

INSTRUMENT PREPARED BY

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Declaration of Covenants and Restrictions
For
Magnolia Manor

This declaration of covenants and restrictions is made and entered this 16th day of May 2005, by Kenny Guffey Construction and Development Company. Hereinafter referred to as developer.

Witnesseth:

Whereas, Developer is the owner of the real property in Sevier County, Tennessee, known as Magnolia Manor or Magnolia Manor Subdivision, subdivided into Lots, a plat of which is recorded in the office of register of deeds for Sevier County, Tennessee at Map Book LM 6 page 41 on 10 day of JAN, 2005, and

Whereas, Developer desires to place certain covenants, conditions, reservations and restrictions upon the use of all Lots and portions of such Lots in said subdivision for the benefit and protection for homeowners of the dwellings erected thereon, in order to establish and maintain a sound value for such dwellings, and to maintain the aesthetic and architectural theme of the development,

Now therefore, the Developer declares that the real property herein described shall be held, transferred, sold, conveyed and occupied subject to restrictions, easements, reservations, charges and liens (sometimes referred to as the "Covenants and Restrictions") hereinafter set forth.

Article I: Definitions

Section 1. "Architectural control committee" shall mean and refer to any individual or individuals the developer may appoint, until all Lots in Magnolia Manor have been fully developed and permanent improvements constructed thereon and sold to permanent residents.

Section 2. "Developer" shall mean and refer to (1) Kenny Guffey of Kenny Guffey Construction Company.

Section 3. "Lot" Shall mean and refer to any parcel of land shown upon any recorded subdivision plat of property upon which a single-family residence may be constructed.

Section 4. "Owner" Shall mean and refer to the recorded owner, whether one or more persons, of the fee simple title to any Lot which is part of the property, but excluding those having such interest merely as security for the performance of any obligation.

Section 5. "Structure" shall mean and refer to (i) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of

illustration but not limitation, any building or part thereof, garage, porch, gazebo, shed, greenhouse or bathhouse, coop, or cage, covered or uncovered patio, swimming pool, tennis court, basketball goal(s), fence, curbing, paving, wall, tree, shrub, sign, signboard, mailbox, driveway, temporary or permanent living quarters (including houses and trailers) or any other permanent or temporary improvement to such Lot; (ii) any excavation, grading, fill ditch, diversion dam or any other thing, object or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural; or artificial creek, stream, wash, or which causes a drainage change from, upon or across any Lot; (iii) any change in grade at any point on a Lot of more than (12) inches. No reference to any of the foregoing things or objects which will be deemed to be a "Structure" shall indicate or imply that all of such things or objects are permitted Structures under the terms and provision of this declaration.

Article II: Architectural Control Committee (ACC)

Section 1. Purpose, powers and duties of the Architectural Control Committee. The purpose of the Architectural Control Committee is to assure that the installation, Construction or alteration of any Structure on any Lot is submitted to the architectural control committee for approval (i) as to whether the proposed installation, construction or alteration is in conformity and harmony with the external design and general quality with the existing standards of the neighborhood and with the standards of the development of the property established from time to time by the Developer; and (ii) as to the location of the Structures with respect to topography, finished ground elevation and surrounding Structures to the extent necessary to carry out such purpose, the Architectural Control Committee shall have all of the powers and duties to each and every thing necessary, suitable, and convenient or proper for, or in connection with or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

Section 2. Submission of plans and specifications. No structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot, nor shall any existing structure upon any Lot be altered in any way which materially changes the exterior appearance of the structure or Lot, unless plans and specifications therefore shall be first submitted to and approved in writing by the Architectural Control Committee. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Architectural Control Committee, including, without being limited to, two copies of the following:

- (a) a site plan showing the location of all proposed and existing structures on the lot, including building setbacks, open space, driveways, walkways and parking spaces;
- (b) final and complete architectural floor plan drawings;

- (c) exterior elevations of all proposed structures and alterations to existing structures, as such structures will appear after all backfilling and landscaping are complete;
- (d) specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors of all proposed structures and alterations to existing structures. And also showing front, side and rear elevations;
- (e) plans for grading and landscaping including exterior lighting scheme;
- (f) garage door location and design; and
- (g) samples of building and painting materials to be used.

Section 3. Approval and disapproval of plans and specifications.

