

DECLARATION OF COVENANTS AND RESTRICTIONS
QUAIL HOLLOW AND QUAIL RIDGE AT THUNDER HOLLOW

R E C I T A L S:

1. Obed River Estates, Inc., is the Developer of two subdivisions in the Thunder Hollow Development called Quail Hollow and Quail Ridge, which subdivisions are fully described by plats of record in the Register's Office of Cumberland County, Tennessee in Plat Book 9, page 316, and Plat Book 9, page 348, Al. 153B respectively to which plats reference is hereby made.
2. Lake Properties, Inc., is the owner and developer of Thunder Hollow.
3. Obed River Estates, Inc., has requested that Quail Hollow and Quail Ridge become a part of the Thunder Hollow Development whereby the purchasers of lots in Quail Hollow and Quail Ridge may enjoy the same privileges and be subject to the same obligations as lot owners in subdivisions owned and developed by Lake Properties, Inc.
4. In consideration of the mutual interests and benefits to be derived, Lake Properties, Inc., grants to Obed River Estates, and to its lot purchasers in Quail Hollows and Quail Ridge an interest sufficient to incorporate such lot purchasers into the Thunder Hollow Development.
5. In consideration thereof, Obed River Estates, Inc., hereby agrees for itself, its successors and assigns, to commit Quail Hollows and Quail Ridge to the Declaration of Covenants and Restrictions of Thunder Hollow Development.
6. In addition, and for the benefit and protection of the future and present owners of lots in Quail Hollow and Quail Ridge, and for the establishment and maintenance of sound values for the lots in said subdivision, it is desired that in addition to the Restrictions and Covenants of the Thunder Hollow Development, certain covenants and restrictions be imposed on the lots in Quail Hollow and Quail Ridge and be made a matter of public record, and all lots hereafter held, owned and conveyed in said subdivisions shall be conveyed subject to these recorded covenants and restrictions. L+L

This instrument prepared by:
LOONEY & LOONEY, ATTORNEYS (QHE)
Crossville, Tennessee 38557

BOOK D440 PAGE 250

W I T N E S S E T H:

NOW, THEREFORE, for and in consideration of the above premises, Obed River Estates, Inc., Developer, imposes upon the subdivisions known as Quail Hollows and Quail Ridge the following covenants and restrictions, all of which shall be deemed covenants running with the land:

1. The lots in this subdivision shall be used exclusively for single family residential purposes.
2. No residential building shall be constructed, altered or permitted to remain on any lot other than one detached single family dwelling, not to exceed two (2) stories in height, with attached garage for the owners vehicles.
3. The primary residence shall contain a minimum of 1,600 square feet of heated floor space, exclusive of porches, and attached garages.
4. The driveways to the primary residence shall be of a permanent hard surface material.
5. The type of exterior architectural design, material and appearance of all structures constructed on any lot must be approved prior to construction by the Architectural Control Committee, as provided in Article X of the Declaration of Restrictions and Covenants of the Thunder Hollow Development.
6. Following the commencement of any structure on the lot, whether it be the primary residence or otherwise, the exterior of said structure shall be completely finished within six (6) months from the date of such commencement of construction.
7. The interior of any structure being constructed on any lot shall be completely finished within twelve (12) months following the commencement of construction.
8. The owner of a lot shall furnish to the A.C.C. such credit information and proof of financial ability to complete the structure within the time requirements of these covenants and restrictions, as shall be required by the A.C.C.

9. The owner or his contractor or builder will submit all structures under construction to inspection by the A.C.C. as required to determine compliance with completion dates as herein provided, or as may be provided by the A.C.C. In the event of non-compliance with completion dates herein provided, the A.C.C. shall have the right, but not the obligation, to hire a contractor and/or contractors to perform the work and furnish the materials necessary for compliance, and the particular party acting shall bill the owner for the amount expended, plus twelve (12%) for administration. In the event the owner does not pay the same, the A.C.C. shall have the legal right to file a lien against the property involved and proceed in law or equity to sell the property to obtain said charges. All money received over and above said charges and Court costs shall be paid to the owner.

10. No privately owned sewage system shall be permitted upon any lot.

11. No privately owned water system shall be permitted upon any lot.

12. No building shall be placed nor shall any material or refuse be placed or stored upon any lot within forty (40) feet of the high water elevation line of any lake. Clean fill may be placed nearer to the high water elevation line of a lake if approval from the A.C.C. is first obtained. Likewise, by written permission of the A.C.C., a boat dock may be placed closer than 20 feet to the high water elevation of a lake. The decision of the A.C.C. as to the permission of the aforesaid shall be final and binding. The construction of a boat dock shall be subject to the approval of the Developer.

