

Grandview Phase II 2005

Lots 26 - 54

This Declaration of Covenants and Restrictions dated September 14, 2005 was recorded in Book 198, Pages 438 - 455 on September 20, 2005 at the office of Register of Deeds, Sequatchie County, Tennessee. In accordance with Paragraphs 6.09 (a) and 6.09 (b) of this Declaration, a Supplement to this Declaration dated May 20, 2008 was recorded in Book 246, Page 88 - 91 on May 22, 2008 at the office of Register of Deeds, Sequatchie County, Tennessee. Accordingly, with the recording of this Supplement, Lots 26 - 54 in Grandview, Phase II are subject to the terms and provisions of the Grandview Declaration originally recorded on May 10, 1995 (Phase I - Lots 1 - 45 Covenants). The terms and provisions of this Declaration shall control where the provisions of this Declaration conflict with corresponding provisions in the Grandview Declaration.

This Instrument Prepared By:
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DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION ("Declaration") is made to be effective the 14th day of September, 2005, by **W. A. BRYAN PATTEN** (herein "Developer").

BACKGROUND

1. Developer is the owner of certain real property located in Sequatchie County, Tennessee which is described on **Exhibit "A"** attached hereto and incorporated herein (the "Property"). The Property is adjacent to a subdivision known as Grandview which is subject to and governed by the "Grandview Declaration" as defined hereinbelow. Capitalized terms used herein and not otherwise defined shall be defined as provided in the Grandview Declaration.

2. The Property is suitable for a community containing large tracts in which to raise and enjoy horses and Developer desires to accommodate the needs and desires of individuals interested in such activity. The Property is also more remote from Taft Highway than the existing land subject to the Grandview Declaration. Accordingly, Developer desires to provide more flexibility to Owners in the development of their Lots since it is impossible to envision the most suitable plan of development for each Lot at the time Developer initially creates them. Developer further believes that it would not be suitable to impose the more rigid standards in the Grandview Declaration to the Property.

3. In light of the differences between the Lots to be created from the Property from those already subject to the Grandview Declaration, Developer desires to impose different restrictions upon the Property but also desires to provide a mechanism such that the Property can be subjected to the Grandview Declaration, subject to the limitations contained herein, at a later date. Although the restrictions in this Declaration are extensive, the Developer believes that they should be liberally interpreted in order to allow the opportunity for Owners with differing interests to enjoy their respective tracts, to foster a sense of community within the Property and to provide some degree of flexibility in the development of each Lot.

NOW, THEREFORE, the Developer subjects the Property to the terms of this Declaration and declares that the Property is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges,

assessments, affirmative obligations and liens hereinafter set forth. The terms and provisions hereof shall be covenants running with the Property and each portion thereof.

PARAGRAPH I **DEFINITIONS**

The following words and terms, when used in this Declaration, (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) Common Expenses. "Common Expenses" shall mean and include (a) expenses of ownership, administration, maintenance, repair or replacement of the Common Properties; (b) all other sums assessed by the Developer pursuant to the provisions of this Declaration and (c) in the event the Property is subjected to the "Grandview Declaration" (as defined herein) all Common Expenses imposed pursuant to the terms of the Grandview Declaration.

(b) Common Properties. "Common Properties" shall initially mean (i) all roads within the Property until dedicated and accepted by the appropriate public body, (ii) any bridge or bridges located within the Property and (iii) the portions of any private water or other utility line owned by Developer (excluding those portions of the line or lines serving individual lots). In the event the Property is subjected to the Grandview Declaration, the term shall also include all of the "Common Properties" as defined therein.

(c) Declaration. "Declaration" shall mean this Declaration of Covenants and Restrictions as well as any amendment hereto which is adopted pursuant to the terms hereof.

(d) Developer. "Developer" shall mean **W. A. BRYAN PATTEN** and his heirs, successors and assigns.

(e) First Mortgage. "First Mortgage" shall mean a recorded Mortgage or Deed of Trust with priority over other Mortgages.

(f) First Mortgagee. "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.

(g) Grandview Declaration. "Grandview Declaration" shall mean the Declaration of Covenants and Restrictions governing the Grandview Subdivision as recorded in Misc. Book 44, Page 684 in the Register's Office of Sequatchie County as subsequently amended from time to time.