- a) The Architectural Control Committee shall have the right to approve or disapprove any plans and specifications submitted to it in its absolute and sole discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations which may be deemed sufficient.
- b) Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to this declaration, a copy of such plans and specifications, approved, shall be deposited for permanent record with the Architectural Control Committee and a copy of such plans and specifications bearing such approval in writing shall be returned to the applicant submitting the same. Approval of any plans and specifications for use in connection with any lot or structure shall be deemed a waiver of the Architectural Control Committee's right, in its absolute and sole discretion, to disapprove similar plans and specifications or any of the features of elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with other Lots or structures. Approval of any such plans and specifications related to any Lot or structure, however, shall be final as to that lot or structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval. In the event that the Architectural Control Committee rejects plans, specifications, or site plans submitted for approval under this article, that party submitting these plans may take the necessary alterations to said plans and specifications and resubmit them for approval.
- c) Neither Developer nor any member of the Architectural Control Committee shall be responsible or liable in any way for the defects in any plans or specifications approved by the Architectural Control Committee, or for any structural defects in any work done according to such plans and

specifications approved by the Architectural Control Committee. Further, approval of plans and specifications by the Architectural Control Committee shall not be deemed to represent or warrant to any person that the plans and specifications comply with applicable codes and laws, nor the quality, function or operation of the structure or of any construction, workmanship, engineering, materials or equipment. Neither Developer nor any member of the Architectural Control Committee shall be liable in damages or in any other respect to anyone submitting plans or specifications for approval under this article, or to any owner, or to any other person having an interest in any of the property by reason of mistake in judgment, negligence, misfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. By submission of such plans and specifications to the Architectural Control Committee, every owner of any lot releases and agrees to hold harmless and to defend Developer and any member of the Architectural Control Committee from any such alleged liability, claim and/or damage including attorney's fees.

- d) The Architectural Control Committee may, if it elects, adopt certain design standards (the "Design Standards") to aid and assist owners submitting plans and specifications for approval by the Architectural Control Committee. As guidelines, the design standards may not be determinative of whether or not a particular use of a single lot is acceptable, or whether or not the plans and specifications for the proposed improvement will be approved. Because of the uniqueness of each Lot, including variations in size, topography and location, certain uses, improvements or modifications suitable for one lot may be inappropriate for another lot. Therefore despite any guidelines which may be offered by the Design Standards (if adopted by the Architectural Control Committee), the Architectural Control Committee is authorized to apply or adopt different standards for different lots to reflect those differences. As an example, the Architectural Control Committee may allow an improvement, modification or change to a structure which cannot be seen from any street or other lot, but prohibit the same improvement if it can be seen from any street or from another lot.

Section 4. Obligation to Act. The Architectural Control Committee shall take action on any plans and specifications submitted as hererin provided within fifteen (15) days after receipt thereof. Approval by the Architectural Control Committee, if granted, together with any conditions imposed by the Architectural Control Committee, shall be placed in writing on the plans and specifications shall be returned to the applicant. Failure by the Architectural Control Committee to take action within fifteen (15) days of the receipt of plans and the specifications submitted for approval shall be deemed rejected by the Architectural Control Committee of such plans and specifications.

Section 5. Right of Inspection. During the construction process of a Structure, The Architectural Control Committee shall have the right during reasonable hours to enter

upon and inspect any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, or alteration of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and the Architectural Control Committee shall not be deemed to have committed a trespass or other wrongful act solely by reason of such entry of inspection.

Section 6. Violations.

- a) If any Structure shall be erected, placed, maintained or altered upon any Lot, other than in accordance with the plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article, such erection, placement, maintenance, or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the Architectural Control Committee such violation shall have occurred, the Architectural Control Committee shall be entitled and empowered to enjoin or remove any such construction. Any costs and expenses incurred by the Architectural Control Committee in enjoining and/or removing any construction or improvements shall be added to and become a part of the assessment to which the Owner of such a Structure and his or her Lot are subject.
- b) The Architectural Control Committee shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. The Owner shall take reasonable steps toward this required remedial action, and shall use due diligence and best efforts to timely and promptly complete the required remedial action. If the Owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the mailing of the aforesaid notice of violation, then the Architectural Control Committee shall have the right of abatement. The Developer shall be entitled to seek equitable relief to enjoin such construction and/or to remove any structure subject to the violation.