13. No fence, wall, hedge or shrub planting which obstructs site lines at elevations between 2 and 6 feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular formed by the street property lines and line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the

intersection of the street property lines extended. The same site line limitation shall apply on any lot within 10 feet from the intersection of a street property line with the edge of a driveway pavement. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such site lines.

14. All signs are prohibited except:

(a) Signs erected for identification of streets, traffic control and directional purposes;

(b) Signs of a temporary nature advertising the lot for sale or lease and construction signs, which shall not exceed 5 square feet in area.

15. No provision of these covenants and restrictions shall preclude, however, the Developer in furtherance of its sales program from erecting, maintaining, and utilizing model houses on any lots.

16. Except for the business of the Developer, his successors, assigns, or representatives, in furtherance of its sales program, the practice of any profession or the carrying on any business is prohibited on any lot.

17. No obnoxious or offensive activity shall be carried on upon any lot.

18. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, and provided further, they are kept in such a way as not to violate any law or local ordinance.

19. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall be kept in clean and sanitary containers and disposition of same shall be prompt.

20. No large boats of any kind shall be allowed in the lake adjoining Quail Hollow and Quail Ridge. Only canoes and small boats are allowed. The only power driven boats allowed are small boats run by small electric trolling motors.

21. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

22. Obed River Estates, Inc., for itself, its successors, assigns, and licensees reserves easements 10 feet in width, left, right, and parallel to all lot lines for the installation of utilities and drains and the maintenance thereof. Obed River Estates, Inc., for itself, its successors, assigns, and licensees, also reserves the right to install and operate electric and telephone lines, poles, and appurtenances thereto; gas and water main and appurtenances thereto; sewer lines, culverts, drainage ditches, reserving also the right of ingress and egress to such areas for the purpose of installing, operating and maintaining any of the above mentioned installations. Obed River Estates, Inc., Developer, for itself, its successors, assigns and licensees also reserves the right to locate and install drains where it deems necessary and to cause or permit drainage of surface waters over and/or through said lots. The owner of such lot shall have no cause of action against Obed River Estates, Inc., Developer, its successors, assigns, or licensees, either at law or in equity, except in cases of willful negligence, by reason of any damages caused to said land in installing, operating and maintaining the above mentioned installations. It is further provided, however, that in the event any lot or parcels thereof are subdivided to form larger lots as hereinbelow provided, the reservation of these easements shall automatically be relocated from the existing lot line formed as a result of the resubdivision; and in that event, written approval from the A.C.C. will be required in order to relocate such easements.

23. No lots shall be resubdivided to form a small lot; however, this shall not be construed so as to prevent resubdividing of lots or portions thereof, to establish a larger lot.

24. No temporary buildings of any type or nature shall be maintained on any lot and no trailer, mobile home, or any other type of movable homes, basement, tent or garage shall be used at any time as a residence on any lot. Further, no motor boats or motor boat trailers shall be allowed to be stored on any lot.

25. Quail Hollow and Quail Ridge as shown on the plats recorded in the Register's Office in Plat Book 9, page 316, and Plat Book 9, page 348, Al. 1538 respectively, is made expressly subject to the Declaration of Covenants and Restrictions of Thunder Hollow Development dated September 15, 1987, and of record in the Register's Office, Cumberland County, Tennessee in Deed Book 344, page 540. The purchaser of any lot will be required to become a member of the Thunder Hollow Property Owners Association, Inc., a not-for-profit Tennessee corporation, and to pay to said Association membership and maintenance fees and assessments as required by the By-Laws and Rules and Regulations of same. Failure of the Buyer, his heirs or assigns, to pay the required membership and maintenance fees and assessments shall constitute a violation of these covenants and restrictions and the owner's original purchase agreement, and the Thunder Hollow Property Owners Association, Inc., its successors or assigns, shall, through due process of law, have a right to place a lien upon the owner's lot for all charges and arrears.

26. The lien of the assessments provided for in the preceding provision shall be subordinate to the lien of any first mortgage or first deed of trust, now or hereafter placed upon any lot, subject to the maintenance and membership fees and assessments; provided, however, that such subordination shall apply only to the fees and assessments which have become due and payable prior to a sale or transfer of such property pursuant to a foreclosure, or any other proceeding in lieu of a foreclosure. Such sale or transfer shall not relieve the lot from liability for any fees or assessments thereafter becoming due, nor from the lien of any such subsequent fees and assessments.

