

DECLARATION OF COVENANTS AND RESTRICTIONS FOR
THE ESCAPE SUBDIVISION

THIS DECLARATION MADE this _____ day of _____, 2007, by James W. & Patricia P. Monday, owners, (herein "Developers").

WITNESSETH:

WHEREAS, Developer, as owner of certain real property located in Rhea County, Tennessee, as more particularly described in Plat Book _____, Page _____, as recorded in Register's Office of Rhea County, Tennessee, (herein "Property"), desires to create thereon a development known as *The Escape*, (herein "Development"); and

WHEREAS, Developer desires to provide for the preservation of the land values and home values when and as the Property is improved and desires to subject the Development to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Development and each and every owner of any and all parts thereof; and

WHEREAS, Developer had deemed it desirable, for the efficient preservation of the values and amenities in the Development, to create an entity to which should be delegated and assigned the power and authority of holding title to and maintaining and administering the Common Properties (as hereinafter defined) and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created: and

WHEREAS, Developer has caused or will cause to be incorporated under the laws of the State of Tennessee, *The Escape HOMEOWNERS' ASSOCIATION, INC.*, a Tennessee nonprofit corporation, for the purpose of exercising the above functions and those which are more fully set out hereafter;

NOW, THEREFORE, the developer subjects the real property referenced herein above, and such additions thereto as may hereafter be made, to the terms of this Declaration and declares that the same it and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (sometimes referred to as the "Covenants") hereinafter set forth. These Covenants shall touch and concern and run with the Property and each Lot thereof.

Architectural Control. No construction of any building shall begin until the plans and specifications and a plan showing the location of the structure shall have been approved in writing by the Developer or one or more persons designated by it or by a home owner's association ("HOA") or subcommittee thereof, if such shall have been created. IT IS CLEARLY UNDERSTOOD AND PURCHASERS OF LOTS IN THIS SUBDIVISION AGREE that the architectural control person or committee, as applicable, may require any changes not otherwise prohibited in these protective covenants, concerning size, design, style, location, type of materials, exterior, etc., with regard to the building. The decision of the Developer or its successor in interest or said HOA, shall be final. Where the conflict cannot be reconciled, the Developer or its successor(s) in interest, shall, upon demand of the original purchaser, refund, without interest and without payment of any charges, the amount originally paid to the Developer for the lot in conflict.

Residential Use.

A. All of the Lots in the Development shall be, and be know and described as, residential lots, and no structure shall be erected, altered, placed or permitted to remain on any lot other than as provided in these Covenants and Restrictions and in supplements hereto, or except as provided for in a deed of conveyance from the Developer.

B. "Residential," refers to a mode of occupancy, as used in contradistinction to "business" or "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 Lots as well as to buildings constructed thereon.

C. No Lot may be used as a means of service to business establishments or 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 or the Board in writing.

No Multi-Family Residences. Business. Trucks. No residence shall be designed, patterned, constructed or maintained to serve, or for the use of more than one single family, and no residence shall be used as a multiple family Dwelling Unit at any time, nor used in whole or in part for any business service or activity, or for any commercial purpose; nor shall any Lot be used for business purposes, or for trucks or other equipment inconsistent with ordinary residential uses. No panel, commercial or tractor trucks shall be habitually parked in driveways or overnight on streets in front of any of the Lots.

Minimum Square Footage. For the purposes of this section, stated square footage shall mean the minimum floor areas required, and floor 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 questions as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer or the Architectural Review Committee shall be final. The minimum number of square feet required shall be 2000 square feet.

Set-backs. No building shall be erected on any lot nearer than 30 feet to the front Lot line, and 10 feet from the side Lot lines. For the purpose of this covenant, steps and open porches shall not be considered as part of the building, providing, however, this shall not be construed to permit any structure to be constructed and erected upon any Lot that does not conform to the zoning laws and regulations applicable thereto; provided, however, that for good cause shown, an Owner may petition the Developer or the Architectural Review Committee for a variance from such set-back requirements. If the Developer or the Architectural Review Committee grants such petition, the Developer or the Association will not oppose such Owner's attempt to obtain a variance from applicable zoning laws and regulations.

Rearrangement of Lot Lines. Not more than one Dwelling Unit shall be erected or maintained on any one Lot. With the written approval of the Developer or the Board, contiguous Lots may be combined if the Lots have the same Owner, for the purpose of erecting an approved Dwelling unit thereon; however, the assessments provided for herein will continue to be based upon the number of original Lots purchased. Except as provided in Section 3.40, Lots may not be divided so as to create a smaller area than originally deeded to a Lot Owner and as shown on the subdivision plan.

Temporary Structures. No part of any Lot shall be used for residential purposes until a completed Dwelling Unit, conforming fully to the provisions of these Restrictive Covenants, shall have been erected thereon. The intent of this section is to prevent the use thereon of a garage, incomplete structure, trailer, tent, outbuilding or other structure as temporary living quarters before or pending the erection of a permanent building. No structure of temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot except during the period of construction. No house may be moved from another location to any Lot in the Development.

Neither the foregoing nor any other section of this Declaration shall prevent the Developer or any builder approved by the Developer for 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.