Section 7. Conduct. All builders and Owners shall be held responsible for the acts of their employees, subcontractors, suppliers and other persons or parties involved in construction or alteration of a Structure. In this regard, a builder or Owner shall be responsible for the following:

- a) Ensuring that the construction site is kept clean and free of debris and waste materials, and that stockpiles of unused materials are kept in a neat and orderly fashion.
- b) Prohibiting the consumption of alcoholic beverages, illegal drugs or other intoxicants that could hamper the safety or well-being of other personnel on the site or affect the quality of workmanship.

- c) Ensuring that the aforementioned personnel are properly insured, particularly by carrying of workman's compensation insurance and by carrying a policy of general liability insurance of at least Three Hundred Thousand Dollars (\$300,000.00) per person/per incident.
- d) Ensuring that the aforementioned do not commit any violation of the rules and regulations of Magnolia Manor.
- e) Ensuring that, as soon as reasonably possible but no later than when the foundation for the Structure is poured, all driveways are sufficiently graveled, a portable toilet is available and used by the construction workers and any mud or any debris caused by the construction are removed from the adjoining roadways. Further, silt fences shall be installed to keep silt, mud and other debris off of the street, and off of adjacent Lots if needed.

Article III: General Provisions

Section 1. Enforcement.

- a) The Architectural Control Committee, or any Owner/Developer shall have the right to enforce, by proceeding at law or in equity, enforcing all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Architectural Control Committee or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver to the right to do so thereafter.
- b) The Architectural Control Committee shall have the right of abatement in all cases where the Owner of a Lot shall fail to take reasonable steps to remedy violation or breach of any restriction contained in this Declaration within (20) days after the certified mailing of written notice of such violation or breach. The right of abatement means the right of Architectural Control Committee to enter at which time a violation or breach exists; and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions. Further, the Architectural Control Committee, the Association, the Developer or any Owner may prosecute by proceeding at law for the recovery of damages against those violating or attempting to violate the declaration of covenants and restrictions, and, or (2) maintain a proceeding in equity against those so violating, or attempting to violate any covenants or restrictions, for the purpose of preventing or enjoining all of any such violations or attempted violations, and/or to have any such violation removed from the Lot or cured.
- c) The remedies contained in this Section 1 shall be construed as cumulative of all other remedies now or hereafter provided by law. If the Developer, the Architectural Control Committee, or any other Person or Persons owning a Lot

shall successfully prosecute in law or equity an action pursuant to this or any other enforcement section of these covenants or restriction, then that party shall be entitled to receive its reasonable attorney's fees and the costs reasonably necessary to prosecute the case against the party violating the covenants and restrictions herein.

Section 2. Severability. If any provisions of the Declaration, or any paragraph, subparagraph, article section, sentence, clause, phrase, word or the application thereof in any circumstance is held invalid, the remainder of this Declaration and the application of any such provision, paragraph, subparagraph, article section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and this remainder of this Declaration shall be construed as if such invalid part was never included therein.

Section 3. Heading. The headings of such articles and sections in this Declaration are for convenience of reference only and shall not in any way limit or define the content or substance of such articles and sections.

Section 4. Duration. The covenants and restriction of this Declaration shall run with and bind the land for a period of twenty (20) years from the date this declaration is recorded in the Registers Office for Sevier County, Tennessee, at the end of which period such covenants and restrictions shall be automatically extended for the successive periods of (10) years each, unless at least three-fourths (3/4) of the Owners at the time of the expiration of the initial period, or of any extension period, shall sign an instrument in which said covenants and restrictions are modified in whole or in part which instrument shall be recorded in the Register's Office for Sevier County, Tennessee.

Section 5. Rights and Obligations. Each grantee of the Developer, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in the Property or any portion thereof, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

Section 6. Notices. Notices provided for in this Declaration shall be in writing and shall be addressed to any Owner at his or her Lot or at such other address as hereinafter provided. Notices to the Developer shall be in writing and shall be addressed to Kenny Guffey Construction Company, 135 Vista Lane, Seymour, Tennessee 37865, or at such different address as disclosed in a written notice of change of address furnished to all Owners. Any Owner may designate a different address for notices to him or her by giving written notice to the Developer. All notices to Owners and Developer shall be deemed delivered upon mailing by United States certified mail, return receipt requested or when delivered in person.

