

THIS INSTRUMENT WAS PREPARED BY

SHERRY WITT
REGISTER OF DEEDS
KNOX COUNTY

STEPHEN WALLING 4820 OLD KINGSTON PIKE
NAME ADDRESS KNOXVILLE, TN. 37919

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR CAMPBELL STATION VILLAS PHASE I and Phase II**

THIS DECLARATION, made and executed by Wallace McClure, Jr., Trustee, of Knox County, Tennessee, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of the Property; and

WHEREAS, Declarant agrees that the use, appearance, and maintenance of all the Property are of mutual interest and concern to all the Owners of Lots in the Property; and

WHEREAS, Declarant desires for the Property to be subject to all terms, covenants, conditions, restrictions and easements set forth herein.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held and conveyed subject to the following covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value, desirability, function and attractiveness of the Property. The covenants, conditions, restrictions and easements shall run with the land and be binding on all parties holding or acquiring any right, title or interest in the Property, or any part thereof, whether or not so expressed in any deed or other conveyance, and shall inure to the benefit of each owner thereof.

ARTICLE I. DEFINITIONS

Section 1.1. "Architectural Committee" shall mean a committee established to review proposed Improvements and take other actions as provided in Article III hereof. It shall be composed of three (3) or more individuals selected by Declarant until all lots have been built upon and conveyed by Declarant, and by the Association thereafter. It may adopt or promulgate any rule or regulation, conduct any review or investigation, make any findings, grant or withhold any approval, authorization or permission, and take any other action reasonably necessary or desirable to enforce or carry out the terms and intentions of this Declaration. A vote of at least fifty-one percent (51%) of its members shall be necessary for a decision.

Section 1.2. "Association" shall mean and refer to Campbell Station Villas Homeowners Association, its successors and assigns.

Section 1.3. "Improved Lot" shall mean a Lot in the Property for which a building permit has been issued for the construction of Improvements, and on which the construction has commenced.



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Section 1.4. "Improvements" shall mean the structures, walls, pavement, parking areas, detached signs, plantings, and other structures built or placed on the Lots. The Owner shall pay for the construction of all Improvements on a Lot except for traffic signs and other signs of general benefit to the Association, which shall be paid for by the Association. It is intended that the Improvements reasonably meant for the exclusive use and enjoyment of the Owner of a particular Lot will lie entirely within said Lot. In the event that, by reason of unintentional construction, settlement, reconstruction or shifting of the Improvements, any minor part of the Improvements reasonably intended for a particular Lot lies outside that Lot, an easement of use shall apply thereto in favor of the Lot to be benefited.

Section 1.5. "Lot" shall mean and refer to one of the areas of real estate within the Property shown as a lot on the Plat. Ownership of a Lot shall impose membership in the Association, which shall not be separable from the ownership. A Lot may not be subdivided, without the written approval of a Majority In Interest.

Section 1.6. "Majority In Interest" shall mean more than fifty percent (50%) of the total votes to which members of the Association are entitled.

Section 1.7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.8. "Parking Area" shall mean that portion of a Lot reasonably intended for parking of vehicles.

Section 1.9. "Plat" shall mean the Final Plat of Campbell Station Villas, Phase I Planned Development of record in Instrument Number 201104150060894, Register's Office for Knox County, Tennessee and any subsequent Plats placed of record for Phase II or resubdivided lots which shall be placed of record.

Section 1.10. "Property" shall mean and refer to that certain real property described in Exhibit A attached hereto and made a part hereof.

ARTICLE II. COVENANTS FOR ASSESSMENTS

Section 2.1. Creation of the Lien and Obligation of Assessments. The Owners, for each Lot owned within the Property, hereby covenant and agree to pay to the Association, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association, (1) regular assessments or charges, to be collected either monthly, quarterly or annually, and (2) special assessments for capital improvements or other purposes, such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with interest, costs and reasonable attorney's fees, if delinquent, shall be a charge and a continuing lien upon the Lot against which the assessment is made.

Section 2.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the benefit, improvement and maintenance of the Property as provided herein.

