

This instrument prepared by:
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329 Cates Street
Maryville, Tennessee 37801

**DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS OF
SERENITY COVE 1 SUBDIVISION AND SERENITY COVE 2 SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants, Restrictions and Easements ("Declaration"), is made and entered into on this _____ day of _____, 2005, by IRMA F. JOHNSON AND DAVID C. JOHNSON, (hereinafter referred to as "Developer"):

④

WITNESSETH,

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration known as SERENITY COVE 1 SUBDIVISION AND SERENITY COVE 2 SUBDIVISION, respectively, as shown by plats of record in Map File _____ and Map File _____ in the Register's Office for Blount County, Tennessee and desires to create thereon a residential community; and

WHEREAS, Developer desires to provide for the preservation of the values in said community; and to this end desires to subject the real property described in Article II, together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, and easements hereinafter set forth, each and all of which is and are for the benefit of said property and each Owner thereof.

NOW, THEREFORE, the Developer hereby declares that this real property described in Article II, and as such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, and easements hereinafter set forth.

ARTICLE I

Definitions

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

- (a) The "Properties" shall mean and refer to all such existing Properties and additions thereto, as are subject to this Declaration or any supplemental declaration under the provisions of Article II hereof.
- (b) "Lot" shall mean and refer to those plots of land shown on any recorded subdivision maps of the Properties and the dock easements to be conveyed along with the lots thereto, which shall be exclusive easements for the respective docks and shall be considered a part of the lot conveyed whether described in the deed or not.
- (c) "Owner" shall mean and refer to the Owner, whether one or more persons or entities of the fee simple title to any Lot situated upon the Properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- (d) "Association" shall mean and refer to the Serenity Cove Homeowners Association, Inc.
- (e) "Common Area" shall mean and refer to that area of land which the Developer proposes to convey and transfer to the Association for the common use and enjoyment of the Owners of the Property.
- (f) "Member" shall mean or refer to all those Owners who are members of the Association provided in Article XXII, Section 1, hereof.

ARTICLE II

Property Subject to this Declaration: Additions

Section I - Existing Property: The real property which is and shall be held, transferred, sold and conveyed and occupied subject to this Declaration is located in Blount County, Tennessee, and is more particularly described as being Lots 1, 2, 3 and 4, of Serenity Cove 1 Subdivision, as shown in Map File _____ in the Blount County, Tennessee, Register of Deed's Office and Lots 1, 2, 3 and 4, of Serenity Cove 2 Subdivision, as shown in Map File _____ in the Blount County, Tennessee, Register of Deed's Office.

Section II - Additional Land and/or Lots: Additional land and/or Lots may become subject to this Declaration by recordation of additional declarations adopting and incorporating this Declaration by specific reference in the sole discretion of the Developer at the Developer's expense. In the event that Developer elects to subject other properties to different restrictions, these restrictions shall have no relation to the new property restrictions whatsoever.

ARTICLE III

Term

The covenants and restrictions of this Declaration shall run with and bind the Lots and the Common Area and all parties and all persons claiming under them for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each unless at the end of each successive period of time 100% of the Lot Owners elect to terminate these restrictions, said termination to be effective upon the recording of a written document evidencing such an election.

ARTICLE IV

Enforcement

Any Owner shall have the right to enforce, as herein provided, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by any Owner to enforce any covenant and restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. It is further provided that should any Owner have to employ counsel to enforce any of the restrictions, conditions, covenants, reservations, liens or charges found in the Declaration, and be successful in such prosecution, all costs incurred for such enforcement, including a reasonable fee for counsel, shall be paid by such party violating or attempting to violate the covenants herein.

ARTICLE V

Severability

If any provision as herein set forth is declared to be invalid by any court, the invalidity of such restriction shall not affect the validity of the remaining restrictions hereof, and for the purposes hereof, all restrictions as contained herein shall be deemed to be severable each from the other without qualification.

ARTICLE VI

Advisory Committee

No construction, reconstruction, remodeling, alteration or addition to any house, structure, building, outbuilding, boathouse, dock, fence, wall, driveway, or other improvement shall be constructed or undertaken without obtaining the prior written approval of the Advisory Committee as to the intended location of same and as to its plans and specifications. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, the applicant must submit a complete and final

set of plans and specifications with a written request for their approval. The Advisory Committee shall be the sole arbiter of same and may withhold approval for any reason, including truly aesthetic considerations. The Advisory Committee shall be composed of three members who shall be appointed by the undersigned Developer. Members of the Advisory Committee shall serve for a term of one year. The undersigned Developer may serve on the Advisory Committee and may serve for successive terms. The members of the Advisory Committee shall be selected each year by the Developer. At some point in the future it is contemplated that the Developer shall no longer desire to select the Advisory Committee members and he or she may elect to withdraw from this responsibility by giving written notice to the Owners of the Lots. Thereafter, the Owners shall hold an election to elect new members to the Advisory Committee. Each Lot Owner shall be entitled to one vote per Lot owned.