Section 7. Construction. The Owner of any Lot shall not be required to commence construction on said Lot within any time period after the Lot is purchased from the Developer; provided however, Owner shall complete construction in compliance with approved plans and specifications and pass final inspection of the Architectural Control Committee within twelve (12) months of the time that the Architectural Control Committee granted approval of said plans. No homeowner is allowed to construct his or her home without hiring a licensed general contractor. The licensed contractor, prior to performing any work on any Lot on the Property, must first be approved by the Architectural Control Committee as to financial stability, building and landscaping experience and ability to build Structures of the class and type of those which are to be built on the Property. Such approval shall be within the sole, absolute discretion of the Architectural Control Committee.

Construction Bond or Cash Deposit. With respect to all proposed Structures, the builder or Owner shall submit to the Architectural Control Committee at the time that plans and specifications are submitted, unless waived in writing by the Architectural Control Committee, whose decision regarding any request for waiver shall be absolute and unquestioned, a construction bond or cash deposit of One Thousand Five Hundred Dollars (\$1,500) per Lot to be held in an interest bearing escrow by the Architectural Control Committee until the improvements are complete and the Architectural Control Committee conducts its final inspection. The construction bond or cash deposit shall be used to offset costs incurred by the Architectural Control Committee as a result of or to :

- (a) Clean-up, maintain, or repair damage to any portion of the streets or Property caused by the builder or Owner or their subcontractors, employees, agents, suppliers or representatives during construction.
- (b) The expenditure of legal fees and other costs incurred by the Architectural Control Committee in order to correct any construction or alteration not performed in substantial compliance with the plans approved by the Architectural Control Committee.

Section 8. Waiver and Modification.

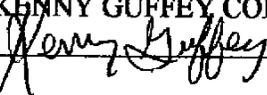
- a) Developer hereby reserves the right in its absolute and sole discretion at any time to annul, waive, change or modify any of the restricting conditions or covenants contained herein and shall have further the right before a sale to change the size of or locate or relocate any of the lots, parcels, streets, or roads shown on any of the plats of Magnolia Manor for a period of seven years. Further, the Developer may amend these covenants and restrictions for the purpose of curing any ambiguity or inconsistency between the provisions contained herein.
- b) **Declaration.** Further, this Declaration may be amended at any time and from time to time by an agreement signed by at least seventy-five (75%) of the Owners of Lots; provided, however, such amendment by the Owners shall not be effective unless also signed by Developer, if

Developer is the owner of any real property then subject to this Declaration. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or grantee of any interest in any real property made subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that this Declaration may be amended as provided in this Section. For a period of three (3) years, the Developer reserves and shall have the right (i) to amend these covenants, but all such amendments shall conform to the general purposes and standards of the restrictions herein contained (ii) to amend these covenants for the purpose of curing any ambiguity in or any inconsistency between the provisions contained herein, and (iii) to include in any contract or deed or other instrument hereafter made any additional covenants and restrictions applicable to the said land which do not lower the standards of the covenants herein contained.

Section 9. Assignment or Transfer. Any or all of the rights and powers, titles, easements and estates reserved or given to Developer in this Declaration may be assigned to any one or more corporations or assignees which will agree to assume said powers, duties and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers and be subject to the same obligations and duties as are herein given to and assumed by Developer and Developer shall thereupon be released therefrom.

IN WITNESS WHEREOF,

KENNY GUFFEY CONSTRUCTION COMPANY

By:  _____

Article IV: General Covenants and Restrictions

The following covenants and restrictions shall apply to all Lots and to all Structures erected or placed thereon:

Section 1. Residential Use. All Lots shall be restricted exclusively to single-family residential use. No Lot or Structure, or any portion thereof, shall at any time be used for any commercial, business or professional purpose; provided, however, that nothing herein shall be construed to prohibit or prevent Developer or any residences in Magnolia Manor from using any Lot owned by Developer or such builder for the purpose of carrying on business related to the development, improvement and sale of Lots in Magnolia Manor.

Section 2. Nuisances.

- a) No unlawful, noxious or offensive activities shall be carried on in any Lot, nor any activity which constitutes a nuisance, causes unreasonable noise or disturbance to others or unreasonably interferes with any other Owner's use of a Lot.
- b) No rubbish or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of a Lot so as to render the same unsanitary, unsightly or offensive. Except the builder or developer on a temporary basis while building a home on a lot. No nuisance shall be permitted to exist upon any portion of the Property. Without limiting generality of any of the foregoing, no horns, whistles, or bells, except security devices used exclusively for security purposes, shall be located, used or placed on the Property or any portion thereof.
- c) All alarms or security systems with a siren, bell, or auditory warning device shall have an automatic device to stop the siren, bell, or other device from sounding after a fifteen (15) minute period of time.

