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Record Book
502 Ps 736

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS & RESTRICTIONS

THE RESERVE, SECTION I

THIS DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS & RESTRICTIONS (the "Declaration") is executed this 23 day of
May, 2005, by The Reserve, L.L.C. (hereinafter referred to as "Developer" or
"Declarant"),

WITNESSETH:

WHEREAS, Developer is the owner of certain real estate in Rutherford
County, Tennessee known as The Reserve Subdivision, as more particularly shown upon
the Plat for The Reserve, Section 1 of record in Plat Book 28, page 188, Register's Office
for Rutherford County, Tennessee (said real estate being referred to herein as the
"Development"); and

WHEREAS, Developer desires to provide for the protection and
preservation of the values, amenities, desirability and attractiveness of the Development;
and,

WHEREAS, Developer desires to establish and provide a system of
administration, operation and maintenance of the Common Areas of the Development;
and,

WHEREAS, Developer further desires to establish for Developer's benefit
and for the mutual benefit, interest and advantage of each and every person or other entity
hereafter acquiring any portion of the Development, certain rights, easements, privileges,
obligations, restrictions, covenants, liens, assessments, and regulations governing the use
and occupancy of the Development and the maintenance, protection and administration of
the common use facilities thereof, all of which are declared to be in furtherance of a plan
to promote and protect the operative aspects of residency or occupancy in the
Development and on all portions thereof, and are intended to be covenants running with
the land which shall be binding on all parties having or acquiring in the future any right,
title or interest in and to all or any portion of the development, and which shall inure to
the benefit of each present and future owner thereof.

NOW, THEREFORE, Developer, as legal title holder of the Development,
and for the purposes set forth above, declares as follows:

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any supplemental
declaration hereto (unless the context shall prohibit) shall have the following meanings:

1. "Annual Assessments" shall mean and refer to the assessment described
in Article V.
2. "Association" shall mean and refer to The Reserve Homeowners
Association, Inc., a not-for-profit corporation to be organized and existing under the laws

of the State of Tennessee, its successors and assigns.

3. "Board" shall mean and refer to the Board of Directors of the Association.

4. "By-Laws" shall mean and refer to the By-Laws of the Association attached hereto as Exhibit "B" and made a part hereof as the same may be amended from time to time.

5. "Committee" shall mean the Architectural Control Committee established pursuant to Article V hereof.

6. "Common Areas" shall mean and refer to all facilities within the Development used in common by the Owners, including without limitation, all roads, footpaths, bicycle paths, jogging trails, recreational facilities, gates, boundary walls and fences, pool, cabana, median areas, and any areas lying within or adjacent to the roads which are desirable for the Association to maintain and landscape. The Common Areas may be owned by the Association in fee or for a term of years, but for the non-exclusive use, benefit and enjoyment of the owners subject to the provisions of this Declaration, and will be shown as Common Areas on the Plats of the Development placed of record now or in the future.

7. "Declaration" shall mean and refer to this Declaration of Protective Covenants, Conditions and Restrictions applicable to the Development and which is recorded in the Office of the Register of Deeds for Rutherford County, Tennessee.

8. "Developer" shall mean and refer to The Reserve, LLC, having their principal place of business in Murfreesboro, Tennessee, its successors and assigns. "Developer" may at times be referenced herein as "Declarant."

9. "Development" shall mean and refer to the property described on Exhibit "A" attached hereto and made a part hereof.

10. Deleted Intentionally.

11. "Impositions" shall mean and refer to any Annual Assessments, Special Assessments, Supplemental Landscape Assessments, or any other charges by the Association against one or more Lots owned by an Owner together with costs of enforcement and reasonable attorneys fees in connection therewith, and shall additionally include, to the extent authorized by the provisions herein, interest thereon.

12. "Improvements" shall mean any building, building addition, outbuilding, garage, detached structure, swimming pool, recreational facility, driveway, parking area, walkway, wall, fence, or utility service, or such other improvement or structure constructed or located upon all or any portion of the Development. It is intended that this definition of "Improvements" be broad in scope and is intended to encompass any man-made alteration of the condition of the Lot or Common Areas from and after the date of this Declaration.

13. "Lot" shall mean and refer to any plot of land within the Development to be used for single family residential purposes and so designated on the Plat.

14. "Majority of Owners" shall mean and refer to the holders of more than fifty (50%) percent of the total Votes of the Members.

15. "Member" shall mean and refer to any person or persons who shall be an Owner, and as such, shall be a Member of the Association. "Class A Members" shall mean and refer to any Owner other than the Developer, and "Class B Member" shall mean the Developer.

16. "Mortgage" shall mean and refer to any holder of a first priority deed of trust encumbering one or more Lots.

17. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Lot within the Development, excluding however those parties having such interest merely as a security interest for the performance of an obligation.

18. "Plat" shall mean and refer to the Final Plat of The Reserve Subdivision as recorded in the Register's Office for Rutherford County, Tennessee, as the same may be amended or supplemented from time to time.

19. "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

20. "Plans" shall mean the detailed plans prepared for construction of any Improvement which shall comply with the provisions of Article V, Section 4 hereof.

21. "Special Assessments" shall mean additional assessments of Owners made from time to time by the Board pursuant to Article IV, Section 2.

22. "Vote" or "Votes" shall mean the vote or votes in the affairs of the Association to which each Member is entitled, all as shown on the schedule attached hereto as Exhibit C and incorporated herein.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

1. Definition of Property Subject to this Declaration. The property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Rutherford County, Tennessee, and is more particularly described on Exhibit "A" and shown on the recorded Plat, and all subsequent phases and subsequently replatted lots. The Lots and Common Area shown on the Plat are made subject to this Declaration. The Developer, as the legal title holder in fee of the Development, hereby submits and subjects the Development to the provisions of this Declaration and By-Laws. The covenants and restrictions contained herein constitute covenants running with the land and binding on all parties now owning or hereafter having or acquiring any right, title or interest in any Lots or any portion of the Development, and shall inure to the benefit of each Owner hereof. Every Person hereafter acquiring a Lot or any portion of the Development, by acceptance of a deed thereof, shall accept such interest subject to the terms and conditions of this Declaration, and by acceptance of the same shall be deemed to have consented to and be bound by the terms, conditions and covenants of this Declaration.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

1. Members. Every person who is an Owner of record of a fee interest in any Lot which is included in the Development shall be a Member of the Association. Membership in the Association is appurtenant to and may not be separated from ownership of any Lot.

2. Classes of Membership. The Association shall have two classes of membership:

a. Class A Members shall be all Owners except for the Developer prior to the termination of the Class B Membership. If, however, Developer owns one or more Lots upon or after the termination of its Class B Membership, then Developer shall become a Class A Member.

b. The Class B Member shall be the Developer, its successors or assigns. The Class B Membership shall terminate and cease upon specific written termination by Developer or its successor or assigns, or the last to occur of (i) Developer owns no further lots in the THE RESERVE development or any sections added thereto or (ii) twelve years from the date hereof.