(h) Lot. "Lot" shall mean and refer to any parcel of land located within the Property which complies with the restrictions herein applicable to Lots within the Property.

(i) Mortgage. "Mortgage" shall mean a deed of trust or mortgage.

(j) Owner. "Owner" shall mean and refer to the Owner as shown by the real estate records in the office of the Register of Deeds of Sequatchie County, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Lot situated upon the Property, but, notwithstanding any applicable theory of a Mortgage, shall not mean or refer to the mortgagee or holder of a deed of trust, its successors or assigns, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. The Developer may be an Owner. Other than the Developer, any corporation, partnership, limited partnership, firm, or other type of business entity or association which is an Owner hereunder must designate no more than two individuals, each of whom will be authorized to exercise the rights of ownership (including use of the Common Properties) described herein. Such designation must be in writing and delivered to the Developer. Any changes made in the designation must also be in writing and delivered to the Developer.

PARAGRAPH II
COVENANTS, USES AND RESTRICTIONS

2.01 Residential Use.

(a) All of the Lots in the Development shall be residential lots, except to the limited exceptions contained herein, and no structure shall be erected, altered, placed or permitted to remain on any Lot other than as provided in this Declaration and any supplements hereto. Moreover, the deed transferring a parcel to be used for residential purposes may, in the sole discretion of the Developer, contain supplemental covenants and restrictions applicable specifically to the Lot being transferred in addition to the covenants and restrictions contained herein.

(b) "Residential," refers to a mode of occupancy, as used in contradistinction to business, commercial or mercantile activity and, except where otherwise expressly provided, "residential" shall apply to temporary as well as permanent uses, and shall apply to vacant as well as improved Lots.

(c) No Lot may be used as a means of service to business establishments on adjacent property, including but not limited to supplementary facilities or an intentional passageway or entrance into a business or another tract of land, whether or not a part of the Property, unless specifically consented to by Developer in writing.

2.02 No Multi-Family Residences. No residence shall be designed, patterned, constructed or maintained for the use of more than one single family, and no residence shall be used as a multiple family dwelling at any time provided, however, that this shall not preclude an outbuilding or guest house which has been approved as provided herein from being used on a non-income producing basis for extended family members, relatives or friends of an Owner.

2.03 No Business Use. No residence or other structure shall be designed, patterned, constructed or maintained upon any Lot for use in whole or in part for any business service or activity, or for any commercial purpose except for (i) office purposes as an incidental part of a residence and/or (ii) a residence or an outbuilding may be utilized for an artist's studio for a resident operating a business as a painter on canvas or similar medium, a woodworker or potter. Neither the foregoing nor any other paragraph of this Declaration shall prevent the Developer or any builder from constructing a house for use as a model home that may contain office-type furniture and be used for conducting the business of either selling that house or other houses within the Development.

2.04 Minimum Square Footage.

(a) No single-family detached dwelling house shall be erected or permitted to remain in the Property unless it has the number of square feet of enclosed living area, exclusive of open porches or screened porches, carports, garages or basements, set forth in this Paragraph. For the purposes of this Paragraph, enclosed living area shall mean the finished and heated living area contained within the residence, exclusive of open porches, garages, and steps. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer shall be final. The minimum number of square feet of enclosed living area required is as follows:

(i) A one-story residence: two thousand (2,000) square feet;

(ii) A multi-story residence: two thousand four hundred (2,400) square feet for the entire house.

(b) For any Lot on which a residence has been constructed in accordance with the preceding subparagraph, the Developer may, in his discretion, allow construction of one (1) detached building containing no more than two thousand four hundred (2,400) square feet to be used as a garage, storage building, barn or for any of the uses as permitted in Paragraphs 2.02 and 2.03 above. The exterior of any such detached building must comply with the restrictions imposed herein for a primary residence. The Developer may impose such conditions upon his approval of this type of building as he deems desirable.