Section 3. Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for the prevention and control of such erosion or siltation. The Architectural Control Committee may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion and siltation. Such means may include (by way of example and not of limitation) physical devices for controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape and required landscaping as provided for in these restrictions.

Section 4. Landscaping. No construction or alteration of any Structure shall take place without the prior written approval by the Architectural Control Committee.

Section 5. Temporary Building. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot except as temporary sleeping or living quarters required or desirable for security purposes in accordance with plans and specifications or other arrangements approved by the Architectural Control Committee. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot without the prior written consent of the Architectural Control Committee.

Section 6. Signs.

- a) No signs whatsoever (including but not limited to commercial and similar signs) shall, without the Architectural Control Committee's prior written approval of plans and specifications therefore, be installed, altered

maintained on any Lot, or on any portion of a Structure visible from the exterior thereof except:

- i. A sign indicating the builder of the residence on the Lot, maximum size three square feet;
- ii. Not more than one "For Sale" sign; provided, however, that in no event shall any such sign be larger than three square feet in area; and,
- iii. Directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the Architectural Control Committee.
- iv. At any time while the Developer still owns Lots, the provisions of this Section 6 shall be inapplicable to the Developer. Accordingly, the Developer shall have the right to erect and maintain temporary development signage with regard to the overall development of the Property and temporary development signs for the sale of individual Lots which do not comply with the foregoing sign restrictions. Such temporary signage shall be maintained and repaired at the cost of the Developer until such temporary signs are removed, which removal shall be done within fifteen (15) days after the Developer sells the last Lot it owns.

Section 7. Lots and Setbacks. In approving plans and specifications for any proposed Structure, the Architectural Control Committee may establish setback requirements for the location of such Structure which are more restrictive than those established on the Plat. No Structure except walls shall be erected or placed on any Lots unless its location is consistent with such setbacks. It is hereby established that the front setback minimum will be 20 feet with side and rear setbacks a minimum of 10 feet. In the event two (2) or more adjacent and contiguous Lots are purchased by the same person, those Lots may be combined to form one (1) Lot subject to the approval of the Architectural Control Committee and the approval of governmental authority. The Lot Owner shall bear the cost of surveying or any fees related to the consummation of this transaction. In no event, however, shall the setback requirements be less stringent than required by the provisions of any applicable law, ordinance, or regulation.

Section 8. Walls and Fences. In general, walls and fences are not encouraged within Magnolia Manor as they are often contrary to the architectural and landscaping concepts as well as the sense of community that is promoted at Magnolia Manor. Hedges, berms and other landscape alternatives are preferred. However, in keeping with the desire of some Owners who may want to have swimming pools, walls and fences will be permitted on a restricted basis that will not detract from the overall appearance. No wall or fence shall be erected, maintained, or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for such walls or fences. Construction of walls and fences will only be of masonry (including stone, stucco, and brick), or masonry and wrought iron or aluminum fencing in black or dark color only.

Section 9. Roads and Driveways. No road or driveway shall be construed or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications locating such roads and driveways. Such specifications shall include the proposed substance of concrete, stone or brick to be used in constructing such roads and driveways, which substance of concrete, stone or brick shall be satisfactory to the Architectural Control Committee. At the entrance of each driveway, behind the drive-over curb, there shall be at least sixteen (16) inches of brick pavers installed to unify and enhance the driveway entrances. Parking spaces, garages, and the driveway to a garage shall be planned and executed in an attractive and functional manner and shall consider the location of existing trees, topography, streetscape and compatibility with surrounding improvements. All homesites shall have a driveway of at least twelve (12) feet in width unless prior approval is obtained from the Architectural Control Committee.

Section 10. Antennas. No antennas, satellite dishes or other devices for the transmission or reception of televisions signals, radio signals or any form of electromagnetic/wave or radiation shall be erected, used or maintained on the exterior of any Structure without the prior written approval of the Architectural Control Committee. In no event shall free-standing transmission or receiving towers be permitted. Digital satellite system dishes of not more than eighteen inches (18") in diameter are specifically allowed when the location of said dish is unobtrusively located and not seen from adjacent Lots. In no event shall flags or banners be displayed or placed on any permitted antennae.

Section 11. Clotheslines. No outside clothesline shall be placed on any Lot.