3. Voting and Voting Rights. The voting rights of the Members shall be appurtenant to their ownership of Lots. The two Classes of Members shall have the following voting rights.

a. Each Class A Member shall be entitled to cast one vote for each lot owned by such Member. When two or more persons hold an interest (other than a leasehold or security interest) in a Lot, all such Persons shall be Members, but the Votes attributable to such Lot shall be exercised by one of such Persons as proxy and nominee for all such Members and in no event shall more than one (1) Member be entitled to cast the Vote attributable to any one Lot. Furthermore, neither the Developer nor any other person or individual dealing with the Development shall have any duty to inquire as to the authorization of the Member casting the Vote for any such Lot, but shall be entitled to rely upon the evidence of voting as conclusive evidence of such Member's authority to cast the Vote attributable to such Lot.

b. The Class B Member shall be entitled to cast three votes for each lot owned.

c. Any Member who is delinquent in the payment of any charges or assessments duly levied by the Association against a Lot owned by such Member shall not be entitled to vote until all such charges, together with reasonable penalties and interest thereon as the Board may impose, have been paid to the Association.

4. Manner of Voting. Except as specifically provided elsewhere herein, the Board shall have the authority to regulate the procedural rules governing the voting of Members, the acceptance of proxies from Members, the validity of voice votes, ballot votes, or other manners of voting, and any regulation of the solicitation of votes or proxies.

5. Organization.

(a) The Association is a non-profit Tennessee corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor the By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The officers and directors of the Association shall be required to be either (i) Members of the Association; or (ii) officers, directors, agents, representatives or employees of Developer or a successor to Developer.

(b) A Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the The Reserve Homeowners Association, Inc. documents. The Board shall, except to the extent specified Membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration.

6. Duties of the Association. The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions, (subject to the provisions of this Declaration), to do and perform each and every of the following for the benefit of the Owners and for the maintenance, administration and improvement of the properties.

7. Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

(a) Assessments. To levy assessments on the owners of lots and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

(b) Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any The Reserve covenants, conditions, obligations or duties and to enforce, by mandatory injunction or otherwise, all the provisions of the Declaration, Articles and By-Laws.

(c) Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder, (i) overhead or underground lines, cables, wires, conduit or other devices for the transmission of electricity and for lighting, heating, power, telephone, television cables, radio and audio antennae facilities and for other appropriate purposes; (ii) public sewers, storm water drains and pipes, water system, sprinkling systems, water, heating and gas lines or pipes; and (iii) any similar public or quasi-public improvements or facilities.

(d) Employment of Manager and Employees. To employ the services of any person or corporation as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose. Such manager and employees shall have the right of ingress and egress over such portion of the properties as is reasonably necessary for the purpose of performing such business, duties and obligations.

(e) Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action, relevant to this instrument, of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to, the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sell or transfer the Common Areas or any other real estate or improvements owned, directly or indirectly, by the Association for the benefit of any lots; (ii) any change in the method of determining the obligations, assessments, dues or other charges which may be levied against the owners of lots; (iii) any act or omission which may change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the properties, driveways, or the upkeep of lawns or plantings located upon the properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance

proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (vi) the failure to maintain kinds of insurance and amounts, from and covering risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

(f) Right of Entry. Without liability to any owner of a lot, to cause its agents, independent contractors, and employees after reasonable notice, or without notice in the event of an emergency, to enter upon any lot for the purpose of enforcing any of the rights and powers granted to the Association in the Instruments, Articles and By-Laws, and for the purpose of maintaining or repairing any portion of the properties if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior or appearance as required by the documents, or as reasonably required to promote or protect the general health, safety and welfare of the residents and users of the properties.

(g) Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas or as required for exterior maintenance, sidewalks or lot clean-up in the event owner fails to maintain as required.

(h) Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Instrument or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the Members of the Board, the Members of any standing committee, their tenants or guests, including, but without limitation, fire and extended insurance coverage covering the Common Areas, liability insurance, worker's compensation insurance, and performance of fidelity bonds.

(i) Utility Service. To contract and pay for, or otherwise provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services.

(j) Professional Services. To contract and pay for, or otherwise provide for the construction, reconstruction, repair, replacement or refinishing of any roads, drives or other paved areas upon any portion of the properties not dedicated to any governmental unit and on the lots in the event the owners fail to keep such paved area maintained and repaired.

(k) Protective Services. To contract and pay for, or otherwise provide for, fire, security and such other protective services as the Association shall from time to time deem appropriate for the benefit of the properties, the Owners and their guests.

(l) General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary.

(m) Liens. To pay and discharge any and all liens from time to time placed or imposed upon any Common Areas on account of any work done or performed by the Association and the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(n) Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority or acquisition of any of the Common Areas or any part thereof. In

the event of a taking or acquisition of part or all of the Common Areas by any condemning authority, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any condemning authority in any condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorney. Any distribution of funds in connection with the condemnation of any part of the Common Area shall be made on a reasonable and equitable basis by the Board or by a special committee appointed by the Board for that purpose.

ARTICLE IV

PROPERTY RIGHTS

1. Owner's Easement of Enjoyment. Every owner in addition to a perpetual unrestricted right of ingress and egress to his own lot which passes with title shall have the right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to permit the use of and to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area; and to limit the number of guests and adopt rules regulating the use and enjoyment of the Common Areas.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period in which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days after notice and hearing as may be provided for in the By-Laws or rules for an infraction of its published rules and regulations.

(c) The right of the Association to dedicate or transfer any part of the Common Area to any public agency, authority, or utility for the purpose of providing utilities, streets, or any similar purpose.

2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment of the Common Area and the facilities to the Members of his family, or contract purchasers, who reside on the property.

3. Parking Rights. The use of parking areas, if any, within the Common Area, together with the terms and conditions with regard to such use, shall be subject to the Association rules as same are in effect from time to time.