2.05 Set-backs.

(a) No residence building or other structure shall be erected on any Lot nearer than eighty-five (85) feet from any property line or within one hundred (100) feet of a stream or creek regulated by any statute or regulation of the State of Tennessee. For the purposes of this covenant, open porches shall be considered as part of the building, however, steps, walkways and driveways shall not be considered as a part of the building. No provision of this Paragraph shall be construed to permit any structure to be constructed and erected upon any Lot that does not conform to any zoning laws and regulations applicable thereto.

(b) For good cause shown, an Owner may petition the Developer for a variance from any of the above set-back requirements. If the Developer grants such petition, the Developer will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations, if required.

2.06 Rearrangement of Lot Lines. Except as provided in Paragraphs 2.02 and 2.03 above, not more than one (1) dwelling house shall be erected or maintained on any one Lot. Contiguous Lots may be combined without the consent of Developer if the Lots have the same Owner. Lots containing ten (10) or more acres may be resubdivided without the consent of Developer under the following conditions: (1) at the Owner's expense, a plat showing the boundaries of the resultant Lots shall be prepared and filed in the Assessor's Office of Sequatchie County (or, at the option of any Owner, the Office of the Register of Deeds); (2) each resultant Lot must contain a minimum of five (5) acres of land, exclusive of any road right-of-way; (3) each resultant Lot must have frontage upon and access to an existing, improved road and also (4) resultant Lots shall, upon the filing of the plat showing the boundaries thereof and receipt of a copy thereof by Developer, be separately assessed for purposes of annual and special assessments pursuant to Paragraph 4 hereof.

2.07 Temporary Structures. No part of any Lot shall be used for residential purposes until a completed dwelling conforming fully to the provisions of this Declaration shall have been erected thereon. Any approved detached building described in Paragraph 2.04 may only be occupied and/or utilized following completion and occupancy of the primary residence on a Lot. In no event shall a mobile home, shed, shack, metal building, modular building or house-type trailer be placed or permitted to remain on any Lot. Neither the foregoing provisions nor any other paragraph of this Declaration shall prevent (i) the Developer from designating a Lot or Lots from time to time for the temporary placement of a trailer or other suitable structure for use as an office and/or sales center by the Developer and/or builders at the sole discretion of the Developer or (ii) a trailer from being maintained on a Lot during the course of construction of a residence for security purposes. The prohibition against a mobile home is not intended to prohibit an Owner from storing on a Lot a motor home or camper for use outside of the Property pursuant to the terms of Paragraph 2.27 herein.

2.08 Completion of Construction. Any residence being erected on a Lot shall be completed within eighteen (18) months from the date of the pouring of the footings for said residence. In the construction of a residence upon a Lot, the builder shall keep all debris cleared from the street or streets bounding the Lot. Before any residence is occupied, all debris must be removed from the entire Lot and any damaged roadway shall be repaired to the condition existing prior to the disturbance. Without the prior written approval of the Developer, no construction of any building, out-building, or other improvements on the premises shall be commenced prior to completion of the dwelling house. No debris, old lumber or unsightly objects shall be moved onto any Lot in the Development at any time, including the period of construction of the residence thereon. The exterior of every dwelling shall be fully completed before occupancy.

2.09 Utility Easement. A perpetual easement for the benefit of the Developer and his heirs or assigns, is reserved over the front ten (10) feet of each Lot for the construction and maintenance of utilities such as electricity, gas, water, sewerage and drainage. The Developer may cut and clear trees or other vegetation within that easement area to construct, install, repair or maintain such utility services. The Developer shall also have permanent non-exclusive easements to install, maintain, operate and repair utilities within the portions of the road rights-of-way not paved or graveled.

