

**AMENDED AND RESTATED LAND USE RESTRICTIONS, PROTECTIVE
COVENANTS, AND BUILDING STANDARDS FOR
SHAGBARK**

Whereas, Mountain States Development Corporation, a Tennessee Corporation, placed original Land Use Restrictions, Protective Covenants and Building Standards on property located in Shagbark as set forth in Misc. Book 30, Page 349 in the Register of Deeds Office for Sevier County, Tennessee (“Original Restrictions”) ; and

Whereas, such Original Restrictions were amended by judicial order entered on January 30, 1998 of record in Misc. Book 331, Page 39 in the Register of Deed’s Office for Sevier County, Tennessee; and

Whereas, Amendments and Additions to Land Use Restrictions., Protective Covenants and Building Standards for Shagbark were adopted and recorded in Misc. Book 331 Page 45, in the Register of Deeds Office for Sevier County, Tennessee, providing in pertinent part, a new Section D, Paragraph 2, which allows that amendment of the Land Use Restrictions, Protective Covenants and Building Standards for Shagbark may be by the affirmative vote of 75% of the voting owners (provided a quorum is present) at the annual or special meeting of the Shagbark Property Owners’ Association (“Association”) wherein the amendment is considered; and

Whereas, a Second Amendment to Land Use Restrictions, Protective Covenants and Building Standards for Shagbark was then recorded in Book 1014 Page 173 in the Register of Deeds Office for Sevier County, Tennessee; and

Whereas, these Amended and Restated Land Use Restrictions, Protective Covenants, and Building Standards (“Amended and Restated Restrictions”) were adopted at the annual meeting of the membership of the Association held on October 28, 2017, with quorum present, by in excess of 75% of voting owners at such meeting as shown on the certificate attached hereto of the Secretary of the Association, after all other procedural requirements were met related to such amendment;

Therefore, the following are adopted as the Amended and Restated Land Use Restrictions, Protective Covenants and Building standards for Shagbark, with all prior restrictive covenants for Shagbark as stated above or otherwise recorded repealed and replaced herein. All properties subject to the Original Covenants as amended remain bound to and subject to these Amended and Restated Restrictions, which shall run with the land. The grantee of any deed conveying any lot or lots, parcels or tracts shown on any Shagbark plat or any parts or portions thereof shall be deemed by the acceptance of such deed to have agreed to all such covenanted to observe, comply with and be bound by all covenants and restrictions, as follows:

SECTION A:

1. The term “lots” as used herein shall refer to the numbered lots in the numbered blocks on said plat. These lots shown on said plat shall be used for residential purposes only. Except as herein otherwise specifically provided, no structure shall be erected or permitted to remain on any lot or building plot on said land other than one single family residence. The

Association shall have the authority to designate certain areas on the map or plat as commercial or recreation areas. In such areas, construction other than single-family residence will be permitted. No trade or commercial activity shall be carried on upon any residential lots.

2. Without prior approval of the Association, the height of the main residence on each building plat shall be not more than two full stories above the normal surface of the ground
3. No building, fence, sidewalk, wall or structure, driveway or roadway or exterior television or radio antenna of any kind shall be built, constructed, placed, enlarged or altered on any lot unless and until the detailed plans and specifications and the proposed type of construction and the proposed location of such building or structures, driveways, and automobile parking areas upon the said lot shall have been submitted to the Association at their offices and approved of by it in writing. The Association shall within thirty (30) days of receipt of such plans, return said plans to the Purchaser indicating thereon its approval or disapproval.
4. No temporary building of any kind including tent, trailer, barn, or treehouse shall be built or placed on any lot at any time, but temporary buildings that enhance the community such small well-constructed buildings to be used by home owners and that may be moved by homeowners if/when they move may be accepted on a case by case basis upon recommendation of the Architectural Committee and approval by the Board of Directors.
5. No boats, trailers, RV's, camper or unwheeled vehicles of any kind shall be kept on any lot without written approval of the Board of Directors. The intent of this section is to preclude unsightly items on properties. The Board may provide an exemption to this section if the items can be kept in a manner that prohibits them from being unsightly and out of public view such as being kept in a carport or garage. A limited number of parking spaces are available at the Community Center for a fee.
6. All rubbish, trash, garbage, abandoned, inoperative, "junk" vehicles or equipment, trees felled for construction or trees encroaching upon roads or right of ways, building materials or remnants or other waste matter shall be properly disposed of and not allowed to remain on any lot. Garbage and other waste materials shall be stored and disposed of in sanitary containers, which shall be properly maintained and cleaned. No incinerator or outdoor burning shall be permitted. Additionally, all lot owners of improved lots shall reasonably maintain the improved grounds of the premises, including prevention of unsightly overgrowth.
7. No lot or group of lots in the said subdivision as delineated on the plat shall be divided or subdivided into smaller lots.
8. No one will be allowed to strip topsoil from any lot, waste away the natural beauty of the lot or to remove any trees greater than 6 inches, without approval of the Architectural Committee. The purpose of this item is to protect the natural beauty of the Shagbark community. It does not disallow necessary construction or any other activities calculated to increase the beauty of the lot or increase its value.
9. No sign of any character shall be displayed or placed upon any building plot or structure including "For Sale" or "For Rent" signs without the prior approval of the Association. With