4. Land Use. No lot shall be used except for residential purposes.

ARTICLE V

ASSESSMENTS

1. (a). Annual Assessments. The Board shall have the power and authority to levy annual assessments against the Lots within the Development. Annual Assessments shall be used to provide funds for such purposes as the Board shall determine to be for the benefit of the Development, including, without limitation, the improvement, maintenance, operation and security of the Development and Common Areas, payment of taxes and insurance thereon, payment of utility bills thereon (including

water for sprinkler systems), payment of reasonable costs to provide attractive seasonal landscaping of the Common Areas, street maintenance costs, the repair, replacement and additions that may be necessary to the Common Areas and the cost of labor, equipment, materials, management and supervision thereof. The Board shall have the right, but not the obligation, to use the Annual Assessments to provide supplemental landscaping, maintenance within Lots, and to provide garbage and trash collection and disposal, if needed, to supplement that provided by public authority. The Board shall fix the amount of Annual Assessment each year by preparing an annual budget for the services to be provided by the Association in the coming year, and allocating said amount among the Lots equally. However, the Assessments for vacant lots shall be at a rate 50% of the Annual Assessment for lots except for the Developer who is exempt from assessments as provided in Article V, paragraph 4 hereinbelow. Also, Assessments for builders for houses which are for sale or under contract for sale, shall be at 50% of the Annual Assessment so long as the builder does not reside in said house. Once a certificate of occupancy is issued for any lot, the assessment for said lot shall be at the full rate when the assessment is next due.

(b). Working Capital Assessments. In addition to the other Assessments provided for in this instrument, each purchaser of a house shall be assessed an assessment of \$250.00 upon the purchase of any completed house within The Reserve (Said assessment shall be referenced as the "Working Capital Assessment"). Said Working Capital Assessment shall be collected at closing on the purchase of the house and remitted to the Association. Said Working Capital Assessment shall also be due from the Purchaser of a home when a home is resold, and also collected at closing. The amount of the Working Capital Assessment may be modified by the Declarant at any time while Declarant owns at least two lots in The Reserve. Thereafter, said Working Capital Assessment may only be modified by at least two-thirds (2/3) of the Votes entitled to be cast by the Members of the Association, (both Class A and Class B) at a duly called meeting of the Association at which a quorum is present.

2. Special Assessments. In addition to the Annual Assessments authorized herein, the Board may levy a Special Assessment applicable to a particular year, provided that any such Special Assessment shall have the affirmative Votes of not less than fifty percent (50%) of the total Votes within the Association at a meeting of all Members which shall be held after not less than five (5) days' written notice of the date, time and purpose for said meeting, at which a quorum shall be present. Special Assessments shall be due and payable on the date which is fixed by the resolution authorizing such assessment.

3. Exempt Property. The Impositions and liens created under this Article shall not apply to the Common Areas. All property within the Development which is dedicated to and accepted by a local public authority, which is granted to or used by a utility company, or is designated as part of the Common Area shall be exempt from such Impositions.

4. Property Owned by Developer. The Developer shall be exempt from payment of any Annual, Initial, Working Capital and Special Assessments for any vacant lots Developer owns. However, if Developer constructs any houses on any lots, Developer will be subject to the same assessments as any other homeowner once a house is complete.

5. Payment of Annual Assessments. The Board shall have the power and authority to determine the payment method for Annual Assessments. Unless provided otherwise by the Board, each Owner shall pay its Annual Assessment on or before the first of April of the year to which said assessment relates, and the Board shall fix the amount of the Annual Assessment and send a notice thereof to each Owner on or before the first of February of each such year. The Board shall have the power and authority to require quarterly or monthly payments of installments of the Annual Assessments from such Owners as the Board deems suitable, or may require all Annual Assessments to be

paid on a quarterly or monthly basis, at its determination.

6. Commencement. The assessment for Annual Assessments for a Lot shall commence upon purchase of the Lot from Developer. Assessments on Lots that first become subject to assessments during a calendar year shall be prorated on a calendar year basis for the remainder of such calendar year.

7. Records of Assessments. The Association shall cause to be maintained in the office of the Association a record of all Lots and Impositions applicable thereto which shall be open to inspection by any Owner. Written notice of any Imposition shall be mailed to every Owner of the Lot subject to assessment. The Association shall, upon demand and payment of a reasonable charge, furnish to any Owner a certificate in writing signed by an officer of the Association setting forth whether the Impositions against the Owner's Lot have been paid, and if not, the amount then due and owing. Absent manifest error, such certificate shall be deemed conclusive evidence to third parties as to the status of Impositions against any Lot within the Development.

8. Creation of Lien and Personal Obligations for Assessments. Each Owner of any Lot shall, by its acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and conditions of this Declaration and promises to pay to the Association all Impositions which may be due from an Owner from time to time. All Impositions, together with interest thereon and cost of collection thereof shall be a continuing lien upon the Lot against which such Impositions is levied as of the effective date of each such Imposition. Each such Imposition, together with such interest thereon and cost of collection therefor as are hereinafter provided, shall also consist of the personal obligation of the Person who was Owner of such Lot at the time when the same fell due. In the event a Lot is owned by more than one Member, all of such Members shall be jointly and severally liable for the entire Imposition then due.

9. Effect of Non-Payment of Imposition. If any Imposition hereunder is not paid upon the due date, or if any similar charge otherwise agreed to be paid by Owners in this Declaration is not paid when due, then such Imposition shall be delinquent and shall accrue interest thereon at the highest rate then permissible under the laws of the State of Tennessee commencing upon the due date. If such Imposition is not paid within thirty (30) days after the due date, then the Association may bring an action at law against the Owner personally, and/or at its option, foreclose the lien against the Lot by court action or trustee sale as hereinafter provided, and there shall be added to the amount of such Imposition, all reasonable attorney's fees and costs incurred by the Association in any such action, and in the event a judgment is obtained, such judgment shall include interest on the Imposition as indicated above.

10. Enforcement of Lien by Trustee's Sale. For and in consideration of the privileges and protection granted in this Declaration, and the mutual enjoyment and use of the Common Areas, and for the express purpose of securing the payment of the Impositions described above, in order to avoid unnecessary court proceedings or delays for the enforcement of the liens described above, each Owner by accepting a deed to a Lot for their heirs, successors and assigns, does hereby transfer and convey unto John Harney, Trustee, his successors and assigns ("Trustee"), each such Lot deeded to such Owner with the appurtenances, estate, title and interest thereto belonging to the Trustee for the following uses in trust:

Each Owner agrees to pay all Impositions provided herein when due and upon demand of said Trustee or the Association, to pay, discharge, or remove any and all liens except a first mortgage or deed of trust lien which may hereafter be placed against said Lot which would adversely affect the lien granted herein, and in case the Trustee or his successors of the Association shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, or costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed and

be payable by said Owner upon demand of the Trustee or the Association, and upon failure to do any of these things then said Trustee or Association may do any or all of said things, and the amounts so paid shall bear interest from the date of payment at the highest rate then permitted by the laws of the State of Tennessee and shall be and become a part of the indebtedness secured hereby.

