membership in the Association. There shall be only one membership per Lot. If a Lot is owned by more than one Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3 and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is not a natural person may be exercised by any officer, director, partner, or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

6.3. Voting.

The voting rights of each class of membership shall be as follows:

(a) Class "A". Each Lot owned by a Class "A" Member is assigned one vote equal to that of every other Lot owned by a Class "A" Member. If there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves. The Lot's vote shall be suspended if more than one Person seeks to exercise it. Voting rights shall be subject to suspension for nonpayment of assessments or other charges owed the Association as provided in Section 7.4(b)(ii).

No vote shall be exercised for any property that is exempt from assessment under Section 8.7.

(b) Class "B". The Class "B" Member shall have Class "A" voting rights with respect to any Units or Lots that it owns and, in addition, the consent of the Class "B" Member shall be required for various actions of the Board, the membership and committees, as specifically provided elsewhere in the Governing Documents. In addition, the Class "B" Member may appoint the members of the Board of Directors during the Class "B" Control Period, as specified in the Bylaws. Additional rights of the Class "B" Member may be specified in the relevant sections of the Governing Documents. In addition, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the Bylaws.

Article VII Association Powers and Responsibilities

7.1. Acceptance and Control of Association Property.

(a) The Association, through action of its Board, may acquire, hold, lease (as lessor or lessee), operate, and dispose of tangible and intangible personal property and real property, subject to the provisions of Article XVI. The Association may enter into leases, licenses, or operating agreements for portions of the Common Area, for such consideration or no consideration as the Board deems appropriate, to permit use of such portions of the Common Area by community organizations and by others, whether nonprofit or for profit, for the provision of goods or services for the general benefit or convenience of owners, occupants, and residents of Haven Hill.

(b) During the Development and Sale Period, or any time thereafter, Declarant, any Declarant Affiliate, and their respective designees shall have the unilateral right to convey to the Association, and the Association shall be obligated to accept, personal property and fee title, leasehold, or other property interests in any real property, improved or unimproved, which has been made subject to this Declaration. During the Development and Sale Period, or any time thereafter, Declarant shall have the unilateral right to convey via non-warranty deed, or otherwise, Common Area to the Association in one or more transactions. Each conveyance of Common Area shall be free and clear of all liens and encumbrances of a monetary nature. Upon Declarant's written request, the Association shall convey or reconvey to Declarant (or quitclaim any interest in) any portions of the Common Area which do not contain structures or facilities for common use, if conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

(c) The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate.

7.2. Maintenance of Area of Common Responsibility.

The Association shall maintain the Area of Common Responsibility in accordance with the Community-Wide Standard. The Area of Common Responsibility shall include what is stated in the definition of the term herein and as follows:

(a) all portions of and structures situated on the Common Area, if any;

(b) all streets within Haven Hill unless and until such time as they are accepted by a public body for perpetual maintenance; provided, the Association shall have no responsibility for removal of snow or ice on streets or alleys;

(c) any landscaping, signage, street lights, fences, retaining walls, entrance features, and sidewalks within streets or sidewalk easements lying within the property subject to this Declaration, except to the extent such responsibility is otherwise assigned to Owners pursuant to Section 5.1 or assumed by a governmental body or utility provider;

(d) any pipes, lines, pumps, or other apparatus comprising any irrigation system serving either or both the Common Area and Lots to the extent located within Common Area, rights-of-way, or easements granted to the Association;

(e) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

(f) any property and facilities Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Such property and facilities shall be identified by written notice from Declarant to the Association and will remain part of the Area of Common Responsibility maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association;

(g) the Maintained Areas, specifically such landscape and yard maintenance services as the Board determines in its sole discretion, which may include, mowing, weeding, sweeping walks and drives, fertilizing, top seeding, and repairing and replacing irrigation systems; however, the Board shall have the right to increase, reduce, or otherwise modify the scope of the Association's maintenance obligations, including but not limited to performing no maintenance to the Maintained Areas, for any reason including but not limited to the Association's financial ability or inability to perform maintenance to some or all of the Maintained Areas; and

(h) all water quantity control structures located within, or serving, the Community. Water quantity control structures shall include, but shall not be limited to, wet ponds, dry ponds and the infrastructure and components that comprise said improvements. Upon conveyance of title from Declarant to the Association of Common Area containing any water quantity control structure, the Association shall perpetually operate, maintain, inspect, or allow to be inspected, fund, replace, and modify the water quantity control structures.

In order to carry out the Association's duties set forth herein, it is hereby reserved to the Association the right to unobstructed access on and upon each Lot, at all reasonable times to perform maintenance as provided in this Article. In the event that a pet, including a dog, is present on the area to be maintained by the Association, then lawn maintenance and exterior maintenance and repair services will not be provided by the Association, and there shall be no abatement or reduction in General Assessments as a result of the Association not providing such services. Further, the Owner may, at its election, plant landscaping and flowers in accordance with the Rules and Regulations established by the Board or approved in accordance with Article IV; provided that such maintenance by the Owner does not hinder the Association in performing its maintenance of the remaining yard spaces and provided, further, that no such planting by an Owner shall reduce the assessment payable to the Association. The Owner shall not plant any vegetation in the front yard except with the prior written approval of the Association.

