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THIS INSTRUMENT PREPARED BY COSTNER & GREENE, ATTYS., 315 HIGH ST.,
MARYVILLE, TN, 37804 BY: STEVEN J. GREENE dp/
C&G-7883

DECLARATION OF RESTRICTIONS FOR
CREEK STONE SUBDIVISION

WHEREAS, the undersigned, CREEKSTONE, LLC (hereinafter referred to as "Developer"), is the owner of a certain tract or parcel of property located in the 8th Civil District of Knox County, Tennessee, and more particularly described as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42 & 43 of Creek Stone Subdivision as shown on map of record in the Register's Office for Knox County, Tennessee, in Instrument No. 200605300099936; and,

WHEREAS, Developer desires to create a property owners association for all lots in Creek Stone Subdivision, for the maintenance and repair of the common elements as more fully described herein and Developer further desires to restrict all lots in said Creek Stone Subdivision; and

NOW, THEREFORE, Developer does hereby create a property owners association for all lots in Creek Stone Subdivision, Instrument No. 200605300099936 in said Register's Office, for the maintenance and repair of the common elements as more particularly described herein and to place upon said property, the following covenants and restrictions to run with the title of the said land and the grantee of any deed which conveys a lot of the Creek Stone Subdivision, shall be deemed, by the acceptance of said deed, to agree to all such covenants and restrictions which are applicable to their lot and to have covenanted to observe, comply with and be bound by all such covenants and restrictions as follows:

1. PROPERTY OWNERS ASSOCIATION. By accepting a deed conveying any Lot in Creek Stone Subdivision, Instrument No. 200605300099936, the lot owner is accepting joint responsibility for the maintenance and repair of the drainage easements located on Lots 9, 10, 19, 20, 21, 22, 23, 24, 25 & 26 as shown on said map and the signage and landscape easement located on Lot 26, to be located as constructed, of Creek Stone Subdivision, which maintenance costs of same shall be assessed by the property owners association to all lot owners of Creek Stone Subdivision, Instrument No. 200605300099936. A Property Owners Association is established simultaneous to the development of said lots in this subdivision. This Association is a not-for-profit organization with a President and Secretary/Treasurer. The Association shall have at least one (1) meeting of the membership per year. The Association's responsibilities shall include the maintenance and repair of the drainage easements, and signage and landscape easement as defined herein, and the association shall assess maintenance costs of same according to the provisions contained in herein. Further the Association is empowered to collect these fees and to pursue any legal rights for non-payment of the fees including the filing of a lien against any lot. The by-laws of the Property Owners Association shall be as follows:

BY-LAWS OF CREEK STONE SUBDIVISION
HOMEOWNERS ASSOCIATION

Section 1. "Association" shall mean and refer to Creek Stone Subdivision, Homeowners Association, a non-profit organization.

Section 2. The common element for all lots in Creek Stone Subdivision shall consist of the drainage easements located on Lots 9, 10, 19, 20, 21, 22, 23, 24, 25 & 26 as shown by Instrument No. 200605300099936 and the signage and landscape easement located on Lot 26, as built, which maintenance costs of same shall be assessed to the owners of all Lots in Creek Stone Subdivision.

Section 3. Every person or entity who is the owner of a fee or undivided fee interest in any lot in Creek Stone Subdivision is subject to covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. In the event that a lot is owned by one or more persons, the co-owners shall designate the representative to the Homeowners Association.

Section 4. All members are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of a lot and shall become a lien upon the lot against which such assessments are made.

Section 5. The owner of any lot in Creek Stone Subdivision, by acceptance of the deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the association fees to be assessed according to the expense of the maintenance of their common element as described above as follows: (1) annual, quarterly or monthly assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as determined at the first meeting of the Homeowners Association. The annual, quarterly, or monthly assessments and special assessments, together with such interest thereon and costs of collection thereof as may be hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the lot against which each such assessment is made. The lien imposed by this section shall be inferior to any mortgage properly recorded at the time when the lien is created. Each such assessment, together with such interest thereon and cost of collection thereof as hereinabove provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

Section 6. The Association shall have (1) class of voting membership. Each lot owner shall have one vote in the Association.

Section 7. The officers of the Association shall be a president, a secretary, and a treasurer.

All officers shall be members of the Association. The officers shall be chosen by a majority vote of the Directors. All officers shall hold office at the pleasure of the Association.

The President shall preside at all meetings of the Association.

The Secretary shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose.

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Association.

Section 8. Notice and quorum. Written notice of any meeting called for the purpose of taking any special assessment shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all the votes of membership shall

constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Subsequent meetings shall not be held more than sixty (60) days following the preceding meeting. Any such special assessment shall have the assent of two thirds (2/3rds) of the votes of members who are eligible to vote and are voting in person or by proxy at a meeting duly called for that purpose.