If any Imposition, together with interest thereon, is not paid promptly when due or within a period of cure allowed above, or if after said Owner fails to pay any other sums due as above provided, or further, fail to reimburse the Trustee or Association within thirty (30) days from the date of the Trustee's or Association's payment of such sums, this trust conveyance shall remain in full force and effect, and the said Trustee or his successor in trust is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any daily or weekly newspaper published in Rutherford County, Tennessee, to sell said Lot at the front door of the Courthouse in said County to the highest bidder for cash at public outcry, free from the equity of redemption, statutory rights of redemption, homestead, dower, and all other exemptions of any kind which are hereby expressly waived; and the said Trustee or his successor in trust, is authorized and empowered to execute and deliver a deed to the purchaser at such foreclosure sale. The Association may bid at any sale under this trust conveyance. The Trustee may at any time after default and the payment of any of the above described indebtedness enter and take possession of said Lot and shall only account for the net rents actually received by said Trustee. It is further agreed that in the event the Trustee fails, before selling said Lot as herein provided, to enter and take possession hereof, the purchaser shall be entitled to immediate possession of said Lot upon delivery to him by the Trustee of a deed for said Lot. In case of sale hereunder, the proceeds shall be applied by the Trustee as follows:

- (a) to the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided, together with reasonable attorney's fees for advice or for instituting and defending any litigation which may arise on account of the execution of this conveyance or the enforcement of said lien, together with the expenses and costs of any such litigation,
- (b) to the payment of all taxes which may be unpaid upon said Lot,
- (c) to the payment of all unpaid Impositions herein secured,
- (d) the residue, if any, to be paid to the order of said Owners or their representatives or assigns.

In the event of the death, absence, inability, or refusal to act of said Trustee at any time when action of the foregoing powers and trusts may be authorized, or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor in trust to execute this trust by an instrument in writing to be recorded in the Register's Office for Rutherford County, Tennessee, and title therein conveyed to the above named Trustee shall be vested in said Successor Trustee. The Trustee is authorized to appoint an attorney-in-fact to conduct in his stead and on his behalf and with the same power possessed by said Trustee as granted herein any and all foreclosure sales authorized above.

11. Priority of Lien. The lien described in this Article shall be subordinate to the lien of any Mortgagee under a recorded first mortgage or deed of trust encumbering any such Lot. In the event any Mortgagee becomes the Owner of such Lot after foreclosure thereof, or conveyance by deed in lieu of foreclosure, trustee's deed, or the like, such Mortgagee shall become subject to the lien reserved herein for the purpose of securing all Impositions becoming due from and after the date such Mortgagee accepts a deed to said Lot.

12. Mortgage Protection Clause. No breach of the covenants, conditions, or restrictions herein contained for the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior mortgage given in good faith and for value,

but said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or other judicial sale or in lieu of such of any prior mortgage.

13. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from any liability arising from the claim of any lien claimant or judgment debtor against the lot of any other Owner or of the Common Area. The Association or any affected Owner may enforce this obligation which includes reasonable costs and attorney fees in the manner of a special assessment or by action at law including all rights granted to the Association under Article V.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

1. Designation of Committee. The Association shall have an Architectural Control Committee (the "Committee") which shall consist of three Members who shall be natural persons. The Members of the Committee shall be appointed and be subject to removal at any time by the Developer until the termination of the Class B Membership, and thereafter by the Association's Board of Directors. The Committee shall designate an individual as its Secretary, and all communications with the Committee shall be conducted through the Secretary.

2. Approval of Plans and Architectural Review Committee.

(a) No construction, reconstruction, remodeling, alteration or addition to any structure, building, fence, wall, driveway, path or other improvement of any nature on any lot shall be constructed or undertaken without obtaining the prior written approval of the Board of Directors through the Architectural Review Committee appointed by the Board as to the intended location of same and as to its plans and specifications showing the nature, shape, height, materials and such other specifics as may be required including its architectural style. There shall be an architectural review fee for each submission at a rate to be established by the Architectural Review Committee. For this purpose, the Board of Directors shall establish an architectural committee composed of three (3) or more Members appointed by the Board which shall have full authority to review and act upon requests for approvals of such requests. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, the applicant must submit a set of plans and specifications with a written request for their approval. The Architectural Review Committee shall be the sole arbiter of same and may withhold approval for any reason including purely esthetic considerations. In the event the Board, or its designated Architectural Review Committee fails to approve or disapprove the plans for design and location within thirty (30) days after they have been submitted, approval will not be required and this section will be deemed to have been fully complied with. Upon approval being given, construction shall commence within ninety (90) days thereafter, and shall be processed to completion promptly and in strict compliance with the approved plans; otherwise the approval shall be void. Each Owner acknowledges that the decor, color scheme, landscaping, and design of the property has been selected in such a manner as to be consistent and harmonious with other lots and residences in the Subdivision and agrees to maintain and perpetuate the visual harmony of the properties. So long as the Developer owns two or more lots in The Reserve, the Committee may establish architectural standards and guidelines in addition to the minimum standards set for in this instrument.

(b) Prior to the formation of the Architectural Review Committee, the Declarant or his successors and assigns shall constitute or may appoint a person or persons to act as the Architectural Committee.

3. Design Criteria. Developer will adopt initial design criteria which shall be observed in carrying out the functions of the Committee and in order to ensure uniformity of quality of the Improvements located within the Development. Said design criteria may be modified as the Committee sees fit. The Developer and, after the termination of the Class B Membership, the Association, reserves the right to modify and amend the Design Criteria from time to time as it deems appropriate based upon changes and innovations in construction methods and techniques. All construction within the subdivision shall comply with the design criteria.

4. Improvement Plans. Any Owner desiring to construct Improvements, or to modify existing Improvements, upon any Lot shall first have detailed plans prepared for such Improvement (the "Plans"), which shall be prepared by a licensed architect and shall include, as a minimum, the following:

- (a) A plot plan drawn on a scale of one inch equals 100 feet, reflecting the following information:
 - (i) A survey of the Owner's Lot showing the dimensions of the Lot and Lot area, the location of any utilities crossing the lot, and contours of the land drawn at two (2') foot intervals;
 - (ii) The relationship of the proposed Improvement to each side Lot line, to the rear property line and to the front property line;
 - (iii) If the Improvement involves an addition to an existing building, the addition shall be shown in a shaded area with the existing building left unshaded;
 - (iv) Finished floor elevations of the first floor, garage and basement, if any of all Improvements, together with all exterior color schemes and/or building materials.
 - (v) Any detached structures, swimming pools, walls and/or fences on the site;
 - (vi) A landscaping plan of the entire Lot, including all driveways, sidewalks and terraces; and
 - (vii) Such other information as may be necessary to evidence compliance by the Plans with the Design Criteria if any.
- (b) A floor plan indicating existing walls, and, if the plan is for an addition or modification to an existing building, indicating any walls to be removed and any proposed walls to be installed.
- (c) Elevation drawings of the front, sides and rear of any new structure included within the Improvement, together with the overall height of any new buildings to be constructed, measured from the average grade at the front elevation.