27. These covenants and restrictions shall be considered as covenants running with the land and shall bind the purchaser of

BOOK D440 PAGE 255

all lots in the subdivisions, and their respective heirs, assigns, and successors, and if said owner or owners, or any of them, their heirs, assigns and successors, shall violate or attempt to violate, the covenants and restrictions herein contained, shall be lawful for any person or persons owning any lot in the subdivisions to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants and restrictions, and either to prevent such person or persons from committing an act of violation or to recover damages for such violation. This provision shall not however be held or construed as creating any obligation of the owner or developer to institute any such action or proceeding.

28. Invalidation of any of these covenants or restrictions by judgement or court order shall in no way affect the validity of any of the other covenants or restrictions, which remaining covenants or restrictions shall thereafter remain in full force and effect.

29. The covenants and restrictions herein set out shall only apply to the lots included in the plats of Quail Hollow and Quail Ridge subdivisions, said plat being of record in the Register's Office of Cumberland County, Tennessee, in Plat Book 9, page 316, and Plat Book 9, page 348, Al. 153B, respectively. They shall not be held or construed as creating any requirement on the part of the owner or developer or its successors or assigns to restrict any other property which the owner or developer now owns or hereafter owns, irrespective of whether any such other property is contiguous and adjacent to Quail Hollow or Quail Ridge subdivisions or not, from being used for purposes other than residential, or from being conveyed subject to the same, similar, different or any of the covenants or restrictions herein set out. No negative reciprocal covenants or implied or equitable covenants or easements of any nature shall be deemed to arise or be created in favor of the lot owners, their heirs, successors or assigns, as to any other property which owner or developer or any other person or entity now owns or may hereafter own within the vicinity of Quail Hollow or Quail Ridge Subdivision by virtue of the property herein conveyed being subject to the foregoing covenants and

restrictions. It is understood that there are or may be other properties in the general vicinity of these subdivision being developed for other than single family residential purposes, and that these covenants and restrictions shall in no way be binding on such properties and the development of same. Owner(s) of lots, their heirs and assigns, acknowledge and accept this provision in purchasing the property herein conveyed.

30. This Declaration is intended to impose upon Quail Hollow and Quail Ridge subdivisions, the same covenants and restrictions, and this Declaration supercedes the prior Declaration of Covenants and Restrictions heretofore recorded with respect to Quail Hollow, only, in Deed Book 419, page 707. Any conflict between this Declaration and the prior Declaration shall be resolved by reference to this instrument, subject only to any property rights previously vested, if any.

IN WITNESS WHEREOF, this Declaration has been duly executed on this 26 day of October, 1992.

OBED RIVER ESTATES, INC.

BY Billy G. Garrett
BILLY G. GARRETT, PRESIDENT

For purposes of allowing Quail Hollows and Quail Ridge to become a part of the Thunder Hollow Development as contemplated by the parties hereto, Lake Properties, Inc., joins in the execution of this instrument.

LAKE PROPERTIES, INC.

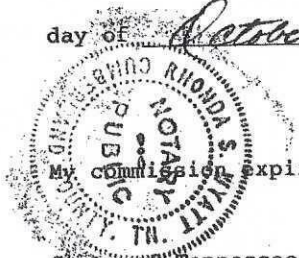
BY William V. Papaik Pres.
WILLIAM V. PAPAIAK, PRESIDENT

State of Tennessee, County of CUMBERLAND
Received for record the 30 day of
OCTOBER 1992 at 1:01 PM. (RECH 97263)
Recorded in official records DEED
Book D440 Page 250-258
Notebook 8 Page 270
State Tax \$.00 Clerks Fee \$.00,
Recording \$ 36.00, Total \$ 36.00.
Register of Deeds JUDY GRAHAM SWALLOWS
Deputy Register PHYLLIS K. HALE
(Cont. 1pg.)

State of Tennessee)
)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Billy G. Garrett, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of Obed River Estates, Inc., a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and seal of office on this 29th day of October, 1992.



Rhonda S. Wyatt
NOTARY PUBLIC

My commission expires: 1-18-94

State of Tennessee)
)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared William V. Papaik, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of Lake Properties, Inc., a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and seal of office on this 29th day of October, 1992.



Elaine G. ...
NOTARY PUBLIC

My commission expires: 9-24-94