Section 12. Vehicles and Trailers. There shall be no on street parking. No trailer, trailer house, boat, or recreational vehicle shall be parked on any Lot, except within enclosed attached garages erected in accordance with the plans and specifications submitted to and approved by the Architectural Control Committee. No abandoned cars, trucks, or other vehicles of any type shall be allowed on any Lot. No vehicle in an inoperative condition shall be kept in an area open to the view of the public or other Owners for a period in excess of fifteen (15) days. On no lot shall any major repair of a motor vehicle be performed, unless performed in an enclosed garaged. In the event of violation of this item, such vehicle may be removed by any other Owner at the expense of the Owner of the Lot on which the vehicle is located.

Section 13. Recreational Equipment. Although swimming pools, basketball goals, and other recreational and/or playground equipment are permitted, they shall not be erected, installed, moved or altered on any Lot without the prior written approval of the Architectural Control Committee of plans and specifications for such structures and the location of such structures.

Section 14. Accessory Structures. No accessory structures are allowed on any lot whatsoever except that a pool house may be constructed on lots with a swimming pool. All pool houses must be approved by the Architectural Control Committee. Pool houses must be constructed with the same detail and design as that of the home on that lot of which the pool is built. Only in ground pools are allowed. No above ground pools are

allowed. All pool equipment must be ground mounted and screened by landscaping, planting, walls or fencing approved in Magnolia Manor covenants and restrictions.

Section 15. Improvement of lots. All construction of dwellings, accessory structures and all other improvements in Magnolia Manor shall be undertaken and completed in accordance with the following conditions:

- a. All construction shall be carried out in compliance with and laws, codes, rules, regulations and orders of all applicable governmental agencies and authorities.
- b. All residences on lots shall be single family and traditional or French country in style. The determination of whether or not a residence is traditional or French country shall be decided by the Architectural Control Committee in its absolute and sole discretion.
- c. Concrete or concrete block or cinder block shall not be used as a building material for the exposed exterior surface of any dwelling or accessory structure constructed or placed on any lot, and there shall be no walls of any other material which the Architectural Control Committee determines to be incompatible with dwellings or other structures in Magnolia Manor.
- d. Only one (1) style of mailbox and adjoining/connecting paper box shall be located on any lot. All mailboxes and connecting paper boxes shall be of a common design as specified by the Architectural Control Committee and shall include only the owner's name and house number, and shall be located as prescribed by the United States Postal Service. Each mailbox must be purchased by the Lot/Home Owner prior to final inspection of the home by the Architectural Control Committee.
- e. No Lumber, bricks, stones, cinder blocks, scaffolding, mechanical devices, or any other materials or devices used for building purposes shall be stored on any lot except for purposes of construction of a dwelling or accessory structure on such lot, nor shall any such building materials or devices be stored on any lot for longer than the length of time reasonable necessary for the construction in which such materials or devices are to be used.
- f. No exposed, above-ground tanks for the storage of fuel or water or any other substance shall be located on any lot
- g. Adequate off-street parking shall be provided for each lot.
- h. All garages must be full size garages (minimum dimensions of twenty (20) feet by twenty-two (22) feet) and have a minimum capacity of two (2) cars and each garage door must be coordinated with the lot dwelling to which it is appurtenant. No detached garages will be permitted. All garage doors must be located at the side or rear of dwellings and emphasis will be given to ensure that garage doors will not face streets. Garage doors shall be kept in working order and shall be kept closed when not in use.
- i. No window air conditioning unit may be located in any part of any dwelling.