5. Limited Effect of Approval of Plans. The approval of the Committee of an Owner's Plans for the construction of Improvements upon any Lot is not intended to be an approval of the structural stability, integrity or design of a completed improvement of the safety of any component therein but is required solely for the purpose of insuring compliance with the covenants contained herein and further to insure the harmonious and orderly architectural and aesthetic development and improvement of the Lots contained within the Development. Notice is hereby given therefore to any future occupant of any completed Improvement and all invitees, visitors and other persons who may from time to time enter or go on or about such completed Improvements, that no permission or approval granted by the Committee, the Developer or the Association with respect to the

construction of Improvements pursuant to this Declaration shall constitute or be construed as an approval of the structural stability of any building, structure or other Improvement and no liability shall accrue to the Developer, the Committee or to the Association in the event that any such construction shall subsequently prove to be defective.

ARTICLE VII

IMPROVEMENT, SETBACK AND USE RESTRICTIONS

1. Improvement Restrictions. In addition to the requirements of Article VI above concerning compliance with the architectural review authority of the Committee, the following restrictions apply to Improvements;

- a. Minimum setback requirements on the Plat shall be observed. The Developer reserves the right to approve the location of each residence upon the Lot and to relocate the same, within the setback lines and/or building areas established by the Plat, in such manner as it shall be deemed, in its sole discretion, to be in the best interests of the overall Development and in furtherance of the goals set forth herein.
- b. Deleted Intentionally.
- c. The total floor area of the main residential structure upon any Lot, exclusive of open porches, patios, garages and breezeways: (1) For the Manor lots, which are lots eleven (11) through thirty-two (32), total floor area as defined above shall not be less than two thousand two hundred (2,200) square feet for 1-story houses and two thousand four hundred (2,400) square feet for 1½- and 2-story houses, with one thousand four hundred (1,400) square feet minimum on the first floor; and (2) For the Estate lots, which are lots one (1) through ten (10) and thirty-four (34) through sixty-one (61), total floor area as defined above shall not be less than two thousand eight hundred (2,800) square feet for 1-story houses and three thousand (3,000) square feet for 1½- and 2-story houses, with one thousand (1,600) square feet minimum on the first floor. All houses must be constructed with a 100% brick, stucco, hardy plank or stone veneer exterior. There shall be a minimum roof pitch for 2-story houses of 6/12, and for 1-story houses of 8/12.
- d. Boundary walls or fences for individual Lots must receive the prior written approval of the Architectural Review Committee. No walls other than retaining walls may be constructed along the street on the front of any Lot unless approved by the Committee. The Architectural Review Committee may limit the height and design of any fences or walls. All boundary walls, retaining walls, and fences must be of materials approved by the Committee. The Committee may modify the design criteria for fences, but the initial design criteria are as follows:
 - (i). No fences will be allowed in any front yards. No fences will be allowed in the side or rear yards without prior approval by the Architectural Review Committee. The Committee will only consider fences of the following types:
 1. Black Metal Fence –as shown on Exhibit “C”, or
 2. “Invisible or Underground dog fence.

Upscale brick or stone columns may be submitted for consideration to the ARC with approved fence style.

- e. All mailboxes within the subdivision must be of the specific design approved by the Developer. *See Exhibit "D" for mailbox style.*
- f. Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected on any Lot. Any and all equipment, air conditioner condensers, garbage cans, woodpiles, refuse or storage piles on any lot, whether temporary or permanent, shall be walled in to conceal the same from the view of neighboring Lots, roads, or Common Areas, with the plans for any such concealing walls being approved by the Committee. Buyer must provide either a dumpster or trash receptacle to contain construction debris on each lot. In the event Buyer fails to provide a dumpster or trash receptacle, Seller shall have the right to clean the lot and charge the costs to Buyer.
- g. No building materials may be stored on any Lot except for the purpose of construction of such Lot, and then only for such length of time as is reasonably necessary for the construction of the Improvements then in progress.
- h. Satellite dishes and antennas may not exceed twenty-four inches in diameter can only be mounted to the rear of any house so that the satellite dish is not visible from the front of the house. The placement of any satellite dishes must receive the prior written approval of the Architectural Review Committee. Antennae cannot exceed thirty-nine inches (39") in diameter or length and can only be mounted on the rear of the house.
- i. No Owner shall excavate or extract earth from any of the Lots for any business or commercial purpose, and no elevation changes will be permitted which could materially affect the surface grade of a Lot without the consent of the Developer or the Committee.
- j. There shall be no outside clotheslines, clothes hanging devices, or the like upon any Lot. Eve lights may not be installed on the fronts of Improvements without the consent of the Committee and eve lights installed on the sides and rears must be adjusted so that the rays of any beam or floodlight shall not interfere with the neighboring Lots and shall be directed to the rear of the residence.
- k. Manor Sections lots- all homes must have at least an attached 2 car garage. Garages may open either on the rear or sides of the house. Courtyard or front entry garages will be considered on certain lots with the prior written approval by the ARC prior to construction (in this case a recessed garage with a minimum setback of 10ft will be required). Manor section lots with a 2 car garage must have 2 individual garage bays. All garage doors must be carriage style.

Estate Section lots - all homes must have at least an attached 3 car garage. Garages may open either on the rear or sides of the house. The placement of the garage opening must receive the prior approval of the Architectural Review Committee. All garage doors must be carriage style.
- l. No tree in excess of eight (8) inches in diameter may be removed from a Lot without the consent of the Committee.
- m. If one or more contiguous Lots are owned by the same Owner, they may be combined upon the consent of the Developer for the purpose of placing approved Improvements thereon, but individual Lots may not be

resubdivided so as to create a smaller area than originally deeded to an Owner and as shown on the Plat without the consent of the Developer.

- n. No trailer, basement house, tent, modular home, mobile home or other temporary structure shall be erected or used as either a temporary or permanent residence. However, one dog house per lot may be permitted in the discretion of the Architectural Review Committee if prior approved in writing. Notwithstanding the above, a temporary sales trailer or model may be placed on a lot with the prior written consent of the Committee.
- o. No out-buildings, fenced dog pens, or above ground swimming pools shall be allowed.