the advent of 911 addresses throughout Sevier County, this Association has approved the erection of address signs to be located at road/driveway intersections. Such address signs are not to be moved, removed or otherwise tampered with and if damaged must be replaced “in kind” such that the integrity of this infrastructure remains visible at all times.

- 10.** Nothing contained in these covenants and restrictions shall prevent the Association or any person designated by the Association from erecting or maintaining such commercial and display signs and such temporary dwellings, model houses, and other structures as the Association may deem advisable for development purposes.
- 11.** No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood.
- 12.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot except that dogs, cats, and other domestic pets may be kept provided they are not kept, bred, or maintained for any commercial purposes.
- 13.** Until sewage disposal facilities are available, every residence shall have a septic tank, which shall be installed in such manner as to comply with all laws and health regulations.
- 14.** Nothing shall be done on any lot whereby the natural flow of surface water shall be increased or altered in such manner as to cause a nuisance to any adjoining or neighboring property.
- 15.** Each lot owner shall provide space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on said lot in accordance with reasonable standards established by the Association. Overnight parking on the street is not allowed.
- 16.** Exterior of all houses must be completed within one year after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergencies, or natural calamities.
- 17.** Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and a five-foot easement is reserved along all lot lines for said purposes.
- 18.** No minimum square footage is provided by these restrictions; however, the Association shall have the right to approve or disapprove the square footage of any plans submitted if in its opinion the size of the proposed residence is not in keeping with other surrounding residences.
- 19.** No Shagbark property shall be permitted to be accessed through any means other than via a Shagbark road with entrance gained only through the limited and controlled access point of the official Shagbark entrance. Likewise, no Shagbark lot shall be used as a point of exit from within Shagbark onto a property outside but adjacent to Shagbark. It is recognized that such arrangements would compromise the security and controlled access nature of the development and would be an imposition on the rights of other property owners who value

this feature and/or bought their property because of the limited access nature of the development.

Section B:

1. Enforcement. If any person bound by this Declaration violates or attempts to violate any of the Declarations herein, it shall be lawful for any other Owner or the Association to prosecute any proceedings at law or in equity against a person or persons violating or attempting to violate such Declaration and enjoin the violation or recover of damages for the same, or seek other relief as appropriate. Where an Owner or the Association seeks to legally enforce this Declaration, such Owner or the Association shall be entitled to recover reasonable attorney's fees and costs in doing so from the violating Owner or Owners. Failure of the Owners or the Association to enforce any covenant herein contained for any period of time shall not be deemed a waiver or estoppel of the right to thereafter enforce the same.

In addition to the above enforcement method, the Association may assess fines to Owners for violation of this Declaration pursuant to a reasonable fine schedule. The fine schedule shall be adopted by the Resolution of the Directors and/or Officers of the Association. Any Owner who is in violation will first receive written warning of the violation and an opportunity to cure for at least ten (10) days from the date of the mailing of the letter. If the violation is not cured, the Owner will then receive a notice of the fine assessed by the Board for the violation. Fines may be collected in the same manner as assessments hereunder. The Owner receiving the notice of the fine then has ten (10) days after the date of the mailing of the notice of the fine in which to request in writing a hearing before the Board and/or Officers relating to the fine. Such hearing shall be scheduled in the reasonable convenience of the Board and/or Officers. Collection of the fine will be stayed until the hearing is held.