- j. Any screen porch which is part of any Lot dwelling or accessory structure must have dark color screen, and no bright color silver finishes may be used.
- k. No plumbing vent or heating vent shall be placed on the front side of any roof of any Lot dwelling or accessory structure.
- l. Any construction on a Lot shall be at the risk of the Owner of such Lot and the Owner of such Lot shall be responsible for any damage to any curbing, or street resulting from construction on such Lot. Any damage to any section(s) of the curbing or street must be repaired by replacing completely all sections affected. Repairs of such damage must be made as soon as reasonably possible but in no event more than thirty (30) days after completion of such construction.
- m. The enclosed, heated living areas (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of one-story dwellings constructed on Lots shall contain not less than two thousand (2,000) square feet. The enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of all one and one-half story homes must be no less than two thousand two hundred (2,200) square feet and two-story dwellings constructed on Lots shall contain not less than two thousand five hundred (2,500) square feet. No dwelling shall exceed two (2) stories in height exclusive of basements.
- n. No lines, wires or other devices for communications purposes, including telephone, television, cable, data and radio signals, or for transmission of electric current or energy, shall be constructed or placed on any Lot unless the same shall be in or by conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings. Above-ground electrical transformers and other equipment may be permitted if properly screened and approved by the Architectural Control Committee. In addition, all gas, water, sewer, oil, and other pipes for gas or liquid transmission shall also be placed underground or within or under buildings. Nothing herein shall be deemed to forbid the erection and use of temporary power of telephone services incident to the construction of approved improvements on Lots.
- o. Garbage and refuse shall be placed in containers and shall be capped and contained in such a manner that they are inaccessible to animals. The containers for the Lots shall be concealed within buildings, be concealed by means of a screening wall of material similar to and compatible with that of the building, or concealed by sufficient landscaping to provide a permanent screen from view or surrounding property. These elements shall be integrated with the building plan, be designed so as not to attract attention, and shall be located in as reasonably inconspicuous manner as is possible. Garbage containers shall also be removed from street on the day of garbage pick-up so as not to detract from the character of Magnolia Manor.
- p. All exterior lighting for the Lots shall be consistent with the character established in Magnolia Manor and be limited to the necessary for safety,

identification and decoration. Exterior lighting of buildings for security and/or decoration shall be limited to concealed up-lighting or down-lighting. No color lens or lamps permitted. No lights may be placed on telephone poles or a pole of similar construction.

- q. No private residence erected upon any Lot shall be occupied in any manner while in the course of construction, not any time prior to its being fully completed, as herein required; nor shall any residence when completed, be in any manner occupied until made to comply with the approved plans, the requirements herein, and all other covenants, conditions, reservations, and restrictions herein set forth. All construction shall be completed within twelve (12) months from the start thereof, provided, that the Architectural Control Committee may extend such time when in its opinion conditions warrant such extension.
- r. Once a lot has been sold by the Grantor, the same, whether improved or not, shall be maintained in good appearance and free from overgrown weeds and from rubbish. A lot shall be considered overgrown if it is not mowed at least three (3) times during the growing season. In the event any lot is not so maintained, then the said Grantor, its successors and/or assigns, after giving the owner of the lot fifteen (15) days written notice, shall have the right to enter upon said lot for the purpose of cutting and removing such overgrown weeds and rubbish and the expense thereof shall be charged to and paid by the Owner of such lot. Grantor shall have the right, but not the obligation, to mow the lots, at its sole expense.
- s. All yard maintenance equipment and other similar items shall be stored out of view of other Lot Owners.

Section 16. Animals. No animals, livestock, poultry, birds, insects, or reptiles may be kept on any Lot, except that of dogs, cats or other common household pets. No pets may be bred and sold for commercial purposes. No animal shall be allowed to become a nuisance. No Structure or enclosure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Lot unless plans and specifications for said Structure have first been approved by the Architectural Control Committee. "Invisible fencing" for dogs and other animals (i.e. radio monitored under-ground wiring systems) is encouraged. All animals shall be kept confined or on a leash if they become a nuisance.

Section 17. Water Supply. No individual water supply system shall be permitted on any Lot without the prior written approval of the Architectural Control Committee. If such approval is given, such system must be located, constructed and equipped in accordance with the requirements, standards and recommendations of federal, state and local public health authorities, and all necessary approvals of such system as installed shall be obtained from such authorities at the sole cost and expense of the Owner of the Lot to be served by such system.

Section 18. Holiday/Seasonal Decorations.

All holiday and seasonal decorations must be removed from homes (14) days after the holiday/season for which they were displayed.

Section 19. Building Construction Standards.