Section 2.3. Regular Assessments. The Association shall fix the regular assessment at an amount sufficient to provide funding for the usual and normal obligations of the Association and for other uses specified herein. The regular assessment for each calendar year, and the basis for payment thereof, shall be determined by the Association at a meeting of the Association for which written notice has been given to all Owners at least ten (10) days in advance. The regular assessment may be increased or decreased during the year.

Section 2.4. Special Assessments. In addition to the regular assessments, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any other construction, reconstruction or unexpected repair or replacement, including fixtures and personal property, which may be incurred, provided that any such assessment shall be approved by sixty-seven percent (67%) of the votes to which members of the Association are entitled at a meeting duly called for that purpose, written notice of which shall be sent to all Owners not less than ten (10) days nor more than thirty (30) days in advance of the meeting, setting forth the purpose of the meeting. Any assessment for the purpose of adding new Improvements (not including replacement of existing Improvements) shall require approval of at least ninety percent (90%) of the votes to which members of the Association are entitled.

Section 2.5. Share of Assessments. Each Improved Lot shall be liable for a portion of all regular and special assessments. Each Improved Lot's portion shall be equal to a fraction, the numerator of which is one and the denominator of which is the total number of Improved Lots in the Development. A Lot which is not an Improved Lot shall pay only the cost of maintenance and upkeep provided to or for that Lot, as determined by the Association.

Section 2.6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment that is not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the due date at the maximum amount permitted by law, and the Association shall furnish notice to the delinquent Owner of the existence, amount and cause of the delinquency. If the delinquency has not been cured within the notice and cure period set forth in Section 9.2, the Association may foreclose the lien against the Lot owned by the delinquent Owner in the manner provided by law for the foreclosure of a Deed of Trust. The Owner of a Lot on which there are delinquent assessments shall not be permitted to participate or vote in any meeting of the Association.

Section 2.7. Subordination of Liens to Mortgages. The lien of the assessments for which provision is herein made, as well as in any other Section of this Declaration, shall be subordinate only to the lien of any bona fide mortgage to an institutional mortgagee unaffiliated with the Owner. Such subordination shall apply only to the assessments that have become due and payable prior to a sale or transfer of such Lot pursuant to a foreclosure or other proceeding in lieu of foreclosure of such mortgage, it being understood that a mortgagee shall take title subject to the provisions of this Declaration.

ARTICLE III. ARCHITECTURAL CONTROL

Section 3.1. Intention. It is the intention of the Declarant for all Improvements on the Property to be compatible in exterior appearance, exterior materials, architectural style and detail and other aspects; to be in compliance with applicable zoning on the Property; and to be maintained in an appropriate manner.

Section 3.2. Improvements. No building, parking area, walkway, fence, pavement, utility line or service, attached or detached sign, wall, antenna, satellite dish or other structure, or any planting or landscaping, shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to, or change or alteration in, any improvements be made, until the plans and specifications showing the nature, kind, shape, height, materials, location and other details, shall have been submitted to and approved in writing by the Architectural Committee. In the event of failure to approve or disapprove submitted plans and specifications within forty-five (45) days after said plans and specifications have been submitted, approval will be implied.

ARTICLE IV. MAINTENANCE

Section 4.1. Association. The Association shall provide for the maintenance, upkeep and replacement of roof and exterior maintenance and all lawns, landscaping, underground drainage and retention, paved drives and Parking Areas, detached signs for common usage, sprinklers, outdoor trash removal, liability insurance for the common area and such other items as may be determined by the Association.

Section 4.2. Owners. Each Owner shall be responsible for the interior and maintenance of Improvements on its Lot, and all other items not maintained by the Association under Section 4.1 hereof, in accordance with reasonable standards imposed by the Association through the Architectural Committee.

Section 4.3. Default. In the event an Owner of any Lot shall fail to comply with Section 4.2 hereof, the Association shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Improvements to a proper condition. The cost of such work shall be added to and become part of the assessment for that Lot.

Section 4.4. Construction. During the construction or repair of any Improvements by an Owner, the Owner shall maintain the appearance of the Lot in a reasonably satisfactory manner, and shall prevent temporary or permanent damage to other Lots, or inconvenience to other Owners, or their tenants, guests, invitees, agents and employees. The Association may adopt reasonable rules and regulations during periods of construction relating to traffic, traffic routes, debris, noise and other matters. An Owner shall have the obligation to insure that any construction on its Lot shall be in compliance with such rules and regulations, and shall be liable for damages resulting from the failure to comply therewith.