Each Owner, by acceptance of a deed to a Lot, acknowledges and agrees that, due to differing amounts of exposure to the elements and other factors, some lawns may require more maintenance than others and that it is in the best interest of all Owners that the Association provide or provide for such lawn maintenance to the Lots and make a uniform charge to each Owner of a Lot without regard to the actual cost of maintenance of a particular lawn.

The Association may maintain other property that it does not own, including, without limitation, property dedicated to the public or within a public right of way, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property that it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Except as provided above, the Area of Common Responsibility shall not be reduced without Declarant's prior written approval as long as Declarant owns any property described in Exhibit "A" of this Declaration. Further maintenance and repair of any storm water facilities may not be changed or reduced or eliminated without the approval of the Lenoir City Regional Planning Commission, its successor or assigns.

7.3. Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Property insurance for any insurable improvements on the Common Area insuring against all risks of direct physical loss commonly insured against. The total amount of such insurance after application of any deductibles shall be not less than 100% of the replacement cost of the insured improvements under current building ordinances and codes at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(ii) Commercial general liability insurance on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$2,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law; and

(iv) Directors and officer's liability coverage;

(v) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable.

Premiums for all insurance on the Common Area shall be a Common Expense.

If the insurance described in clauses (i) or (ii) of this subsection (a) is not reasonably available, the Association shall not have to purchase it.

(b) Policy Requirements. The Association shall arrange for a periodic review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Loudon County, Tennessee area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense except that, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in Tennessee which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

(iii) be primary and not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) provide that each Owner is an insured person under the policy to the extent of the Owner's insurable interest with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member); and

(v) provide a waiver of the insurer's right to subrogation under the policy against any Owner or member of the Owner's household.

In addition, the Board shall use reasonable efforts to secure insurance policies that provide an endorsement requiring at least 30 days' prior written notice to the Association and each Owner and each mortgagee whom certificates have been issued, of any cancellation, substantial modification, or non-renewal.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. Insurance proceeds shall be paid to the Association to be held in trust for the benefit of Owners and Mortgagees as their interests may appear.

The Association shall cause damaged improvements on the Common Area to be repaired or reconstructed unless:

(i) the Community is terminated;

(ii) repair or replacement would be illegal under any State or local health or safety statute or ordinance; or

(iii) a decision not to repair or reconstruct is approved within 60 days after the loss by Owners representing at least eighty percent (80%) of the votes in the Association and, during the Development and Sale Period, by the Declarant. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If any portion of the Community insured by the Association is not repaired or replaced:

(i) the insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition compatible with the remainder of the Community;

(ii) the remainder of the proceeds shall be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the common expense liabilities of all Lots.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall.

7.4. Compliance and Enforcement.

(a) Every Owner and occupant of a Lot shall comply with the Governing Documents. The Association, the Declarant during the Development and Sale Period, and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents, subject to the provisions of Article XIII. In addition, the Board may impose sanctions for violation of the Governing Documents as set forth in this Section 7.4 and elsewhere in the Governing Documents.

(b) The Board may impose the following sanctions only after notice and a hearing in accordance with policies adopted by the Board:

(i) imposing reasonable monetary fines, which shall constitute a lien upon the violator's Lot (In the event that any occupant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(ii) suspending the vote attributable to a violating Owner's Lot, and suspending any services which the Association provides to an Owner or the Owner's Lot, during any period that the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association or for a reasonable period for other violations of the Governing Documents;

(iii) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV from continuing or performing any further activities in Haven Hill; and

(iv) levying Specific Assessments pursuant to Section 8.4 to cover costs, which the Association incurs to bring a Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of an Owner or occupant of a Lot, their guests or invitees.

(c) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

(d) The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not strong enough to justify taking any or further action;

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

7.5. Implied Rights; Board Authority.

The Association shall have the exclusive right to exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association shall be exercised exclusively by the Board without a vote of the membership except to the extent that the Governing Documents or Tennessee law specifically require a vote of the membership.

The Board shall have the exclusive right to institute, defend, settle, or intervene on behalf of the Association in mediation, binding, or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action and no single Member, or collection of Members, shall be permitted to act on behalf of, or bind, the Association. However, the Governing Documents shall not be construed as creating any independent legal duty to institute litigation on behalf of, or in the name of, the Association or its Members.

7.6. Provision of Additional Services to Lots.

The Association may provide, or provide for, additional services and facilities for the Owners and their Lots and shall be authorized to enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. The Association may enter into bulk service agreements by which a particular service is provided (a) to all Lots, in which case it may include the costs of such services or facilities in the Association's budget as a Common Expense and assess it as part of the General Assessment; or (b) only to Lots which have been improved with Units or at the option of each Owner, in which case the cost may be levied against the Lots receiving service as a Specific Assessment. By way of example, such services and facilities might include the following: trash collection; pest control service; cable, digital, satellite, or similar television service; telecommunication and internet connection services; security monitoring; utilities; and other services and facilities.

Any Association contract for services may provide an opportunity for individual Owners or occupants to contract directly with the service provider in order to gain access to or obtain certain additional, optional services. Termination of any such additional, optional services provided to the Unit shall not relieve the Owner of the obligation to pay General Assessments or Specific Assessments levied pursuant to this Section for basic services provided to all Units or to all Improved Units pursuant to the Association's contract for services.