SECTION C:

1. The annual fee levied by the Property Owners Association shall be used for the purposes of promoting the health, safety, pleasure and welfare of the property owners, including the maintenance and improvement of roadways, the security of the development, the administration of the Association, the maintenance and improvement of recreation and common areas and for such other purposes reasonably necessary and incidental to the operation and administration of the facilities and services of the community.
2. The amount of the annual fee shall be fixed by majority vote of the owners at the annual meeting of the Association in person or by proxy, said annual fee to meet the budgetary requirements of Shagbark. A statement of income and expense and a budget shall be provided by the Board of Directors and made available at or preceding the annual meeting of the Association. In no event shall the owners increase fees from one year to the next by an amount exceeding the then current prime rate plus 8%, unless a greater increase is approved by a vote of 75% of the owners at the annual meeting of the Association.
3. Each lot owner, whether or not expressed in his/her deed, instrument of conveyance or otherwise, by having accepted title and ownership, shall be deemed to have consented to pay the annual fee. If the annual fee is not paid on the due date then the fee shall be deemed delinquent automatically and shall, together with interest thereon at the rate of 10% per annum from the due date, administrative costs, and cost of collection, thereupon become a

continuing lien upon the property against which it is levied, which lien shall bind such property in the hands of the then owner (s), his heirs, successors and assigns. The fee may be enforced and collected by the Association by the institution of an action at law against the owner or owners personally obligated to pay the same or by an action to foreclose the lien against the property, and there shall be added to the amount of such assessment and interest the cost and reasonable legal fees incurred in enforcement and in collection. All common areas, property, and lots owned by Association shall be exempt from the assessments, charges, and liens created herein. The lien provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust against the lot held by or on behalf of a financial or lending bank or institution.

4. The roads and streets of the development as shown on the maps of record in the Register's Office of Sevier County, Tennessee, are not to be dedicated to the public but are to remain private roadways. The Association may maintain at appropriate entrances to the development, gates, and security personnel for the protection of the residence and the property of the development. The owners of the various lots or their successors in title are granted a perpetual easement over said roadways and streets. The Association shall have the right to regulate and enforce motor vehicle traffic and parking in the development.
5. These covenants are to take effect immediately and shall be binding on all parties and all persons claiming under them.
6. If the parties hereto or any of them or their heirs or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for the Association or any other person or persons owning any real estate situated in said development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from so doing or to recover damages or other dues for such violation.
7. Invalidation of any one of these covenants by judgment of Court order shall not in any way affect any of the other provisions, which shall remain in full force and effect.

SECTION D:

1. Every owner of real property within the geographic boundaries of Shagbark and subject to these Restrictions shall automatically be a member of the Shagbark Property Owners Association, Inc. Membership shall be appurtenant to and may not be separated from ownership of any lot or tract. Such owner and member shall abide by the Association's By-Laws, Charter, and rules and regulations. Any entity or person, who holds title or interest in a lot merely as a security for the performance of an obligation, including mortgages, deeds of trust or liens, shall not be a member of the Association.

SECTION E:

The rights of the Association set forth in the original Land Use Restrictions, Protective Covenants, and Building Standards for Shagbark are hereby assigned and transferred to the Property Owners Association.

1. These Land Use Restrictions, Protective Covenants and Building Standards for Shagbark may be amended by the affirmative vote of 75% of the voting owners (provided a quorum is present)

at the annual or special meeting of the Association wherein the amendment is to be considered. Notice of the proposed amendment (s) shall be mailed at least forty-five (45) days prior to the meeting at which the proposal is to be considered. Ballot forms, voting rights and procedures for amendments shall be as provided in the By-laws. If the amendment is adopted, the officers of the Association shall be empowered to record a copy of the amendment in the Register's Office for Sevier County, Tennessee with a certificate stating that it has been duly adopted.

These Land Use Restrictions, Protective Covenants, and Building Standards for Shagbark shall be effective immediately upon their recording with the Register's Office for Sevier County, Tennessee.