2. Maintenance

- a. All Lots, together with the exterior of all Improvements located thereon, shall be maintained in a neat and attractive condition by their respective Owners.
- b. In the event any Owner shall fail to maintain the Improvements situated upon his Lot in a manner satisfactory to the Association, the Association may upon the vote of at least two-thirds of the Board of Directors and after ten (10) days notice in writing to the offending Owner during which time said Owner has continued to fail to commence the correction of the matter in question, may enter upon said Lot and perform the maintenance of the Improvements itself. The cost of such maintenance shall be added to and become a part of the assessment to which such Lot is subject and the Owner of such Lot shall be personally liable for the cost thereof.
- c. The Developer, at its option, may require sidewalks in the development and may require builders install said sidewalks. In the event Developer requires said sidewalks, an opening will be left in the sidewalk for purposes of constructing a driveway. Any damage to the sidewalk due to the construction of driveway or the construction of other improvements on a lot shall be repaired at the sole cost of the lot owner.
- d. Driveways, sidewalks and driveway aprons must be broom finished concrete. You may submit your request for review for an upgraded driveway material to the ARC. Upgraded material such as aggregate, stamped concrete or pavers will be reviewed on a per lot basis, but must be placed behind the sidewalk.
- e. Street trees will be required at 2 per lot on all lots except corner lots which will require 4 trees per lot (2 on each side). Trees must be placed behind sidewalk. Exact location must be noted on site plan submitted. The approved street tree is a Red Maple 3" in caliper unless otherwise noted by the Developer.

3. Use Restrictions.

- a. No Owner shall use its Lot in such a manner as to create a nuisance. No Owner shall commit waste upon any Lot within the Development.
- b. No wrecked vehicle or vehicles in a non-functional condition or vehicles without proper registration shall be parked on any Lot or upon any of the Common Areas. No house trailers, mobile homes, or portable buildings shall be permitted within the Development except for temporary sales trailers and models which receive prior written approval of the Committee. There shall be no prolonged outside parking of recreational vehicles, including,

but not limited to, camping trailers, boats, and motor homes on any lot, street, or Common Area.

- c. No animals, livestock, poultry of any kind shall be raised, bred, pastured or maintained on any Lot except household pets which shall be kept in reasonable numbers as pets for the sole pleasure of the occupants, but not for any other purpose or use. No such household pets shall be permitted to the extent they become a nuisance to neighboring Lot Owners. No pets shall be permitted outside the boundaries of the Owner's Lot unless accompanied by their owners and on a leash. The Board, or any individual resident, may take appropriate measures to insure compliance with this provision, including without limitation, having the animal picked up by the appropriate governmental authorities.
- d. No Owner shall cause or allow any use of his Lot that results in noise which disturbs the peace and quiet of the Development. This restriction includes, without limitation, dogs whose loud and frequent barking, whining or howling disturbs other Lot Owners, exterior music systems or public address systems, and other noise sources which disturb other Owners' ability to peacefully possess and enjoy their Lots.
- e. No Owner shall permit or cause the escape of such quantities of dense smoke, soot, cinders, noxious acids, fumes, dust, or gases as to interfere with the use and enjoyment by other Owners of their Lots.
- f. No house or other structure on any Lot shall be used for any business or purpose. Each Owner shall refrain from any act or use of his Lot which could reasonably cause embarrassment or discomfort or annoyance to the neighborhood. No noxious, offensive or illegal activity shall be carried out upon any Lot.
- g. Boats must be stored in enclosed areas and must not be visible from neighboring Lots, streets or Common Areas.
- h. Each Owner shall observe all governmental building codes, health restrictions, zoning restrictions and other regulations applicable to his Lot. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.
- i. The pursuit of hobbies or other inherently dangerous activities including without limitation the assembly and disassembly of motor vehicles or other mechanical devices, the shooting of firearms, fireworks, or other pyrotechnic devices of any type or size, and other such activities shall not be allowed upon any Lot.
- j. No owner shall use its lot for anything other than a single family residence. Single family is defined as lot owners, their spouses, children, grandchildren, parents, and grandparents. Occupation of a house by extended family Members shall be deemed a violation of this provision.

ARTICLE VIII

EASEMENTS

1. General. Until termination of the Class B Membership, Developer reserves an easement for ingress and egress generally across the Development at reasonable places thereon and across the various Lots for the purpose of completing

Developer's intended development. Said ingress and egress easement shall in any event be reasonable and shall not interfere with the construction of Improvements on a Lot nor the use and enjoyment of a Lot by an Owner. Developer reserves a twenty (20') foot easement along the front of each lot and sides of any corner lot for sidewalks and utilities but Developer specifically reserves the right to go outside said twenty (20') foot easement for the construction of sidewalks if need be. Developer reserves the right to require lot purchasers to install sidewalks on a lot. Developer may, but is not required to, establish sidewalks within the Development.

2. Emergency. There is hereby reserved without further assent or permit, a general easement to all policemen and security guards employed by Developer or Association, firemen, ambulance personnel, garbage collectors, mailmen, utility personnel, delivery service personnel and all similar persons to enter upon the Development or any portion thereof which is now or hereafter made subject to this Declaration in the performance of their respective duties.

3. Easements Over Common Areas. The Plat designates certain areas for roads, utilities, drainage, Common Areas, and recreational areas. The easements so designated on the Plat encumber the Lots as shown on the Plat and are hereby established as perpetual and irrevocable easements. Said easements are granted and reserved for the use and benefit in common of all owners in the Development and their agents, servants, family members and invitees. No Owner shall have the right to restrict, impede or take any action in any way to prohibit or limit the use in common by all Owners of said easements. However, use of the easements and Common Areas shall be subject to and governed by provision of this Declaration and the by-laws, rules and regulations of the Association.

4. Easements for Utilities. Easements for installation of utilities and drainage facilities are reserved as shown on the recorded Plat and as set forth herein or as required by later amendments. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels and easements.

5. Common Areas. The Common Area shall be conveyed to the Association in fee simple. Each lot and residence is hereby declared to have, subject to the provisions of this Declaration, a non-exclusive easement over all the Common Areas for the benefit of such lot or residence, the Owners of such lot or unit and each of them, and for their respective families, guests, invitees and contract purchasers, for recreation and other appropriate intended purposes and uses and without limiting the generality of the foregoing, for ingress and egress over and through the Common Areas, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual grant deeds and mortgages to each lot may, but shall not be required to, set forth the foregoing easement. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all Owners and each holder of a first mortgage on any lot.

6. Association Functions. There is hereby reserved to Declarant, any successor to Declarant, and the Association, or the duly authorized agents, representatives and managers of the Association, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration and any other The Reserve documents.

7. Ingress and Egress. In addition, there is reserved to Declarant for the use and benefit of any adjoining property that has been added as a new section to The Reserve or is intended to be added as a new section, a right of ingress and egress over the streets, a right to attach to and use sewer and utility easements and such other easements

as may be necessary to develop said property.

8. Covenants Running with Land. Each of the easements provided for in this Declaration shall be deemed to have been established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the lots and units, and Common Areas as the case may be, superior to all other encumbrances applied against or in favor of any portion of the properties which is the subject of this Declaration.