In its discretion, the Board may discontinue offering particular services and may modify or cancel existing contracts for services, subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Association to provide such services.

Nothing in this Section shall be construed as a representation by Declarant or the Association as to what, if any, services shall be provided. In addition, the Board shall be permitted to modify or cancel existing contracts for services in its discretion, unless the provision of such services is otherwise required by the Governing Documents. Non-use of services provided to all Owners or Lots as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services.

7.7. Relationships with Other Properties.

The Association may enter into contractual agreements or covenants to share costs with any neighboring property to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of Common Area maintenance.

7.8. Use of Technology.

The Association may, as a Common Expense, provide for or offer services that make use of technological opportunities to facilitate the goals and fulfill the responsibilities of the Association. For example, to the extent Tennessee law permits, and unless otherwise specifically prohibited in the Governing Documents, the Association may do the following: send required notices by electronic means; hold Board or Association meetings and permit

attendance and voting by electronic means; collect assessments by electronic means; create and maintain a community Internet homepage; and maintain an "online" newsletter or bulletin board.

7.9. Safety and Security.

The Association may, but shall not be obligated to, maintain or support certain activities within Haven Hill designed to enhance the level of safety or security that each person provides for himself and his property. However, in so doing, the Association assumes no responsibility for personal safety or security of any Persons or their property. No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to Haven Hill or any portion thereof, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system or measure is designed or intended. The Association, Declarant, builders, and the members, partners, affiliates, officers, directors, agents, or employees of any of the foregoing, shall not be responsible for or considered insurers or guarantors of personal safety or safety or security within Haven Hill and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

Each Owner and occupant of a Lot, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in Haven Hill and each of them assumes all risks of personal injury and loss or damage to their property, including Lots and their contents, resulting from acts of third parties.

Article VIII Association Finances

8.1. Authority to Levy Assessments for Association Expenses.

(a) Purposes and Types. There are hereby created, and the Association is hereby authorized to levy, assessments for expenses incurred or anticipated to be incurred by the Association in performing its responsibilities and exercising its rights and powers under this Declaration, any Supplemental Declaration, the Articles and the Bylaws, specifically including but not limited to the following: expenses of maintaining, repairing, replacing, improving, and operating the Area of Common Responsibility; insurance as provided for in Section 7.3, including amounts due to third parties who perform such tasks on behalf of the Association, and the costs of labor, equipment, materials, management, supervision, and utilities; taxes, if any, imposed on the Association or the Common Area; the cost of insurance coverage obtained pursuant to Section 7.3; the cost of water or other utilities provided to the Area of Common Responsibility, and to Lots if metered through a master meter and billed to the Association; charges for services provided to Lots pursuant to this Declaration; expenses of monitoring and enforcing compliance with the provisions of the Governing Documents; expenses arising out of the Association's indemnification obligations; expenses arising out of any measure undertaken to enhance the safety of the Owners and occupants of Lots and the Community; expenses incurred in exercising architectural control under Article IV; expenses of managing the Association, including compensation of management personnel, maintaining books and records, handling Association funds, providing financial reports, and corresponding with Members; administrative expenses such as postage, copying expense, office supplies, and equipment; legal, accounting, and other professional fees; and such other expenses as the Board deems necessary or desirable to keep the Community in good, clean, and attractive condition and to maintain and enhance property values and marketability of Lots within the Community.

There shall be three types of assessments: (a) General Assessments; (b) Special Assessments as described in Section 8.3; and (c) Specific Assessments as described in Section 8.4. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of Haven Hill, is deemed to covenant and agree to pay these assessments. Such assessments shall commence at the time and in the manner set forth in Section 8.5.

(b) Personal Obligation and Lien. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of Haven Hill, is deemed to covenant and agree to pay all assessments authorized in the Governing Documents. All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish by resolution, not to exceed 18% per annum), late charges as determined by Board resolution (subject to the limitations of Tennessee law), costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner, and a charge and continuing lien upon each Lot as provided in Section 8.6, until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and

other charges due at the time of conveyance, except that a Mortgagee or other purchaser who obtains title to a Lot upon the foreclosure of a first priority Mortgage of record shall not be liable for the assessments against the Lot which became due prior to such Mortgagee's or purchaser's acquisition of title to the Lot. For purposes of the foregoing sentence, "acquisition of title" shall be deemed to occur upon the earlier of: (i) the recording of a deed conveying title; or (ii) the time at which the rights of the parties are fixed following the foreclosure of such Mortgage.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfall.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Within 10 business days after receipt of a written request therefor, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer or duly authorized agent of the Association setting forth the amount of any unpaid assessments or other charges levied on the Lot. Such certificate shall be binding on the Association and every Owner. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

8.2. Budgeting and Allocating Association Expenses.

(a) Preparation of Budget. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year. The estimated expenses in the budget may, in the Board's sole discretion, include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital items to be maintained as a Common Expense. In determining the amount of such reserve contribution, if any, the Board shall take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected need by an annual contribution over the useful life of the asset.