2.10 Building Requirements. All residential buildings or structures of a permanent nature constructed on any Lot shall have full masonry foundations, and except as permitted herein, no exposed block, concrete or plastered foundations shall be permitted on the exterior of a building above grade level. All exterior walls of a building above the foundations and any retaining wall must be covered with stone, brick or siding to compliment the house. All sheet metal work (roof caps, flashings, vents, chimney caps) must be painted to match the roof. Gutters and downspouts must be painted in approved colors. All roof stacks and plumbing vents must be placed on rear slopes of roofs; provided, however, that for good cause shown, the Developer may make exceptions as to the placement of such roof stacks and plumbing vents. Garages (except on a corner Lot fronting on two (2) streets) cannot face the adjacent road. All buildings shall comply with the Standard (Southern) Building Code, 1999 or any future recodification or restatement thereof. All plans for such buildings must be approved in writing by Developer (or his successors or assigns)) prior to the commencement of construction to insure compliance with the terms of this Declaration provided, however, that such approval shall be limited to compliance with this Declaration and shall not constitute any representation that the plans are adequate for any other purpose. Developer shall have the right to approve the location of garages on a corner Lot, which approval will not be unreasonably withheld or delayed. Notwithstanding anything herein to the contrary, Developer may grant variances for exposed concrete block, concrete or plaster to be located on a building so long as it is not readily visible from any street or from an adjacent Lot.

2.11 Fences. No fences will be allowed on a Lot without the prior written consent of the Developer. All proposed fences must be submitted to the Developer showing materials, design, height and location. No barbed wire fences will be permitted except that Developer may approve a barbed wire fence on a temporary basis during construction of a residence.

2.12 Damage to Common Properties. Any damage done to streets, curbs, gates, fences, or any Common Properties by the Owner of any Lot, or by a contractor, subcontractor, laborer or material supplier employed to construct a dwelling or other improvement on a Lot, will be repaired immediately at the expense of the Owner.

2.13 Signs. Except as provided in Paragraph 3.03 herein, no signs (other than those of the builder and/or construction lender for any residence during the period of construction) shall be erected or maintained on any Lot without the prior written consent of the Developer.

2.14 Service Area. Each home shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, an electrical service

entrance, propane or gas tanks, or other ancillary residential functions that by nature may present an unsightly appearance. These types of service areas shall be convenient to the utility services and screened from view from adjacent streets.

2.15 Animals. No poultry, livestock or animals shall be allowed or maintained on any Lot at any time except in accordance with the terms of this Paragraph. The keeping of dogs, cats, ducks, llamas, donkeys, goats, horses and household pets is permitted, providing that nothing herein shall permit the keeping of any animal of third parties for boarding purposes. Pet owners shall not allow pets to roam unattended. The pet owners shall also muzzle any pet which consistently barks or makes loud noises. If the barking or loud noises persists, the pet owner shall have the pet removed from the Property. If the pet owner refuses, it shall be deemed an "offensive activity". Other animals may be permitted with the prior written approval of the Developer subject to such conditions as are imposed by Developer.

2.16 Unsightly Conditions. All of the Lots in the Property must, from the date of purchase, be maintained by the Owner in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees, and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of the streets. In the event that an Owner of a Lot in the Property fails, of his own volition, to maintain his Lot in a neat and orderly condition, Developer, or his duly appointed agent, may enter upon said Lot without liability and proceed to put said Lot into an orderly condition and the Owner shall be responsible for 150% of the cost of such work performed by Developer.

2.17 Offensive Activity. No noxious or offensive activity, including, without limitation, vehicles creating loud noises audible on any Lot, shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance, discomfort, embarrassment or nuisance to the Property or the Owners. Trail bikes containing four (4) stroke engines no greater than two hundred (200) cubic centimeters shall be permitted on the Property, although other trail bikes, go-carts, all-terrain three (3) and four (4) wheel vehicles, motorcycles and similar vehicles shall be prohibited from operation on the Property.

2.18 Sewage Disposal. All dwellings shall be connected to a public sewer or shall have a septic tank and field lines of the type and quality approved by all applicable governmental agencies or authorities. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or any form of privy, except such sewage system as meets the requirements of all applicable governmental laws, regulations and codes.

2.19 Rights of Developer. In order to implement and effect insect, reptile and woods fire control, and to maintain unsightly Lots, the Developer or his agents, may enter upon any Lot on which a dwelling residence has not been constructed, such entry to be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Developer detracts from the overall beauty, setting and safety of the Property or Lots. Such entrance shall not be deemed a trespass. The Developer and his agents may likewise enter upon a Lot to remove any

trash which has collected on the Lot without such entrance and removal being deemed a trespass. The provisions of this Paragraph shall not be construed as an obligation on the part of the Developer and his agents to mow, clear, cut or prune any Lots or to provide garbage or trash removal services. One hundred fifty percent (150%) of the actual expenses incurred by the Developer under this Paragraph shall be payable by the Owner of the affected Lot within ten (10) days from receipt of a billing.