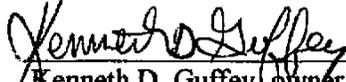
- a. **Exterior Materials.** Finish building materials shall be applied consistently to all sides of the exteriors of the buildings. Exterior materials shall be brick, stone, stucco, synthetic stucco, or other materials approved by the Architectural Control Committee. All fireplaces built on exterior walls shall be veneered with brick or stone. No siding of any kind is allowed on a framed chase.
- b. **Exterior Colors.** Finish colors shall be applied consistently to all sides of the buildings. Color selections shall be harmonious with each other and with natural materials and shall be compatible with colors of the natural surrounding and other adjacent property. All exterior wood, including hand rails, banisters, etc., must be painted or stained to coordinate with finish colors of the buildings, although decking surfaces may be left in a natural condition.
- c. **Exterior Trim and Decoration.** Exterior window and door trim and similar decorations shall all be of the same color materials, unless otherwise approved by the Architectural Control Committee and shall be either of the same material as exterior walls or directly compatible. Fascia, gutters and down spouts shall blend in and be directly compatible with the architectural detail of the exterior walls. Reflective glass is prohibited.
- d. **Appurtenances.** All exterior mechanical equipment including, but not limited to, transformers, vents, air conditioning compressors, pool pumps, meters, etc., shall be concealed from view by walls of the same material and color as the building or by an opaque landscaping screen. No solar energy device shall be allowed.
- e. **Roofs.** Roofing materials shall be "architectural dimensional shingles" of at least a thirty (30) to forty (40) year expected life manufactured by a company or companies approved in advance by the Architectural Control Committee in a color approved by the Architectural Control Committee. Other roofing materials, to the extent three dimensional or higher quality, may also be utilized with the prior approval of the Architectural Control Committee. The minimum roof pitch must be 10/12 or steeper on one-story dwellings and at least 10/12 or steeper on one and one-half story and two story dwellings, except as otherwise approved by the Architectural Control Committee. Secondary roofs such as those that cover porches, bays, etc., may be of a lesser roof pitch, if approved in advance by the Architectural Control Committee.
- f. **Interior Ceiling Heights.** All interior ceiling heights (which shall be measured from the finished floor material to the finished ceiling material) shall be at least nine (9) foot in height, except as otherwise approved by the Architectural Control Committee. It is anticipated that the Architectural Control Committee may permit lower finished ceiling

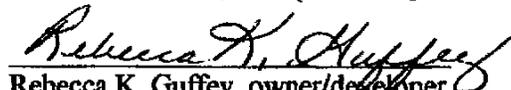
heights in basement areas, unfinished attics and ancillary rooms such as bathrooms. Substitution of comparable appearance and quality may be made by the Architectural Control Committee when necessary.

- g. Underground Housing. No underground or sod houses are permitted in Magnolia Manor.
- h. Manufactured Homes. No manufactured homes, log homes, mobile homes, modular homes, or double-wide homes shall be allowed upon any Lot. All construction must be on site framed construction.
- i. Shutters. All homes that have exterior window shutters shall have decorative shutter hooks installed on each shutter.
- j. Landscaping Plan. A comprehensive landscaping plan must be submitted for each homesite and approved by the Architectural Control Committee within one month prior to completion of construction on any Lot.
- k. Frieze Boards. All homes must have at least a 7 inch wide frieze board installed below soffits and finished to match soffits on at least 3 sides of home.

IN WITNESS WHEREOF, these restrictions have been executed on this 16th day of May, 2005, by the Grantor.

Grantor:


Kenneth D. Guffey, owner/developer


Rebecca K. Guffey, owner/developer

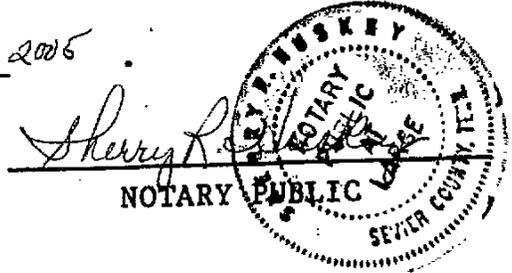
STATE OF TN }
COUNTY OF Sevier } SS

Before me, Sherry R. Huskey, a Notary Public in
and for said County and State, personally appeared, the within named
bargainor s, Kenneth D. Gruffey & Rebecca K. Gruffey d/b/a Kenny Gruffey Construction
with whom I am personally acquainted and who acknowledged that they
executed the forgoing instrument for the purposes therein contained.

WITNESS my hand and official seal this

16th day of May 2005

My commission expires: 09-09-06



VOL: 2244/647-664
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RC 18 PG BA: 60515	
05/16/2005 04:28 PM	
VALUE	0.00
MTC TAX	0.00
TRN TAX	0.00
REC FEE	90.00
DP FEE	2.00
REG FEE	0.00
TOTAL	92.00

STATE OF TENNESSEE, SEVIER COUNTY
SHERRY ROBERTSON HUSKEY
REGISTER OF DEEDS