(b) Calculation of General Assessments. Upon determining the total amount of income required to be generated through the levy of General Assessments, the Board shall establish the General Assessment at an equal rate per Lot. The initial amount of the General Assessment shall be at a rate of \$165/month. This General Assessment amount may be increased by up to 5% per year by the Board, if needed. Any increases in the amount of the General Assessments in excess of 5% per year will require a majority vote of the Members present at an annual meeting of the Members or special meeting of the Members called for the purpose of increasing the amount of the General Assessment.

Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy. Any such subsidy may be treated as a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy and the characterization thereof shall be conspicuously disclosed as a line item in the income portion of the budget. If characterized as a loan, the Declarant may charge and collect reasonable market interest on the outstanding principal balance of the loan. Payment of such subsidy in any year shall not obligate Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

(c) Notice of Budget and Assessment; Ratification. Within 30 days following the Board's adoption of any new or revised budget under Section 8.2(a), the Board shall send a summary of the budget, together with notice of the amount of the General Assessment to be levied pursuant to such budget, to each Owner to be assessed thereunder. The budget shall be accompanied by notice of the date, time, and location of a meeting to consider ratification, which

meeting shall be set by the Board to occur no less than 10 nor more than 60 days after mailing of the budget summary and notice. The notice shall include a statement that the meeting may be held, and the budget may be ratified without a quorum being present.

The budget shall be deemed ratified unless rejected at the meeting by Owners of at least 90% of the total number of Lots then subject to the Declaration.

If any proposed budget is rejected or not approved, as applicable, or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

(d) Budget Revisions. The Board may revise the budget and adjust it during the year, subject to the notice and ratification requirements set forth above.

8.3. Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted under Section 8.2. Any Special Assessment shall require the majority vote of the Board of Directors of the Association, and during the Development and Sale Period, the written consent of Declarant. Except as otherwise provided in Section 8.5, Special Assessments shall be levied equally on all Lots subject to such assessment.

8.4. Specific Assessments.

The Association shall have the power to levy Specific Assessments against a particular Lot as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to a Lot pursuant to Section 7.6, either under a bulk service contract entered into by the Association to provide services to less than all Lots (for example, only to Lots improved with Units) or upon request of the Owner pursuant to any menu of special services which the Association may offer (which may include items identified in Section 7.6). Specific Assessments for special services may be levied in advance of the provision of the requested service;

(b) for monetary fines imposed pursuant to Section 7.4 and to cover costs incurred in bringing the Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Owner prior written notice and an opportunity for a hearing before levying any Specific Assessment under this subsection (b); and

(c) pursuant to Section 8.8.

8.5. Payment of Assessments.

Each Lot shall become subject to assessment hereunder on the date that the Lot is made subject to this Declaration. The first annual General Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments.

If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately or it may, in its discretion, permit

payment of the outstanding balance in installments. Neither the Association nor the Owner is obligated to accept any proposed installment payment schedule. The Board may add reasonable administrative fees and costs for accepting and processing installments to the outstanding balance and include them in the installment payment schedule.

8.6. Lien for Assessments.

(a) If any assessment or installment thereof attributable to a Lot remains unpaid 30 days or more after the due date, the Association shall have a lien against each Lot in favor of the Association to secure payment of assessments and other fees and charges due to the Association as authorized by the Governing Documents as well as interest, late charges, and costs (including attorneys' fees and court costs) other fees, charges, fines, and costs of collection.

(b) If the assessments remain unpaid for 90 days or more, and the Board votes to commence the proceeding against the specific Lot, the Association may foreclose its lien through judicial foreclosure proceedings in accordance with Tennessee law.

(c) The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same, in addition to pursuing any and all remedies allowed by law to enforce the lien.

(d) Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Lot shall not be personally liable for assessments on such Lot due prior to such acquisition of title.

8.7. Exempt Property.

The following property shall be exempt from payment of General Assessments, Special Assessments, and Specific Assessments:

(a) All Common Area and such portions of the property owned by Declarant as are included in the Area of Common Responsibility; and

(b) Any property dedicated to and accepted by any governmental authority or public utility.

(c) All Lots or Units owner by the Declarant.

8.8. Initial Contributions.

Upon the initial acquisition of record title to a Lot by an Owner thereof other than Declarant, an initial contribution shall be made by or on behalf of the purchaser to the Association equal to an amount determined from time-to-time by the Board, in its sole discretion. On the date of execution of this Declaration, the initial contribution shall be Five Hundred Dollars (\$500.00). This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessments, or a reserve for the benefit of Owners, but rather shall be considered a Specific Assessment secured by the Association's lien for assessments under Section 8.6. This amount shall be used by the Association in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the Bylaws as determined by the Board, in its sole discretion.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to the developer in order to facilitate the smooth and orderly development of Haven Hill and to accommodate changes in the Zoning Plan that inevitably occur as a community such as Haven Hill is developed.

Article IX Additional Covenants and Easements

9.1. Additional Covenants and Easements.

Declarant may subject any portion of Haven Hill to additional covenants and easements. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of the property.

Article X Additional Rights Reserved to Declarant

10.1. Withdrawal of Property.

During the Development and Sale Period, Declarant reserves the right to amend this Declaration for the purpose of removing any portion of the real property which has not yet been improved with structures from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

10.2. Right to Veto Changes in Standards.

During the Development and Sale Period, the Declarant shall have the right to veto any amendment to or modification of the Governing Documents.