2.20 Tree Removal. No trees larger than five (5) inches in diameter at breast height shall be removed within the set-back areas provided in Paragraph 2.05 herein except in the construction or installation of a driveway or utility services.

2.21 Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view. Such tanks or receptacles may be installed only within a dwelling unit, within a screened area or buried underground. All garbage and trash containers must be placed in enclosed areas of the rear or side yard and must not be unsightly, disorderly, in disrepair or offensive.

2.22 Antennas. No television antenna, dish, radio receiver or sender or other similar device shall be installed within the set-back areas provided in Paragraph 2.05 or so as to be visible from adjoining Lots or streets. No radio, television signals, nor any other form of electromagnetic radiation shall be permitted to originate from any Lot which may unreasonably interfere with the reception of television or radio signals upon any other Lot. Notwithstanding the foregoing, the provisions of this Paragraph shall not prohibit the Developer from installing equipment necessary for a master antenna system, security system, cable television, mobile radio system or other similar systems within the Property.

2.23 Excavation. No Owner shall excavate or extract earth from any of the Lots for any business or commercial purpose. No elevation changes shall be permitted which will materially affect the surface grade of a Lot unless the prior written consent of the Developer is obtained. No ponds or lakes shall be installed on any Lot without the prior written approval of the Developer. Any construction or other activity affecting streams or wetlands on the Property shall be conducted in accordance with all federal and state statutes, laws, rules and regulations.

2.24 Sound Devices. No exterior speaker, horn, whistle, bell or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon Lots within the Property. The playing of loud music from any balconies or porches shall be offensive, obnoxious activity constituting a nuisance.

2.25 Laundry. No Owner shall hang laundry from any area within or outside a dwelling residence if such laundry is within the public view.

2.26 Duty to Rebuild or Clear and Landscape Upon Casualty or Destruction. In order to preserve the aesthetic and economical value of all Lots within the Property, each Owner

shall have the affirmative duty to rebuild, replace, repair, or clear and landscape, within a reasonable period of time, any building, structure, and improvement or significant vegetation which shall be damaged or destroyed by fire or other casualty. Variations and waivers of this provision may be made only upon Developer establishing that the overall purpose of these restrictive covenants would be best effected by allowing such a variation. Variations to this Paragraph are to be strictly construed and the allowance of a variance by the Developer shall not be deemed to be a waiver of the binding effect of this Paragraph upon all other Owners.

2.27 Vehicle Parking. No car, camper, motor home, trailer, tractor or other vehicle, machinery or equipment shall be stored outside of a garage or approved outbuilding at any time unless such vehicle is not visible from any adjacent Lot or from any street. Notwithstanding anything herein to the contrary, dump trucks, tandem trucks, long distance transfer trucks and similar vehicles not used for recreational or horse-related purposes shall not be permitted on the Property except temporarily in the course of construction permitted herein on a Lot.

2.28 Maintenance. Each Lot Owner shall, at all times, maintain in good repair all structures located on such Lot, including driveways and permitted fences, and shall keep all vegetation and landscaping in good and presentable condition. Developer (or his designated agents) shall have the right during construction of improvements on a Lot and thereafter following reasonable notification to inspect any Lot to determine compliance with the terms of this Declaration.

2.29 Hunting. There shall be no hunting, trapping, unnatural harm to animals, game or water species, nor shall there be any target or trap shooting or discharge of firearms upon any Lot or the Common Properties except in protection of private property on a Lot to the extent permitted by the laws of the State of Tennessee.

2.30 Driveways. Developer shall have the right to approve the location of all driveways in connection with the initial construction of improvements on a Lot. Such approval is intended to be for the limited purpose of ensuring driveways are located as far as reasonably possible from adjacent Lots and to avoid damage to adjoining property by erosion. Absent compelling circumstances peculiar to the topography of a particular Lot as determined by Developer, driveways should respect the side setback area on each Lot. Developer shall also have the right to require that the Owner of a Lot install tiles or other materials in connection with the construction of a driveway in order to minimize water run-off on surrounding property or erosion on a Lot. Once approved by Developer, the driveway on a Lot shall not be relocated without the prior written consent of Developer.