Rainwater Drainage. Each Lot must be landscaped so that rainwater will not drain onto the adjoining Lot.

Utility Easement. A perpetual easement is reserved on each Lot for the construction and maintenance of utilities such as electricity, gas, water, etc., and no structure of any kind shall be erected or maintained upon or over said easement.

Frontal Appearance. All Dwelling Units shall have conventional and acceptable frontal appearance from the main street fronting said Lots.

Building Requirements. All buildings or structures of any kind constructed on any Lot shall have full masonry foundations and chimneys, and no exposed block, concrete or plastered foundations shall be exposed to the exterior above ground level. The exterior of each Dwelling Unit

must be covered with stone, brick, sto, log or combination thereof. Alternatively, the exterior of the Dwelling Unit may be all lap siding provided that the lap siding is true lap siding and not artificial laps. Any other materials must be approved in writing by the Developer of the Architectural Review Committee. All exposed concrete block or poured concrete foundations and retaining walls must be covered with stone, brick, or sto to complement the house. All sheet metal work (roof caps, flashing, vents, chimney caps) must be painted to match the roof. Gutters and down spouts must be painted in approved colors. Any above ground level swimming pool must be approved by the Architectural Control Committee prior to the commencement of the construction.

Fences. No fences will be allowed on any Lot without the prior written consent of the Developer or the Architectural Review Committee. Wire or chain link fences are prohibited. All wood fences must be painted. All proposed fences must be submitted to the Developer or the Architectural Review Committee showing materials, design, height and location.

Driveways. Each Dwelling Unit constructed upon a Lot must be served by a driveway constructed of hard surface materials such as asphalt, concrete, brick, or pre-cast pavers. No driveway shall be constructed on any Lot nearer than one (1) foot to any Lot line. All other hard surface materials must be approved by the Developer or the Architectural Review Committee.

Curbs. No permanent cuts may be made in the curbs for any purpose other than driveways. Curb cuts shall be made with a concrete saw. Irregular cuts using sledge hammers and the like are prohibited. Driveways shall be added so as to form a smooth transitional surface with the remaining curb at locations where the approved driveway locations meet the street. Damaged curbs shall be replaced by the Owner unless damage is caused by another.

Signs. One sign offering the Lot and/or Dwelling Unit for sale and one sign reflecting the name of the builder may be placed upon a Lot. Such sign must be in form approved by the Developer or Architecture Review Committee. No other signs shall be erected or maintained on any Lot, except in accordance with approved standards for signs as set by the Developer or the Architectural Review Committee. Such signs must not exceed (5) five square feet.

Service Area. Each Dwelling Unit shall provide an area or areas on the rear or side yard of the Lot to accommodate air conditioner compressors, garbage cans, the electrical service entrance, or other ancillary residential functions that by nature may present an unsightly appearance. Service areas shall be convenient to the utility services and screened from view by an enclosure that is an integral part of the site development plan, using materials, colors or landscaping that are harmonious with the home it serves.

Garages. Each Dwelling Unit shall have at least a double car garage constructed at the same time as the Dwelling unit. Detached garages will be allowed only with written approval from the Developer or the Architectural Review Committee. No carports will be permitted. The inside walls of garages must be finished.

Septic Tanks. All Dwellings Units shall be equipped and properly serviced by septic tanks constructed in accordance with the requirements of the State of Tennessee Board of Health.

Tree Removal. The majority of the trees may not be removed from any Lot except in the area of the Lot upon which the house and driveway are to be constructed. Except for view enhancement, excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will mar the beauty of the Development.

Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and 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 yard and must not be visible from adjoining Lots, houses or from any street.

Wells. No private wells may be drilled or maintained on any Lot unless approved by the Developer or The Architectural Review Committee.

Antennas. Television antennas and dish receivers may be used as long as they are placed as not to interfere with the view of any other Owner. No radio or signal towers will be permitted.

Excavations. No owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which will materially effect the surface grade of a Lot unless the consent of the Developer or the Architectural Review Committee is obtained.

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

Laundry. No owner, guest, or tenant, shall hang laundry from any area within or outside a Dwelling Unit if such laundry is with the public view, or hang laundry in full public view to dry, such as on balcony or terrace railings. This provision may, however, be temporarily waived by the Developer or the Board during a period of severe energy shortages or other conditions where enforcement of this section would create a hardship.

Mailboxes. Mailboxes will be provided by the Developer or Board at the entrance of the Development. Each lot will be allowed one mailbox.

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 Development, each Owner and Developer (with respect to improved Property owned by Developer) 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 the provision may be made only upon Developer or the Board establishing that the overall purpose of these Restrictive Covenants would be best effected by allowing such a variation. Variations to this section are to be strictly construed and the allowance

of a variance by the Developer or the Board shall not be deemed to be a waiver of the binding effect of this section upon all other Owners.

Vehicle Parking. Cars owned by Lot Owners shall be parked only in the Owner's garage or driveway. No inoperable vehicle, tractor or other machinery shall be stored outside on the premises at any time, even if not visible from the street. No house trailer or such vehicle shall be stored on the premises. Recreational vehicles, vacation trailers, campers and boats must be stored and hidden from view with the garage. Such vehicles may not be stored anywhere else on the Lot.