10.3. Development and Sales Activities.

During the Development and Sale Period:

(a) Declarant and builders whom the Declarant so authorizes in writing may, to the extent permitted by applicable zoning and subdivision approvals and other recorded covenants and restrictions, construct and maintain upon portions of the Common Area such facilities and activities as, in Declarant's sole opinion, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, signs, model Lots, and sales offices. Declarant and authorized builders shall have easements for access to and use of such facilities at no charge. Such right shall specifically include the right of Declarant and its designees to use Common Area facilities for an information center and for administrative, sales, and business offices at no charge.

(b) Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

10.4. Additional Covenants.

No Person shall record any declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument affecting any portion of Haven Hill without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and recorded by Declarant.

10.5. Right to Transfer or Assign Declarant Rights.

Any or all of Declarant's special rights and obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the Bylaws. No such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and the transferee and recorded. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.6. Right to Convert Lot to Common Area or Roadway.

Declarant reserves the right to convert any Lot which it owns to Common Area, public right-of-way, or to a combination of Common Area and right-of-way. Such right shall include, without limitation, a right to convert a Lot to right-of-way for the purpose of providing permanent access to property adjacent to the Community, whether or not such property is made subject to this Declaration. Upon conveyance of any Lot by Declarant to the Association as Common Area, the Lot shall cease to be a Lot and shall thereafter be Common Area. Upon recordation by Declarant of a plat or other instrument establishing a public right-of-way over a Lot that Declarant owns, the Lot shall cease to be a Lot and shall thereafter be treated in the same manner as any other property in the Community that has been dedicated to the public.

10.7. Central Telecommunication, Receiving, and Distribution System.

To the extent permitted by applicable law, Declarant reserves for itself, its Affiliates, successors, and assignees, the exclusive and perpetual right and easement to operate within Haven Hill, a central telecommunication (including cable television and security monitoring) receiving and distribution system, including conduits, wires, amplifiers, towers, antennae, and other related apparatus and equipment (the "Community System") as Declarant, in its discretion, deems appropriate. Such exclusive and perpetual right shall include, without limitation, Declarant's right to select and contract with companies licensed to provide telecommunications and cable television service in the Loudon County, Tennessee area, and to charge or authorize such provider to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as defined by the laws, rules, and regulations of any relevant government authority, if applicable.

Declarant may enter into and assign to the Association, or cause the Association to enter into, a bulk rate service agreement providing for access to any Community Systems for all Lots as a Common Expense. If particular services or benefits are provided to particular Owners or Lots at their request, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the charges as a General Assessment or Benefited Assessment and pay such charges to the provider on behalf of the Owners, as the Board deems appropriate.

10.8. Notices and Disclaimers as to Community Systems.

In recognition of the fact that interruptions in service provided by any Community System may occur, the Association, Declarant, and any Declarant Affiliate shall not be held liable for any interruption in Community Systems services.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, Association, and others within or adjacent to the community.

Article XI Easements

11.1. Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (a) the Governing Documents and any other applicable covenants;
- (b) any easements, restrictions, or limitations contained in the land title records, recorded plats, and any deed conveying such property to the Association, whether currently existing or proposed; and
- (c) the Board's right to:
 - (i) adopt rules regulating use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner and the Occupants of the Owner's Unit to use any facilities within the Common Area pursuant to Section 7.4;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to Section 16.3;
 - (iv) grant easements, leases, licenses, and concessions through or over the Common Areas;
 - (v) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval requirements set forth in Section 16.3; and
 - (vi) grant such rights provided for under the Act.
- (d) the Declarant's right to use Common Area, whether or not said Common Area is owned by the Association, during the development and construction of the Community for the following purposes: ingress and egress; constructing Units; performing improvements to the Common Area; storage of dirt, materials, machinery, and all other construction materials; and for any other purpose reasonably associated with Declarant's development and construction of the Community.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

11.2. Easements of Encroachment.

(a) Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area or right-of-way and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

(b) Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area or right-of-way and between adjacent Lots as reasonably necessary to install, maintain, repair, and replace any fence constructed on or within three feet of the boundary line of any Lot.

11.3. Easements for Utilities. Etc.

(a) Installation and Maintenance. Declarant reserves for itself, during the Development and Sale Period, and grants to the Association and all utility providers, perpetual non-exclusive easements throughout Haven Hill (but not through a structure) to the extent reasonably necessary for the purpose of:

(i) installing utilities and infrastructure to serve Haven Hill, cable and other systems for sending and receiving data and other electronic signals, security and similar systems, walkways, pathways, and trails, drainage systems, streetlights, and signage on property which Declarant owns or within public rights-of-way or easements reserved for such purpose on recorded plats or in other recorded documents;

(ii) inspecting, maintaining, repairing, and replacing the utilities, infrastructure, and other improvements described in Section 11.3(a)(i); and

(iii) access to read utility meters.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to grant and record such specific easements as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described in Exhibits "A" and "B." The Owner of any property to be burdened by any easement granted pursuant to this subsection (b) shall be given written notice in advance of the grant. The location of the easement shall be subject to the written approval of the Owner of the burdened property, which approval shall not unreasonably be withheld, delayed, or conditioned.