2.31 Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of this Declaration, the Developer, his successors or assigns, including all parties hereinafter becoming Owners of any one or more of the Lots to which this Declaration applies, may bring an action or actions against the Owner in violation, or attempting violation, and the defaulting Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorneys fees incident to any such proceeding, which costs

and fees shall constitute liquidated damages. In the event of a violation of set-back lines, side, rear or front, which may be minor in character, a waiver thereof may be made by the Developer. Further, the Developer may grant variances of the restrictions set forth in this Declaration if such variances do not, in the sole discretion of the Developer, adversely affect the purposes sought to be obtained hereby. The variances are intended for the purpose of permitting discretion to Owners in the development and enjoyment of their Lots so long as such action does not, in the opinion of Developer, materially and adversely affect surrounding Lots or the remainder of the Property.

By reason of the rights of enforcement of the provisions of this Paragraph being given unto Owners of Lots (subject to rights of variances reserved by the Developer), it shall not be incumbent upon the Developer to enforce the provisions of this Declaration or to prosecute any violation thereof. Developer shall not be responsible or liable for any violation of this Declaration by any person other than himself.

PARAGRAPH III **COMMON PROPERTY**

Each Owner shall have a permanent non-exclusive easement to connect onto any utility lines located within the roads comprising the Common Property or upon the utility easement areas retained in Paragraph 2.09 herein provided that all damage resulting from this action is promptly repaired and the property restored. Commencing on January 1, 2006 the Developer may levy annual or special assessments for any of the purposes set forth in Paragraph 4 herein

PARAGRAPH IV **ASSESSMENTS**

4.01 Purpose of Assessments.

(a) From and after January 1, 2006, the Developer may impose assessments upon Lots for any or all of the following purposes:

(i) maintaining or improving the Common Properties, including establishment of reserves deemed necessary by the Developer for such purposes;

(ii) paving and maintaining any private road and cutting grass along public and private roads;

(iii) installing and maintaining lights along roadways; and

(iv) paying any expense defined as a Common Expense under the Grandview Declaration or the bylaws enacted pursuant thereto (in the event the Property is subjected to the Grandview Declaration).

(b) All of the foregoing expenses shall be defined as "Common Expenses." The Developer may impose assessments under this subparagraph (b) at any time after January 1, 2006 and the assessments shall be imposed equally upon all affected Lots provided, however, that the Developer may establish different rates for improved as opposed to unimproved Lots.

4.02 Creation of the Lien and Personal Obligation of Assessments. Each Owner by deed, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to all of the terms and provisions of this Declaration and pay annual assessments and special assessments for the purposes set forth herein. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are two or more Owners, for the payment of all assessments, whether annual or special, which may be levied while such party or parties is an Owner. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot and all of the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from the due date to date of payment at a rate established by either the Developer or the Association on an annual basis, not to exceed the maximum rate allowed by law.

4.03 Commencement and Amount of Assessments. The annual assessments provided for herein shall commence no earlier than on January 1, 2006. Assessments for each Lot under Paragraph 4.01(a) herein shall be based upon the size of the Lot in multiples of five (5) full acres. Thus, a Lot of ten (10) acres shall be assessed twice as much as a Lot of between five (5) but less than ten (10) acres. The decision of the Developer as to the area of Lots shall control so long as it is not arbitrary or capricious.

4.04 Lien. Recognizing that the necessity for providing proper operation and management of the Property entails the continuing payment of cost and expenses therefor, the Developer is hereby granted a lien upon each Lot and the improvements thereon as security for the payment of all assessments against said Lot, now or hereafter assessed, which lien shall also secure all costs and expenses, including reasonable attorney's fees, which may be incurred by the Developer in enforcing the lien upon said Lot. The lien granted in this Paragraph may be foreclosed as other liens are foreclosed in the State of Tennessee.