Maintenance. Each Lot Owner shall, at all times, maintain all structures located on such Lot, including driveways and permitted fences, in good repair which shall include exterior painting as needed, and each Lot Owner shall keep all vegetation and landscaping in good and presentable condition.

Approved Builders. Only Builders and Contractors that have a valid contractors license with proper insurance will be permitted to build on any Lot.

Occupancy Before Completion. Except with the written consent of the Developer or the Association based on adequate assurance of prompt completion of a Dwelling Unit, an Owner shall not occupy a Dwelling Unit until the Dwelling Unit and seasonal landscaping conforming fully to the provisions of this instrument shall have been erected and fully completed thereon. Once the footings of any Dwelling Unit or other structure are poured, construction must progress continuously (with allowance for weather conditions, labor conditions and availability of materials) until the building is fully completed. The Exterior (including landscaping) must be completed within twelve (12) months after commencement of construction. The Owner of any Lot violating either of these provisions shall be liable to the Association for liquidated damages at the rate of Fifty and No/100 Dollars (\$50.00) per day the violations occur, and to payment of such court costs and attorney's fees as may be incurred in the enforcement of these provisions. In the event construction does not progress continuously, the liquidated damages shall commence ten (10) days after notice from the Developer or the Architectural Review Committee if construction is not resumed within said ten (10) days.

Developer Reserves Right. Notwithstanding any other provisions herein to the contrary, the Developer reserves unto itself, its successors and assigns, the following rights, privileges and powers; to subdivide Lots, to combine Lots or parts of Lots, to rearrange boundaries of Lots, to cause any part of any Lots to become a part of the Common Properties, and to cause portions of Common Property Lots to become a part of any of the Lots bordering them.

Lawn Care. All improved Lots that have grass should be kept regularly cut.

Roofs. Roof pitches must be a minimum of 8/12, unless otherwise approved by the Developer or the Architectural Review Committee. No metal roofs.

Fireplaces. All fireplace inserts must be capped with a shroud at the point where the flue reaches the top of the chimney.

Chimneys. Chimneys must be constructed of brick, sto or stone and those chimneys on the exterior must have a foundation.

Adjoining Lot Damage. Any damage done to any adjacent or adjoining lot or by a contractor employed to build improvements on any Lot will be repaired immediately at the expense of the Owner or contractor. Temporary construction support must be provided for the curbs by the Owner or contractor during the time of construction. All construction debris shall be removed weekly and the street must be kept clean during construction.

Material Quality. Only good quality materials and design will be accepted on any structure built on any Lot. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer, stone or other material acceptable to the Developer or the Architectural Review Committee.

Air Conditioning and Heating Units. Air conditioning and heating units shall be architecturally screened or landscaped so as not to be visible from the street.

Exterior Siding. All exterior siding must be approved in writing by the Developer or the Architectural Review Committee. All wood or Masonite siding must have laps no greater than six (6) inches. Dwelling Units using Masonite siding on exterior sides must be true lap siding and not artificial laps.

Decks. All exterior wood decks railing which faces another Lot or street must be painted in accordance with the requirements of the Developer or the Architectural Review Committee.

Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of these Restrictive Covenants, the Developer, its successors or assigns, or the Association, its successors or assigns, including all parties hereinafter becoming Owners of any one or more of the Lots to which provisions of these Restrictive Covenants apply, may bring an action or actions against the Owner in violation, or attempting violation, and the said Owner shall be further liable for such damages as may accrue, including any court 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, its successors or assigns or the Board. Further, the Developer or the Board may grant variances of the restrictions set forth in these Restrictive Covenants if such a variances do not, in the sole discretion of the Developer or the Board, adversely affect the purposes sought to be obtained hereby.

By reason of the rights of enforcement of the provisions of this section being given unto Owners of Lots (subject to right of variances reserved by the Developer and the Board), it shall not be incumbent upon the Developer or the Board to enforce the provisions of these Restrictive Covenants or to prosecute any violation thereof. Developer shall not be responsible or liable for any violation of these Restrictive Covenants by any person other than itself.

Home Owners' Association. Developer shall establish a Home Owners' Association ("Association"), membership of which is mandatory by all lot owners. The Association is, among other items, responsible for the upkeep and maintenance of all common areas as initially designated by the Developer and as altered or amended by the Association hereafter. Lot owners must pay any and all assessments or fees, which are established by the Association. Each lot owner shall have one vote in the Association for each lot owned. The bylaws of said homeowner's association have been recorded contemporaneously herewith and are incorporated hereto as though set forth fully herein.

Escrow Account. The Developer shall deposit into an escrow account \$ 3500⁰⁰, for each sold lot to be used for the upkeep and maintenance of the Development. This will be turned over to the Association when the Association takes control of the Development.

Maintenance Fee. The monthly fee will be \$ 50.00 per lot per month and will include city water. This can be paid monthly, quarterly or yearly. Any excessive use of water will be billed at the going rate.