(c) Minimal Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

11.4. Easements Effect on Common Areas.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Common Area for the purpose of enjoyment, use, access, and development of the Additional Property whether or not such property is made subject to the Declaration or has been conveyed to the Association. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for the storage of dirt, machinery, and supplies, the construction of roads, Units, and improvements on the Common Area, and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of their respective actions in connection with development of such property.

11.5. Easements for Maintenance, Emergency, and Enforcement.

Declarant grants to the Association easements over Haven Hill as necessary to enable the Association to fulfill its maintenance responsibilities under this Declaration, including Sections 7.2 and 7.6, and otherwise exercise its authority and fulfill its duties under the Governing Documents. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board and its duly authorized agents and designees, and all emergency personnel in the performance of their duties. Except in an emergency situation, entry onto an occupied Lot for any purpose other than performing exterior maintenance pursuant to Section 7.2 or any Supplemental Declaration, shall only be during daylight hours and after notice to the Owner.

11.6. Landscaping and Signage Easements.

Declarant and its designees and the Association shall have perpetual, nonexclusive easements exercisable by their respective employees, agents, and contractors over areas within the rights-of-way of streets depicted on any plat of the Community, and those portions of Lots designated, or similarly designated, as "Landscaping and Signage Easements" on the recorded subdivision plats relating to Haven Hill for the purpose of installation, maintenance, repair, and replacement of lot bollards, neighborhood entrance monuments, signs, fences, lighting, irrigation systems, and landscaping within the easement area. Nothing herein shall obligate Declarant or the Association to exercise such easements or to construct or install any of the foregoing within any right-of way or Landscaping and Signage Easement. No fences, structures, driveways, plantings, swings, wood piles, dog runs, or any other objects, temporary or permanent, shall be permitted in any Landscape and Signage Easement without the Association's prior written approval, other than those installed by Declarant or its designees.

No person shall interfere with the exercise of this easement by Declarant, its designees, or the Association, by removing, defacing, or otherwise vandalizing any signs (temporary or permanent) or other improvements placed within such easement area by Declarant, its designees, or the Association, or otherwise. The Declarant, its designees and the Association, respectively, may remove signs or other improvements which they have placed on the easement area.

11.7. Easements for Storm Water Collection, Retention, and Irrigation Systems.

Declarant reserves for itself, the Association, and their successors, assigns, and designees, the nonexclusive right and easement to enter upon any portion of the property within the Community, including Lots, to (a) install, operate, maintain, and replace pumps and lines to supply irrigation water to the Area of Common Responsibility; (b) construct, maintain, and repair structures and equipment used for retaining stormwater; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling shall be permitted without the consent of the Owner. The person exercising this easement shall promptly return any property damaged as a result of such exercise to substantially the same condition as the property existed prior to the exercise of the easement.

Article XII Party Walls and Other Shared Structures

12.1. General Rules of Law to Apply.

Each, if any, wall, gate, fence, or similar structure built as a part of the original construction on the Lots that serves or separates any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

12.2. Maintenance; Damage; and Destruction

Except to the extent that responsibility for maintenance or repair of a party structure is otherwise assigned to or assumed by the Association pursuant to this Declaration, any applicable Supplemental Declaration, or written agreement if maintenance or repairs to a party structure are necessitated by the conduct of the Owners, occupants, or guests of only one of the Lots that share such party structure, then the Owner of such Lot shall be responsible for the necessary maintenance or repairs. In the event that either Owner fails to provide necessary maintenance or repairs to a party structure within 10 days after the date of written notice from the Association advising of the need for such maintenance or repairs, the Association shall have the right to provide the necessary maintenance or repairs and assess the costs incurred against the responsible Owner(s) and his (or their) Lot(s).

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.



PART SIX: CHANGES IN THE COMMUNITY

Communities such as Haven Hill are dynamic and need the ability to monitor and adjust as circumstances, technology, needs and desires, and applicable laws change over time.

Article XIII Changes in Ownership of Lots

13.1. Notice of Transfer.

Any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require

13.2. Administrative Fee.

The Association may charge a reasonable administrative fee for preparation of a statement of unpaid assessments.

Article XIV Changes in Common Area

14.1. Condemnation.

If any part of the Common Area shall be taken by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award. Any condemnation award shall be payable to the Association and shall be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking Declarant, during the Development and Sale Period, and Members entitled to cast at least 75% of the total Class "A" votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as if proceeds from the sale of Common Area.

14.2. Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action seeking the partition of any portion of the Common Area without the written consent of all Owners and Mortgagees.

Article XV Amendment of Declaration

15.1. By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, until termination of the Class "B" Control Period and termination of the Development and Sale Period, Declarant may unilaterally amend this Declaration for any purpose. However, any unilateral amendment by Declarant pursuant to this Section shall not materially adversely affect the allocation of voting rights or assessment burdens among the Lots or title to any Lot unless the Owner shall consent in writing.

15.2. By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Persons entitled to cast at least 67% of the total Class "A" votes in the Association, and during the Development and Sale Period, the Declarant's consent.

15.3. Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within one year of its recordation or such amendment shall be presumed to have been validly adopted.

15.4. Exhibits.

Exhibit "A" attached to this Declaration is incorporated by this reference and amendment of such exhibits shall be governed by this Article. Exhibit "B" is attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration that refer to such exhibit.