9. Subject to Prior Utility Easements. Notwithstanding anything herein expressed or implied to the contrary, this Declaration shall be subject to all easement heretofore or hereafter granted by Declarant for ingress or egress and for the installation and maintenance of utilities, sewers, television cables, drainage, and similar facilities that are necessary or appropriate for the development of the properties.

10. Utility Easements, Duties and Rights. The rights and duties of the Owners of lots with respect to sanitary sewers and water, electricity, television cables, gas and telephone, shall be governed by the following:

(a) Whenever sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the properties, which connections or any portion thereof lie in or upon lots owned by others, then the Owners of the lot served by said connections, shall have the right, and are hereby granted, an easement to the full extent necessary therefor, to enter upon said lots or to have the utility company enter upon the lots within the properties in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

(b) When sanitary sewer house connections and/or water house connections or electricity, television cables, gas or telephone lines are installed within the properties, which connections serve more than one (1) lot, the Owner of each lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his lot.

ARTICLE IX

SALE OR LEASE OF LOTS

1. Sales, Resales and Advertising. No signs shall be permitted on any lot except one, non-illuminated builder/realtor sign advertising the house or lot for sale or rent not exceeding four (4) square feet in size without the prior written approval of the Committee.

ARTICLE X

INSURANCE

1. Casualty Insurance. The Association shall keep all insurable improvements and fixtures on the Common Area insured against loss and damage by fire for the full insurable replacement cost thereof, and shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all Common Areas with coverage of at least One Million Dollars (\$1,000,000.00) for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees if any. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage

by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. all casualty, liability and fidelity bond coverage shall be in such manner and is such amount as required by the Federal National Mortgage Association (FNMA), and their requirements thereto as set forth in Sections 501-504, FNMA Lending Guide, are adopted herein by reference. Any insurance coverage with respect to the Common Area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are common expenses included in the common assessments made by the Association.

2. Replacement of Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such lot Owner.

3. Other Insurance. The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, Members of the Board and any standing Committee, tenants or guests, including, but without limitations, workers' compensation, malicious mischief, and performance of fidelity bonds.

4. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of property which may be damaged or destroyed.

5. Hazard, flood, Homeowners and Fire Insurance. Each Owner shall obtain and maintain in effect fire and appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each residence and improvement owned by such Owner, which may be established from time to time by the Board or the Association by resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board or Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the properties.

6. Obligation to Repair and Restore.

(a) Subject only to the rights of an institutional holder of the first mortgage lien on the damaged lot, insurance proceeds from any insurance policy covering a lot shall be first applied to the repair, restoration, or replacement of such residence. Each Owner shall be responsible for the repair, restoration, or replacement of each residence owned by such Owner pursuant to the terms hereof. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and in currently generally accepted design criteria) be generally harmonious with the other The Reserve residences, and reconstruction must be consistent with plans approved by the Architectural Committee. Such repair and restoration will be commenced as soon as possible.

(b) If the proceeds of insurance are insufficient to pay for the cost of repair, restoration, or replacement of a residence or improvement, the Owner of such residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration or replacement.

7. Association Rights. If any Owner fails to obtain the insurance required

in this Article, or fails to pay the premiums therefor when and as required or fails otherwise perform the obligations of an Owner under this Article, the Association may (but shall not be obligated to in any manner) obtain such insurance, make such payments for any such Owner, and/or perform such obligations, and add the cost of such payments or performance, as a special assessment, to the assessments of such Owner and enforce the payment of the assessment in a like manner as a general assessment.

8. Proof of Insurance. Each Owner shall provide the Association with a copy of an appropriate insurance policy and a paid receipt thereof, showing that the Owner has proper hazard, fire, flood and homeowner's insurance coverage. Failure to so provide such insurance proof on an annual basis or at such other times as the Association may reasonably require will be construed as a default of the obligations under this Article, and the Association may take whatever reasonable steps it deems necessary, including the procurement of insurance on said residence, with the Owner to be liable for such procurement as set forth above. All such insurance shall contain a provision for the notification of the The Reserve Homeowner's Association, and each mortgage holder named in the mortgage clause, at least ten (10) days prior to the cancellation, or substantial change, of coverage. Nothing herein shall be construed so as to require the Association to procure, insure or be a guarantor that insurance is procured or in force on any lot.

9. Notice to First Mortgagees. In the event of substantial damage to or destruction of any part of the Common Elements, the institutional holder of any first deed of trust or mortgage on a lot will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the Property will entitle the Owner of a lot or other party to priority over such institutional holder with respect to the distribution to such lot of any insurance proceeds.

ARTICLE XI

EXTERIOR MAINTENANCE

1, Maintenance of, repairs to and replacements to the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements to the Common Elements shall be part of the common expenses, subject to the By-Laws, Rules and Regulations of the Association. If, due to the act or neglect of a lot Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements, to the sidewalks, or to a lot owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such lot Owner shall pay for such damage or such maintenance, repair or replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier or to the extent any such claim raises insurance premiums.

In addition to the utility and maintenance easements as may appear on the Plat, the authorized representatives of the Association, Board or of the Managing Agent with approval of the Board, shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of any individual lot in the event of an emergency, or in connection with maintenance of, repairs or replacements of the Common Elements or any equipment, facilities or fixtures affecting or serving other lots and the Common Elements or to make any alteration required by any governmental authority.

2. It will be the responsibility of each lot owner to maintain their own mailbox in keeping with the specific design approved by the Developer.

3. Each lot Owner is responsible for all exterior maintenance on his own lot. Each owner shall repair, maintain or replace all exteriors on any building in a good

and workmanlike manner. Additionally, all landscaping, plants, shrubs, driveways, walks, yards, sidewalk adjacent to the street, etc., shall be maintained in a neat, orderly condition and in a good state of repair and maintenance. All exterior maintenance, including painting, shall be done in the color, method and design that is suitable and approved by the Architectural Committee. The Architectural Committee can base its decisions solely on esthetic considerations.

ARTICLE XII

ANNEXATION AND/OR ADDITION OF OTHER AREA TO PROPERTY

1. General. Declarant or his successors and assigns, shall be allowed to annex additional property by way of sections to The Reserve without the consent of the Association or its Members over any mortgagees or other lien holders; (other than those holding mortgages and liens on the real property being annexed) by the recordation of a supplementary Declaration as provided herein. Upon such annexation, the Association shall take whatever measures are necessary to add such annexed property and lots into the regime on an equal basis with the original property included hereunder.

2. Membership in Association. Upon the recording of any supplementary Declaration, those lot Owners contained therein shall become Members of the Association obtaining all rights due Members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the supplemental Declaration.