ARTICLE V. OBLIGATIONS

Section 5.1. Obligation Which Are Covenants. Each Owner, and its successors and assigns, shall have the following obligations, which shall be covenants running with the land:

- (a) The obligation to use its Lot in accordance with this Declaration and applicable zoning. No time for completion is imposed. No use may be made of any Lot until the improvements thereon are completed, except as approved by the Association.
- (b) The obligation to provide and maintain reasonable ingress and egress between its Lot and contiguous Lots.
- (c) The obligation to use all reasonable means to prevent blocking or otherwise obstructing the use and enjoyment of the easements created hereby and the rights granted herein.

ARTICLE VI. EASEMENTS

Section 6.1. Creation. The following easements are created by this Declaration for the benefit of the Association and each Owner and its successors, assigns, tenants, guests, invitees, agents and employees:

- (a) An easement of ingress and egress to, through and over those portions of other Lots which are reasonably designed and constructed to provide access between the Lots and access to and from the Lot and public streets.
- (b) An easement of access to, in and over such portions of an adjoining Lot, or improvements thereon, as may be reasonably necessary for construction or maintenance of Improvements on the Lot benefited thereby. Any costs or damages to the Lot on which the easement is imposed shall be paid by the Owner of the Lot benefited thereby.
- (c) A reasonable easement over other Lots for public or private utility lines and drainage lines, so long as all costs for the installation and maintenance of said lines, and damages arising from said lines, are paid by the Declarant during construction and by the Association thereafter.
- (d) A reasonable easement over all Lots for the installation and maintenance of traffic and other signs of general benefit, and such other Improvements as may be determined by the Association.

Section 6.2. Term of Easements. The easements created by this Article VI shall remain in full force and effect, notwithstanding the revocation of this Declaration or the dissolution of the Association, until and unless revoked or amended in writing by all Owners and recorded in the Register's Office of Knox County, Tennessee.

ARTICLE VII. INSURANCE AND CASUALTY DAMAGE

Section 7.1. Requirement of Insurance. It is agreed that each Lot, including the Improvements thereon, shall be insured by its Owner against risks as reasonably determined by the Association, including property coverage and public liability coverage. Certificates of Insurance shall be delivered to the Association by each Owner promptly upon becoming an Owner and prior to the expiration of any certificate.

Section 7.2. Repair. The right is given to the Association to require the Owner of a Lot with damage which renders the Lot or Improvements thereon untenable, within ninety (90) days from the event which caused the damage or loss ("Causing Event"), or within ninety (90) days of the settlement of any insurance, liability or condemnation claim, if later and if the claim is promptly made and diligently pursued by Owner, but in no event more than one (1) year after the Causing Event either 1) to make repairs or replacement to restore the Lot or Improvements substantially to the condition existing prior to the Causing Event (if condemnation is the Causing Event, as near as reasonably possible to the condition existing prior to the Causing Event), or 2) to raze the Improvements (excluding undamaged plantings and excluding the Parking Area on the Lot if undamaged, and excluding all drives reasonably needed by or benefiting other Lots), take such action as may be necessary to prevent damage to the Property and plant or landscape the Lot (including the razed area) in keeping with plantings and landscaping on other parts of the Property.

Section 7.3. Association Action Following Failure by Owner to Repair or Raze. If a Lot is not restored or if the Improvements on a Lot are not razed in accordance with Section 7.3 and a restoration of Improvements to the razed Lot is not commenced within one (1) year from the Causing Event, the Association may perform the obligations of the Owner of the damaged Lot and have a lien on the Lot for payment of its expenses.