Article XVIII Termination of Declaration

This Declaration may be terminated only upon recording a termination agreement signed by the then Owners of at least 90% of the Lots. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration as of the date first above written.

DECLARANT

HERITAGE LAND DEVELOPMENT PARTNERS LLC,
a Tennessee limited liability company

By:

Name: John M. Cook

Its: President

STATE OF TENNESSEE)
COUNTY OF Blount

Before me, a Notary Public in and for said County, personally appeared John Cook with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the President of Heritage Land Development Partners, LLC, the within named bargainor, a corporation, and that he as such President, being authorized so to do, executed the within instrument for the purposes therein contained by signing the name of the corporation by himself as President

WITNESS my hand and official seal at office this 13 day of June, 2023.

My Commission Expires: 10-31-2026

Melinda Lunsford
Notary Public



EXHIBIT A

LEGAL DESCRIPTION

SITUATED in District No. Five (5) of Loudon County, Tennessee, and being more particularly described as follows:

BEGINNING at a point in the west right of way line of Tennessee State Highway 321, said point being located 626 feet, more or less, in a southerly direction from the intersection of the southern right of way of Manis Road, with the westerly right of way of Highway 191; thence from said beginning point and along the right of way of Highway 321, South 07 deg. 15 min. 01 sec. East, 76.80 feet to a point; thence South 24 deg. 47 min. 08 sec. East, 200.77 feet to a concrete highway monument; thence South 24 deg. 47 min. 08 sec. East, 38.33 feet to a point; thence South 11 deg. 22 min. 29 sec. East, 319.01 feet to a point in the line of a proposed 60-foot right of way; thence leaving the right of way of Highway 321, along the line of a proposed 60-foot right of way, along the arc of a curve to the left, having a radius of 50.00 feet, an arc of 81.24 feet, and a chord of North 57 deg. 55 min. 09 sec. West, 72.59 feet to a point; thence South 75 deg. 32 min. 10 sec. West, 91.12 feet to a point; thence along the arc of a curve to the right having a radius of 370.00 feet, an arc of 93.5 feet, and a chord of South 68 deg. 17 min. 48 sec. West, 93.25 feet to a point; thence with said right of way, South 61 deg. 03 min. 27 sec. West, 468.19 feet to a point; thence leaving said right of way, South 15 deg. 26 min. 26 sec. East, 500.54 feet to a point, common corner with Yuhas; thence South 15 deg. 26 min. 26 sec. East, 112.00 feet to an iron pin, corner with Ross; thence continuing with Ross: South 85 deg. 45 min. 39 sec. West, 1028.74 feet to a point; thence South 84 deg. 04 min. 52 sec. West, 155.35 feet to a point, corner with Gallaher; thence with the line of Gallaher, North 23 deg. 57 min. 13 sec. West, 558.37 feet to an iron pin, corner with Curtis; thence with the line of Curtis, North 24 deg. 07 min. 38 sec. West, 365.01 feet to a point; thence North 23 deg. 11 min. 19 sec. West, 1225.85 feet to a point; thence North 23 deg. 29 min. 08 sec. West, 241.18 feet to an iron post in the right of way of Manis Road; thence with Manis Road, on a curve to the right with a chord of North 71 deg. 42 min. 11 sec. East, 262.12 feet to a point; thence continuing with Manis Road, North 86 deg. 54 min. 26 sec. East, 483.41 feet to a point; thence leaving the right of way of Manis Road, with the line of Sanders, South 45 deg. 28 min. 29 sec. East 1182.19 feet to an iron pipe, corner with Smith; thence South 06 deg. 58 min. 16 sec. East, 316.78 feet to an iron pipe; thence North 72 deg. 36 min. 15 sec. East, 227.17 feet to an iron pipe; thence continuing with the line of Smith, North 72 deg. 40 min. 17 sec. East, 211.07 feet to an iron post; thence North 59 deg. 13 min. 48 sec. East, 186.37 feet to an iron pin, corner with Parr; thence continuing with the line of Parr, North 59 deg. 13 min. 48 sec. East, 295.68 feet to the point of BEGINNING, containing 69.59 acres, more or less, according to survey of LeMay and Associates, dated May 11, 2000.

DESIGNATED as Tax ID Nos. 009-008 and 005-089

SUBJECT to a non-exclusive permanent easement for ingress and egress, granted to Lenoir City Utilities Board, along 60-foot right of way, as described in Deed Book 253, Page 574, in the Register's Office for Loudon County, Tennessee.

BEING THE same property conveyed to Declarant by deed of record in Deed Book 248, Page 66 in the Register's Office for Loudon County, Tennessee.

EXHIBIT B

RESTRICTIONS AND RULES

The following restrictions shall apply to all of Haven Hill Estates until such time as they are amended, modified, repealed, or limited pursuant to the terms of the Declaration.

1. General. The properties submitted to this Declaration shall be used only for residential, recreational, and related purposes consistent with this Declaration and any Supplemental Declaration. Such purposes may include, without limitation, an information center and a sales office for any real estate broker retained by Declarant to assist in the sale of property described in Exhibit "A" offices for any property manager retained by the Association, business offices for Declarant and the Association, and public facilities.