3. Common Area. All Common Areas in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration. The Developer has the right to use the pool, cabana and any common area for marketing of the development at no charge. Such use may consist of private marketing events. This use will continue until Developer no longer owns any lots within the development.

ARTICLE XIII

GENERAL PROVISIONS

1. Duration. The covenants, conditions and restrictions contained herein shall be appurtenant to and run with the land and shall be binding upon all Owners and parties hereinafter having an interest in any of the Development, and all parties claiming under them, until January 1, 2050, at which time they shall be automatically extended for successive periods of ten (10) years each, unless a majority of the votes attributable to Lots in the Development are cast in favor of a proposition to change, amend or revoke the restrictions in whole or in part at a duly called meeting of the Association within the final one (1) year of the term of this Declaration, as it may have been extended. Each purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that the covenants and restrictions of this Declaration may be extended as provided in this Article XIII, Section 1.

2. Amendment. The covenants and restrictions contained in this Declaration may be amended unilaterally by the Developer, without joinder of any Owner, for a period of fifteen (15) years from the date hereof. Thereafter, any amendment of this Declaration will require the affirmative vote of at least two-thirds (2/3) of the Votes entitled to be cast by the Members of the Association, (both Class A and Class B) at a duly called meeting of the Association at which a quorum is present. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or subsequent grantee of any interest in any property now or hereafter made subject to this Declaration by acceptance of a deed or other conveyance therefor, thereby agrees that the covenants and restrictions of this

Declaration may be amended as provided herein.

3. Enforcement. All restrictions herein may be enforced by Developer, its successors and assigns until the termination of the Class B Membership, or by the Association acting by and through its Board, or by the Architectural Review Committee, by proceeding at law or in equity against the Person violating or attempting to violate any covenant or covenants, or by any owner of a lot within The Reserve, either to restrain the violation thereof or to recover money damages, together with reasonable attorneys' fees and court costs. Furthermore, after the termination of Developer's Class B Membership in the Association, in the event the Association fails to act to enforce any restriction contained herein, any Owner of any Lot may enforce these restrictions as aforesaid against any other Owner.

4. Partial Invalidity. Any invalidation of any one or more of these restrictions by judgment, court order, or statute, for failure on the part of Developer or its successors or assigns to enforce any of said restrictions, shall in no way affect any of the other provisions hereof or be deemed as a waiver of the right to enforce such restrictions at any time after the violation thereof. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the other provisions not expressly held to be void nor the provisions so void in circumstances or applications other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

5. Abatement. In the event that any Owner violates any of the terms or conditions of this Declaration and fails to cure the same within ten (10) days after written notice thereof, then Developer, in addition to any other rights and remedies provided for herein, shall have the express right, privilege and license to enter upon any Lot to take any reasonable action to cure such violation, and all reasonable costs thereof shall be at the expense of the Owner of such Lot and shall be payable upon demand by Developer, including reasonable attorney fees.

6. Notice. All notices required or permitted hereunder shall be in writing and effective when deposited in the U.S. mail, postage prepaid, addressed to any Owner at the address of the Lot owned by such Owner, or addressed to the Developer as follows:

The Reserve, LLC
ATTN: Ken Green
P.O. Box 5049
Murfreesboro, TN 37133-5049

or such other address as Developer may, by notice to each of the Owners, designate.

7. Headings and Binding Effect. Headings have been inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Developer and all persons claiming by, through or under Developer.

8. Exoneration of Developer. Each Owner of any Lot in the Development, or any other party having an interest in any portion of the Development, expressly agrees that no duty or obligation is imposed upon Developer to enforce or attempt to enforce any of the covenants or restrictions contained herein, nor shall Developer be subject to any liability of any kind or nature whatsoever resulting out of any claim by any third party asserting that Developer failed to enforce the same.

IN WITNESS WHEREOF, the Developer has caused this Declaration of

Protective Covenants, Conditions and Restrictions to be duly executed this 23 day of May, 2005.

THE RESERVE, LLC

By: [Signature]

Title: Partner

STATE OF TENNESSEE
COUNTY OF RUTHERFORD

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, BOB PARKS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon his oath, acknowledged himself to be PARTNER of The Reserve, LLC, the within named Developer and Declarant, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of The Reserve, LLC by himself as such officer.

WITNESS MY HAND and official seal at my office on this the 23RD day of MAY, 2005.

Pamela Jo Minor
Notary Public

My commission expires:

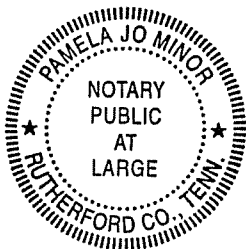


EXHIBIT "A"

The Reserve, Sections I, as shown on the plat of record in the Registers Office of Rutherford County, Tennessee in Plat Book 28, page 188.

Record Book
502 P₉ 759

EXHIBIT "B"

(By-Laws)

Record Book
502 Ps 760

EXHIBIT "C"

(Approved Fence Styles)

Black Metal Fence

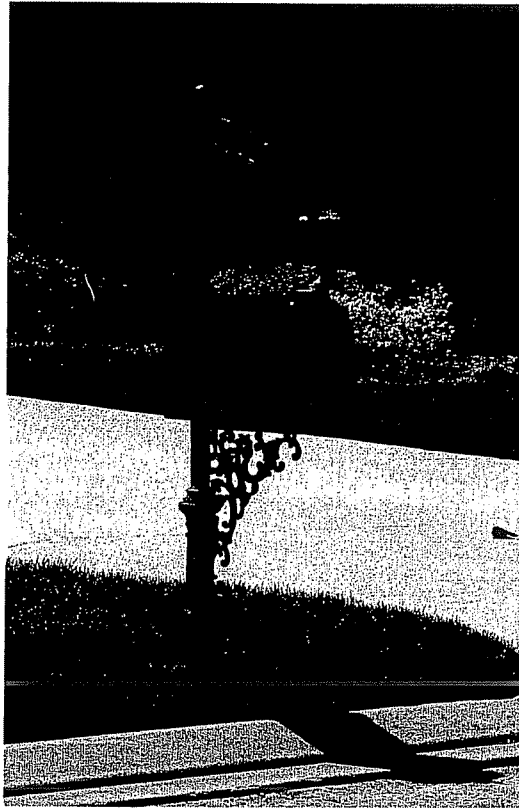


Record Book
502 Ps 761

EXHIBIT "D"

(Approved Community Mailbox)

Approved Mailbox



Record Book
502 Pgs 762

Jennifer M Gerhart, Register
Rutherford County Tennessee
Rec #: 431197 Instrument 1343683
Rec'd: 135.00 NBk: 79 Pgs 849
State: 0.00
Clerk: 0.00 Recorded
EDP: 2.00 5/23/2005 at 3:53 PM
Total: 137.00 in Record Book
502 Pages 736-762