ARTICLE VIII. THE ASSOCIATION

Section 8.1. Membership. Every Owner of a Lot included within the Property shall be a member of the Association and shall be entitled to attend, participate and vote (if not delinquent) in all meetings of the Association. The foregoing is not intended to include persons or entities who hold an ownership interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 8.2. Voting Rights. The Association shall have one class of voting membership. Each Owner shall be entitled to one (1) vote for each Lot owned, except that Declarant shall have thirty (30) votes until such time as all the lots are built upon and conveyed to purchasers. When more than one person holds an interest in any Lot, all such persons shall constitute one Owner and the vote for such Lot shall be exercised as the Owners determine. All decisions of the Association, except as otherwise provided herein, shall be decided by a Majority in Interest represented at any meeting at which a quorum is in attendance.

Section 8.3. Purpose. The purpose of the Association is to carry out the terms of the Decla-

ration, to adopt such rules and regulations as may be appropriate, to set and collect assessments, and to do and perform any and all other things, matters, or acts required by or permitted by the Owners or the laws of the State of Tennessee which are necessary and desirable to carry out the purposes and intentions expressed herein.

Section 8.4. Initial Meeting. The initial meeting of the Association shall be held within ninety (90) days of the recording hereof in the Register's Office of Knox County, Tennessee, at a time and at a place in Knox County, Tennessee designated by Declarant. At the initial meeting a budget and assessment shall be determined for the period of time between the initial meeting and the first annual meeting.

Section 8.5. Annual Meetings. The annual meeting of the Association shall be held at a time to be designated on the first Monday in March of each year in Knox County, Tennessee unless agreed otherwise by a Majority In Interest, for the purpose of adopting a budget and determining an assessment for the following year, and of transacting any other business authorized to be transacted; provided, however, that if such day is a legal holiday, then the meeting shall be held at the same hour on the next following business day.

Section 8.6. Special Meetings. Special meetings of the Association shall be held whenever called by the President or by the written request of any of two or more of the Owners. When a special meeting is so called, the President shall mail or deliver ten (10) days' written notice of the meeting to all Owners.

Section 8.7. Quorum. At any annual or called meeting, the presence at the meeting of Owners having the right to cast at least twenty percent (20%) of the total votes to which members of the Association are entitled shall constitute a quorum. If the required quorum is not present at any meeting, an adjourned meeting may be called, subject to the notice requirements set forth herein. No such adjourned meeting shall be held more than thirty (30) days following the preceding meeting.

Section 8.8. Presiding Officer. The President shall preside over all Association meetings, and shall be responsible for taking and keeping the Minutes of all Association meetings. The President shall be elected by the Owners and shall serve until a successor is elected.

Section 8.9. Duties and Powers of the Association. In addition to the rights, powers and duties conferred upon the Association by the Declaration and the laws of Tennessee, and without in anywise limiting the same, the Association shall have the following additional and cumulative rights, powers and duties:

(a) To hold title and possession to funds and property, including the maintenance funds and other assessments, and including title to any part of the Property, as trustee for the use and benefit of the Owners;

(b) To make and collect maintenance fund assessments against Owners to defray the costs of the Association, including, without limitation, all costs and expenses of carrying out the provisions of the Declaration, and of engaging all necessary services and employees therefor;

- (c) To use the proceeds of assessments in the exercise of its powers and duties;
- (d) To oversee the maintenance, repair, replacement, operation and administration of the Property, as provided herein, and other matters covered by the Declaration;
- (e) To make and amend reasonable regulations for the use of the Property;
- (f) To enforce the provisions of the Declaration and the rules and regulations for the use of the Property;
- (g) To contract for the management of the Association and to delegate to a manager the management duties of the Association, to be performed by such manager under the supervision of the Association;
- (h) To carry insurance for the protection of Owners against casualty and liabilities;
- (i) To pay the cost of any power, water, sewer and other utility services rendered to the Association and not billed to individual Lots;
- (j) To employ personnel to perform the services required for proper administration of the Association, including, without limitation, auditors, attorneys, bookkeepers and managers;
- (k) To deposit all monies and funds of the Association in such bank or banks as may be designated from time to time. Withdrawals of monies from such accounts in banks shall be only by checks or drafts signed by such persons as are authorized by the Association;
- (l) To obtain a review of the accounts and books of the Association to be made annually by a certified public accountant, and to furnish a copy of the report to each Owner not later than February 15th of the following year;
- (m) To require fidelity bonds for all employees handling or responsible for funds of the Association. The amount of such bond or bonds shall be determined by the Association but shall be at least in the amount of the total annual regular assessments. Premiums on such bonds shall be paid as an expense of the Association; and
- (n) To incorporate the Association if found to be desirable.