2. BUILDING TYPE: (a) All structures shall be constructed on solid, non-combustible foundations, except porches and decks may be on isolated piers. All foundations, front elevation exteriors, and piers shall be brick veneered. Outside finish on the front of the residence shall be of stucco, stone or brick only. Outside finish on the rear and sides of the residence shall be of wood siding, stucco, stone, brick, or vinyl. There shall be no exposed common concrete block or cinder block. All building materials shall equal or exceed FHA standards. Outbuildings of a design and construction similar to that of the main residence shall be permitted if they consist of the same construction quality as hereinafter set forth, as said main residence. All driveways shall be paved with concrete or brick.

3. DWELLING OR BUILDING SIZE. No residence shall be erected, altered or permitted to remain on any lot unless the dwelling has a minimum of one thousand five hundred (1,500) square feet of indoor heated living space, exclusive of basements, open porches, garages, carports or storage rooms; provided, however, in the event of multi-level construction, the ground floor must contain a minimum of one thousand (1,000) square feet.

4. CONSTRUCTION REQUIREMENT. Plans and specifications for all dwellings must meet those described in the "Federal Housing Administration's Minimum Construction Requirements for One and Two Family Dwelling." All lots shall be restricted to detached, single-family residential use only. A minimum of two-car, attached or detached, enclosed garage must be constructed in connection with each residence and all garages shall have doors that close. No finished buildings, including but not limited to outbuildings, shall have exposed concrete blocks showing.

5. TEMPORARY STRUCTURES. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuildings shall be used on any lot at any time as a residence either temporarily or permanently; provided, however, that this shall not apply to the shelters used by the contractor during the construction of the main building, it being clearly understood that these latter temporary shelters may not be used at any time as residences or be permitted to remain on the lot after the completion of the construction.

6. BUILDING LOCATION. Minimum building setback requirements are thirty (30) feet on the front, five (5) feet on the sides and twenty-five (25) feet on the back, unless otherwise noted on the recorded plat. All outbuildings shall be located not nearer than seventy-five (75) feet from the front street property line. It is the intent of the Developer that the actual property line and not the paved street surface boundary be used as the point of reference for determining setbacks. For the purpose of this covenant eaves, steps, and open porches shall not be considered as part of a building provided however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

7. NUISANCES. No noxious or offensive activity shall be carried on or upon any lot, nor shall anything be done thereon which may become an annoyance to the neighborhood.

8. ANIMALS. Poultry and livestock are specifically prohibited from being raised, bred or kept on lots. Dogs, cats, or domestic household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes. However, no more than three (3) domestic household pets shall be kept on any one lot.

9. WASTE OR UNSIGHTLINESS. (a) No lot shall be used or maintained as a dumping ground for rubbish, trash, or other waste. All trash, garbage, and other waste shall be kept in sanitary containers and except during pickup if required to be placed at the curb, all containers shall be kept at the rear of all dwellings out of sight from the street. There shall be no burning of trash or any other waste materials after construction.

(b) All lots must be seeded or sodded with grass. All vacant lots shall be mowed a minimum of three (3) times during the growing season or more should vegetation on any lot exceed twelve (12) inches.

10. FUEL TANKS. No fuel tanks or similar storage receptacle may be exposed to view and may be installed only within the building, buried under the ground, or hidden by a privacy fence.

11. FENCES. Any fence on any lot shall be constructed so as to be aesthetically compatible with the construction and styled of said dwelling. No chain link fences shall be allowed.

12. OUTSIDE WIRING. The outside wiring for all dwellings, buildings, and any other structures shall be placed underground. No overhead wiring of any type shall be permitted.

13. AIR CONDITIONING UNITS AND/OR HEATING EQUIPMENT. No window air conditioning units shall be installed in any residence or building so as to be visible from a public street. No equipment for central air conditioning or heating shall be installed so as to be visible from any public street, unless such equipment is shielded from the view either structurally or by plantings.

14. UTILITY METERS. Utility meters are to be placed so that they are not visible from any public street, and in no instance shall the meter be located at the front of the dwelling. Meters located at the side or rear of the building shall be concealed by a structural or planted shield so as not to be visible from any public street.

15. INOPERATIVE VEHICLES/PARKED VEHICLES. (a) No inoperative cars, trucks, trailers, boats, campers or other types of vehicles shall be allowed to remain either on or adjacent to any lot for a period in excess of forty-eight (48) hours, provided, however, this provision shall not apply to any such vehicles being kept in an enclosed garage. There shall be no on street parking allowed.