4.05 Lease, Sale or Mortgage of Lot. Whenever any Lot may be leased, sold or mortgaged by the Owner thereof, the Developer, upon written request of the Owner of such Lot, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Developer by the Owner of such Lot and any matter in dispute between the Owners of such Lot and the Developer under this Declaration. Such statement shall be executed by the Developer, and any lessee, purchaser or

mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction and the Developer shall be bound by such statement.

4.06 Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to the lien of a First Mortgage existing at any time on a Lot, but only if all assessments, whether annual or special, with respect to such Lot having a due date on or prior to the date such First Mortgage is recorded have been paid. In the event any such mortgagee shall acquire title to any Lot by virtue of any foreclosure or deed in lieu thereof, the mortgagee of a First Mortgage shall only be liable and obligated for assessments, whether annual or special, as shall accrue and become due and payable for said Lot subsequent to the date of acquisition of title. In the event of the acquisition of title to a Lot by foreclosure of a First Mortgage or deed in lieu of foreclosure, any assessments, whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as part of the Common Expenses; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure. Any First Mortgagee may notify the Developer in writing of its name and address in order to be entitled to notices under Paragraph 9.03 herein.

4.07 Examination of Books. Each Owner and each mortgagee of a Lot shall be permitted to examine the books and records of the Developer during regular business hours upon due notice regarding Common Expenses.

PARAGRAPH V **REMEDIES ON DEFAULT**

5.01 Scope. Each Owner shall comply with the provisions of this Declaration and shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.

5.02 Grounds for and Form of Relief. Failure to comply with any of the provisions of this Declaration (or the terms of the Grandview Declaration in the event the Property is submitted to the Grandview Declaration) shall constitute a default and shall entitle the Developer to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, together with interest and expenses as provided for herein, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Developer, if appropriate or aggrieved Owner.

5.03 Judgment Interest and Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner, the Developer, if successful, shall, in addition to the relief provided for in Paragraph 5.02, be entitled (1) to charge and collect interest upon any delinquent amount as provided in Paragraph 4.02 herein and (2) to recover the costs of the proceeding and such reasonable attorneys' fees as may be allowed by the court, but in no event shall the defaulting Owner be entitled to such attorneys' fees in defense of his or her actions.

5.04 Waiver. The failure of the Developer or an Owner to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Developer of any part payment of an assessment shall not constitute a waiver of any breach of this Declaration, nor shall same constitute a waiver to enforce the terms and provisions hereof in the future.

PARAGRAPH IX
GENERAL PROVISIONS

6.01 Duration. This Declaration and the terms and provisions hereof shall run with and bind the land and shall inure to the benefit of and be enforceable by the Developer or any Owner, their respective legal representatives, heirs, successors and assigns, and shall be effective unless and until amended, modified or terminated as provided herein.

6.02 Amendments and Termination. Except as otherwise provided herein, this Declaration may be amended or terminated only in accordance with the following procedure:

(a) At any time the Property is not subject to the provisions of the Grandview Declaration, any amendment or any termination of this Declaration must be approved by an affirmative vote of at least seventy-five percent (75%) in number of the Lots within the Property.

(b) At any time the Property is subject to the provisions of the Grandview Declaration, this Declaration may be amended in accordance with the terms of the Grandview Declaration provided, however, that any amendment to the terms of Paragraph 2 herein which differ from the similar provisions in the Grandview Declaration can only be accomplished with the approval of the Owners of the Property described on **Exhibit "A"** hereto in accordance with the terms of the preceding subparagraph.

(c) An amendment or any termination of this Declaration adopted under subparagraph (a) or (b) of this Paragraph shall become effective upon its recording with the Register's Office of Sequatchie County. No such amendment shall be applied retrospectively.

6.03 Notices. Any notice required to be sent to any Owner or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the Owner or mortgagee on the records of the Developer at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Developer in writing of any change of address. The initial address of the Developer for purposes of this Declaration is as follows:

W. A. Bryan Patten
520 Lookout Street
Chattanooga, Tennessee, 37403

Any party may change its address by executing, acknowledging and recording a notice to that effect referencing this Declaration which is recorded in the Register's Office of Sequatchie County. A copy shall be simultaneously sent to Developer.

6.04 Severability. Should any covenant or restriction herein contained, or any Article, Paragraph, Subparagraph, sentence, clause, phrase or term of this Declaration be declared void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

6.05 Captions. The captions herein are inserted only as a matter of convenience and for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.