Section 8.10. Robert's Rules of Order (latest edition) shall govern the conduct of meetings of the Association, subject to any provisions of the statutes of the State of Tennessee and provisions of the Declaration.

ARTICLE IX. NOTICE AND CURE

Section 9.1. Place of Notice. Notice required hereunder shall be satisfied by receipted personal delivery, by recognized public courier or express service, or by sending postage pre-

paid certified mail to the appropriate party at the address shown on the signature page of this Declaration. Any of the above addresses, or their replacements, may be changed by written notice to all other parties, and shall not require the consent of any other party or an amendment to this Declaration.

Section 9.2. Right to Cure. All notices required or permitted under this Declaration because of a default in an obligation by an Owner shall include a right for the Owner to cure the default which has prompted the notice. In the event of a monetary default, the notice shall provide thirty (30) days to cure, and in the event of a non-monetary default, the notice shall provide thirty (30) days to cure except for a default which cannot reasonably be cured within such period, in which case the notice shall require that efforts to cure be begun within thirty (30) days and be diligently pursued to completion.

Section 9.3. Notice to Mortgages. Any notice required by this Declaration to be given to an Owner prior to an action being taken involving that Owner or that Owner's Lot shall also be given to parties holding a recorded mortgage on that Lot, at the address furnished by the Lot Owner or mortgagee. The notice to a mortgagee shall be given in the same manner as notice to the Owner, and shall be given simultaneously with the notice to the Owner. The notice to a mortgagee shall provide 1) that if an Owner which has committed a monetary default has not cured the default within the permitted time, the mortgagee will be given an additional thirty (30) days to cure such monetary default, and 2) that if an Owner which has committed a non-monetary default is not in compliance with the terms of notice to it at the end of the permitted time, no action will be taken by the Association until after the passage of an additional period of time reasonably sufficient for the mortgagee to acquire title to the Lot by foreclosure and to comply with the terms of the notice to Owner. Notice shall not have been accomplished unless the provisions of this section are satisfied.

ARTICLE X. GENERAL PROVISIONS

Section 10.1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all covenants, conditions, reservations, easements, liens and charges now or hereafter granted or imposed under this Declaration. Failure by the Association, or by any Owner, to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 10.2. Severability. Invalidation of any one of these covenants or restrictions by judgment or Court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 10.3. Amendment. The covenants and restrictions of this Declaration shall run with the land and shall inure to the benefit of, and be enforceable by, the Association and the Owner of any Lot, their successors and assigns, for a term of thirty-five (35) years from the date this Declaration is recorded, after which time said covenants shall be extended for successive periods of ten (10) years each unless other action is taken by the Association. The covenants and restrictions of this Declaration may be amended by a recorded instrument executed by Owners who hold at least sixty-seven percent (67%) of the total votes to which

members of the Association are entitled. Provided, however, that an amendment which affects the voting rights or assessments of a Lot shall require the approval of all Owners.

Section 10.4. Tennessee Law. This Declaration shall be a Tennessee contract and shall be construed under the laws of the State of Tennessee.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed as of this 14th day of April, 2011.

By: Wallace McClure, Jr., Trustee
Wallace McClure, Jr., Trustee

STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said State and County, Wallace McClure, Jr., Trustee, with whom I am personally acquainted (or who proved to me on the basis of satisfactory evidence) and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at office this 14th day of April, 2011.

Teresa Wallace
Notary Public

My commission expires: October 15, 2014



EXHIBIT "A"

Situated in the Sixth (6th) Civil District of Knox County, Tennessee being known and designated as all of Lots 1R-1, 3R-1, 4R, 5R 6R, 7R, 22R, 23R, 24R, 25R, 27R, 28R-1, 29R-1, 30R-1, 31R, 32R and 33R and the Common Areas Resubdivision of Campbell Station Villas, Phase 1, as same appears on the final plat recorded as Instrument No. 201104150060894 in the Register's Office for Knox County, Tennessee, to which plat specific reference is hereby made for a more particular description.