16. CONSTRUCTION. All construction shall be continuous and must be completed within one (1) year of initiation. No person may occupy an unfinished structure, nor shall any house or building be left unfinished for any extended length of time.

17. SIGNS. No business or commercial signs are allowed on any lot other than signs advertising premises for sale which shall not contain a surface area greater than five (5) square feet.

18. LAND USE. All lots shall be used for residential purposes only and exclusively, and no duplexes, multiple family or group homes are allowed.

19. SATELLITE DISHES, POOLS, MISCELLANEOUS. Satellite dishes that do not exceed three (3) feet in diameter shall be allowed.

However, the same shall be located to the rear of the residence and situated so as not to create a nuisance or unsightly attraction in the development. No holding tanks of any sort will be permitted that are visible from street or adjoining properties.

20. DEVELOPMENT. Nothing contained in these covenants and restrictions shall prevent the Developer, or any person designated by the Developer, from erecting or maintaining such commercial and display signs and such temporary dwellings, model house and other structures as the Developer may deem advisable for development purposes.

21. ARCHITECTURAL REVIEW COMMITTEE. (a) There shall be an Architectural Review Committee composed of those persons who shall be appointed by the Developer. All plans and specifications for review shall be submitted to the Architectural Review Committee in care of Creekstone, LLC or the current chairman.

(b) All proposed plans of dwellings, garages and outbuilding and fences erected in said subdivision shall be submitted to the Architectural Review Committee for review and approval. This committee hereinabove defined, shall be directed by the overall purposes, specifications and restrictions herein, applicable state and local agencies, taking into consideration the topography of each lot and the adaptability of the proposed structure for said lot. A lot owner shall submit two (2) copies of his proposed plans to the Architectural Review Committee. Approval shall be given or denied within ten (10) days of the date said plans and specifications are submitted. Said ten (10) day period shall begin to run on the date contained in the receipt of said plans. One set of plans shall be kept by the Architectural Review Committee and the other set of plans shall be returned to the lot owner. Failure of the Committee to respond in writing to those who submit such plans and specifications shall be deemed as an approval of said proposed structure.

22. STORM WATER DISCHARGES ASSOCIATED WITH CONSTRUCTION. Creekstone, LLC is committed to good environmental stewardship. The owner of any lot agrees to abide, and have any contractors he hires abide, by the provisions of the Tennessee General NPDES Permit (TNR100000) for Storm Water Discharges Associated with Construction Activity (TNCGP). A Storm Water Pollution Prevention Plan (SWPPP) has been developed for implementing construction storm water management activities under the TNCGP. The general contractor and every contractor having responsibility for construction storm water management must sign the Notice of Intent (NOI) included with the SWPPP prior to start of any construction activities.

23. AMENDMENTS TO COVENANTS. For a period of ten (10) years from the date of recordation, 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 purposes 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. However, the Developer reserves the right to waive the setback lines on any lot whether owned by the Developer or not for so long as the Developer owns any lot in Creek Stone Subdivision, provided that this provision shall not vary applicable setbacks required by local governmental regulations. After said ten (10) year period, these restrictions may be amended by a seventy five percent (75%) majority vote of the then lot owners and any such amendment shall be duly recorded in the

Knox County Register's Office. These amendment provisions specifically exclude the amendment of any provision dealing with the Homeowners Association, which may not be amended without the approval of the Knox County Planning Commission.

24. TERM AND ENFORCEMENT. These covenants are to run with the land, shall be binding on all parties and all persons claiming them for a period of twenty-five (25) years from the date covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part, however, the duty of the lot owners to maintain the drainage easements and signage and landscape easement as defined herein, shall not be terminated. Enforcement of these covenants shall be by proceedings at law or in equity against any person(s) violating or attempting to violate any covenant either to restrain violation or to recover damages. It is expressly understood and agreed that all cost, including reasonable attorney's fees, incurred by any moving party in any legal proceedings which result in a successful enforcement of any covenant or restriction contained in this document shall be borne in full by the defendant in such proceeding.

IN WITNESS WHEREOF this the _____ day of _____, 2006.

CREEKSTONE, LLC

BY: _____
DAVID ALLEY, JR., Managing Member

STATE OF TENNESSEE
COUNTY OF BLOUNT

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, **DAVID ALLEY, JR.**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who acknowledged that such person executed the within instrument for the purposes therein contained, and who further acknowledged that such person is the **MANAGING MEMBER** of **CREEK STONE, LLC**, the maker or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker, to execute this instrument on behalf of the maker.

Witness my hand and official seal at office this _____ day of _____, 2006.

Notary Public

My Commission Expires: _____