6.06 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

6.07 Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.

6.08 Effective Date. This Declaration shall become effective upon its recording in the Register's Office of Sequatchie County, Tennessee.

6.09 Submission to Grandview.

(a) The Property may be subjected to the terms and provisions of the Grandview Declaration (i) by Developer recording a written instrument to that effect in the Register's Office of Sequatchie County, Tennessee at any time prior to December 31, 2008 or (ii) by affirmative vote of sixty (60%) in number of the Lots comprising the Property.

(b) At such time is the Property is subjected to the terms and provisions and provisions of the Grandview Declaration, those terms shall, except to the extent expressly provided herein to the contrary, govern the Property. In connection therewith, the provisions of Paragraphs 4 through 9 of the Grandview Declaration, as it may then be in effect, shall be incorporated into this Declaration by reference. Notwithstanding the foregoing, however, it is the intent of Developer that, to the extent the provisions of Paragraph 2 of this Declaration conflict with the corresponding provisions in the Grandview Declaration, the terms and provisions of this Declaration shall control with respect to the Property and such provisions shall not be modified or amended with regard to the Property except in accordance with the terms and provisions of Section 6.02 herein.

(c) Following submission of the Property to the terms of the Grandview Declaration, all references to the "Developer" in this Declaration shall instead refer to the "Board" or any committee designed by the Board to act on its behalf under the Grandview Declaration.

IN WITNESS WHEREOF, the Developer has executed this Declaration on the date first above written.

W. A. BRYAN PATTEN

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

Personally appeared before me, _____, a Notary Public, **W. A. BRYAN PATTEN**, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this _____ day of _____, 2005.

Notary Public
My Commission Expires:_____

**This Instrument Prepared By:
W. Alan Nichols
Miller & Martin PLLC
Suite 1000, Volunteer Building
832 Georgia Avenue
Chattanooga, Tennessee 37402-2289**

SUPPLEMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS

THIS SUPPLEMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS is made to be effective as of the 20th day of May, 2008 by **W. A. BRYAN PATTEN** (herein "Developer").

BACKGROUND

1. Developer executed that certain Declaration of Covenants and Restrictions for a development known as Grandview which were dated April 28, 1995 and recorded on May 10, 1995 in Miscellaneous Book 44, Page 684 in the Register's Office of Sequatchie County, Tennessee. Such document has been modified by, among other documents, amendments recorded in Miscellaneous Book 44, Page 46; Miscellaneous Book 48, Page 575 and Miscellaneous Book 51, Page 399, aforesaid records. Such document, as amended, is collectively referred to herein as the "Grandview Declaration." Capitalized terms used herein and not otherwise defined shall have the meanings provided in the Grandview Declaration.

2. Developer has the right pursuant to Paragraph 2.01 of the Grandview Declaration to add additional property to the terms and provisions thereof by supplements to the Grandview Declaration and to modify the terms and provisions of the Grandview Declaration as they relate to such additional property. This Supplement is executed for that purpose.

NOW, THEREFORE, for and in consideration of the premises and in order to give effect thereto, and for other good and valuable consideration, the receipt and legal sufficiency of which are acknowledged, Developer subjects the property described on **Exhibit "A"** attached hereto and incorporated herein (herein the "Additional Property") to the terms of the Grandview Declaration subject to the limitation hereinbelow. The Additional Property is already subject to Declaration of Covenants and Restrictions dated September 14, 2005 recorded in Deed Book 198, Page 438 in the Register's Office of Sequatchie County (the "2005 Declaration"). In the event of any conflict between the Grandview Declaration and the 2005 Declaration as they relate to the Additional Property, the terms of the 2005 Declaration shall control, but only as to the Additional Property.

IN WITNESS WHEREOF, Developer has executed this Supplement to Declaration to be effective as of the date first above written.

W. A. BRYAN PATTEN

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

Personally appeared before me, _____,
Notary Public, **W. A. BRYAN PATTEN**, with whom I am personally acquainted, and who acknowledged that he executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this _____ day of _____, 2008

Notary Public
My Commission Expires: _____