2. Restricted Activities. The following activities are prohibited within Haven Hill Estates unless the Board of Directors expressly authorizes the activity in writing, subject to any conditions it may impose:

(a) Parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats, and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages except temporarily during loading and unloading; provided, construction, service, and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area. For purposes of this provision, "commercial vehicles" shall be defined as trucks or vans with commercial writing on their exteriors, vehicles primarily used or designed for a commercial purpose, vehicles with advertising signage attached or displayed on such vehicle's exterior, and vehicles with tools, ladders, and other materials used for a commercial purpose visible from the street, but shall not include official vehicles owned by governmental or quasi-governmental bodies;

(b) Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Lot; however, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law. The Board may create additional rules and restrictions pertaining to the breed, behavior, and number of animals and pets permitted within a Lot;

(c) Any activity which emits foul or obnoxious odors outside the Lot or creates an unreasonable level of noise or other conditions which tends, in the Board's judgment, to unreasonably disturb the peace or threaten the safety of the occupants of other Lots (this paragraph shall not preclude normal and customary use of power tools, lawn mowers, and other yard maintenance equipment);

(d) Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Lot;

(f) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Lots;

(g) Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Lot;

(h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots, except alarm devices used exclusively for security purposes;

(i) Use and discharge of firecrackers and other fireworks;

(j) Dumping grass clippings, leaves, or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Community, except that fertilizers may be applied to landscaping on Lots provided reasonable care is taken to minimize runoff;

(k) Accumulation of rubbish, trash, or garbage except between regular garbage pick-ups, and then only in approved containers which must either be stored in an enclosed garage, screened from view of adjacent property in a manner approved except on the day garbage is collected;

(l) Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant, its designees, and the Association shall have such right, and Builders may alter drainage flow so long as the alteration does not adversely affect other Lots; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent;

(m) Subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and recorded, except that Declarant and Builders, with Declarant's written consent, shall be permitted to subdivide or replat Lots which they own;

(n) Conversion of any garage to finished space for use as an apartment or other integral part of the living area on any Lot without prior approval, or use of any garage for storage or other purposes which preclude its use for parking of that number of vehicles for which it was originally designed;

(o) Use of any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Lots which it owns;

(p) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(q) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized that is approved and authorized;

(r) Any yard sale, garage sale, moving sale, rummage sale, or similar activity, except on such dates as the Board may designate for such activities to be conducted on a community-wide basis;

(s) Any business, trade, or similar activity, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the business activity conforms to all zoning requirements for Haven Hill Estates; (iii) the business activity does not involve door-to-door solicitation of residents of Haven Hill Estates; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in Haven Hill Estates which is noticeably greater than that which is typical of Lots in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Haven Hill Estates and does not constitute a nuisance, or a hazardous, or offensive use, or threaten the security or safety of other residents of Haven Hill Estates as may be determined in the sole discretion of the Board;

(i) The terms “**business**” and “**trade**,” as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider’s family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Leasing of a Lot shall not be considered a business or trade within the meaning of this subsection, provided that no Owner or group of related or affiliated Owners (as the Board may determine) shall collectively lease or hold for lease more than one Lot at any time. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of the Community or its use of any Lots which it owns within Haven Hill Estates including the operation of a timeshare or similar program.

(t) Any activity which would be in violation of the Zoning Plan; and

(u) Any construction, erection, placement, or modification of anything, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article IV of the Declaration. This shall include, without limitation, signs, flags basketball hoops, swing sets and similar sports and play equipment, clotheslines, woodpiles, swimming pools, decks and patios other than those constructed by Declarant, docks, piers and similar structures, hedges, walls, dog runs, animal pens, fences of any kind other than those constructed by Declarant, satellite dishes, and antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter;

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(iii) an antenna that is designed to receive television broadcast signals.

(collectively, “**Permitted Antennas**”) shall be permitted on Lots, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of Haven Hill Estates, should any master system or systems be utilized by the Association and require such exterior apparatus.

3. Prohibited Conditions. The following shall be prohibited in Haven Hill Estates:

(a) Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Haven Hill Estates;

(b) Structures, equipment, or other items on the exterior portions of a Lot which have become rusty, dilapidated, or otherwise fallen into disrepair; and

(c) Sprinkler or irrigation systems or wells of any type which draw upon water from ground or surface waters within Haven Hill Estates, except that Declarant, its designees, and the Association shall have the right to draw water from such sources.

4. Leasing of Lots. “**Leasing**,” for purposes of this Paragraph, is defined as regular, exclusive occupancy of a Lot by any person, other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. No Unit or part thereof shall be rented or used for transient or hotel purposes, which is defined as: (i) rental under which occupants are provided customary hotel services such as room service for food and beverages, maid service, the furnishing of laundry and linen, busboy service, and similar services; or (ii) rental to roomers or boarders, that is, rental to one or

more persons of a portion of a Unit only. No lease may be for less than an entire Unit. No Unit may be rented for any period of less than thirty (30) days and the lease shall not have an initial term of less than six (6) months. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, these Restrictions and Rules, and all community policies and guidelines.

BK/PG: T1653/256-288	
23005484	
33 PGS:AL-RESTRICTIONS	
PAM BATCH: 191553	
06/23/2023 - 09:30 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	165.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	167.00
STATE OF TENNESSEE, LOUDON COUNTY	
TAMMY GALLAHER	
REGISTER OF DEEDS	