For the purpose of further insuring the development of said land as a residential area of high quality and standards, and in order that all improvements on each building Lot shall present an attractive and pleasing appearance from all sides and from all points of view, the Advisory Committee has the exclusive power and discretion to control and approve all of the buildings, structures, and other improvements on each building Lot in the manner and to the extent set forth herein.

Site and house design is subject to Advisory Committee approval. The Advisory Committee reserves the right to require changes deemed necessary to maintain the appeal of the neighborhood or to deny approval. The owner is responsible for all design changes.

Plans drawn to scale and specifications shall be submitted in four (4) copies and shall contain the following information:

- (a) A site plan showing the location of all proposed and existing structures on the lot, including lot lines, building setbacks, open space, driveways, walkways and parking spaces;
- (b) Complete architectural floor plan drawings;
- (c) Exterior elevations of all proposed structures and alterations to existing structures on the lot, as such structures will appear after all backfilling and landscaping are completed;
- (d) Specifications showing the nature, kind, shape, height, material, basic exterior finishes and colors of all proposed structures and alterations to existing structures. Provide these specifications for front, side, and rear elevations;
- (e) Plans for grading and landscaping including exterior lighting scheme;
- (f) Garage door locations and design;
- (g) Samples of building and painting materials to be used.

It is anticipated that it will cost \$925.00 in professional fees for the plans review process on each lot. Each owner submitting proposed plans and specifications will contribute \$925.00 per lot to cover said expense. If the committee feels that the plans and specifications are incomplete, they shall be returned to the owner prior to proceeding with the review process for revision to the satisfaction of the Advisory Committee.

Any builder or landscaper, prior to performing any work on any lot on the property, must first be approved by the Advisory Committee as to the financial stability, building or landscaping experience, and ability to build or landscape structures or grounds of the class and type of those which are built on the property. Such approval shall be within the absolute and sole discretion of the Advisory Committee. Construction Planners, Inc. (CPI) is an approved builder in this subdivision.

No owners shall be allowed to act as his or her own builder unless the owner obtains his or her primary income from building or landscaping structures of the class and

type of those on this property.

Neither Developer nor any member of the Advisory Committee shall be responsible or liable in any way for any defects in any plans or specifications approved by the Advisory Committee, or for any structural defects in any work done according to such plans and specifications approved by the Advisory Committee. Further, approval of plans and specifications by the Advisory Committee shall not be deemed to represent or warrant to any person that said plans and specifications comply with applicable codes and laws, nor shall this approval warrant the quality, function, or operation of the structure, or any construction, workmanship, engineering, materials or equipment.

Advisory Committee approval of the plans and specifications is good for one (1) year after the date of the approval. Failure to begin construction by the end of one (1) year will result in the automatic revocation of the approval of said plans and specifications by the Advisory Committee. After 1 year a new plans review will be required with the applicable fee.

No residence shall be occupied in any manner during construction. All construction shall be completed in fourteen (14) months from the start date. The owner shall obtain from the Advisory Committee a notice to proceed when the construction is to begin to establish a start date.

Right of inspection. During the construction process of a structure, the Advisory Committee, its agents and representatives, shall have the right during reasonable hours to enter upon and inspect any lot and structure thereon for the purpose of ascertaining whether the installation, construction or alteration of any structure or the use of any lot or structure is in compliance with the provisions of these declarations; and the Advisory Committee shall not be deemed to have committed a trespass or other wrongful act solely by reason of such entry of inspection.

Violations.

- (a) If any structure shall be erected, placed, maintained or altered upon any lot, other than in accordance with the plans and specifications approved by the Advisory Committee pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to be have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the Advisory Committee, such violations have occurred, the Advisory Committee shall be entitled and empowered to enjoin or remove any such construction. Any costs and expenses incurred by the Advisory Committee in enjoining and/or removing any construction or improvements shall be added to and become a part of the assessment to which the owner of such structure and his or her lot are subject.
- (b) The Advisory Committee shall provide written notice to the owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. The owner shall take reasonable steps toward the required remedial action, and shall use due diligence and best efforts to timely and promptly complete the required remedial action. If the owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the mailing of the aforesaid notice of violation, then the Advisory Committee shall have the right of abatement. In addition to the right of abatement, the Advisory Committee shall be entitled to seek equitable relief to enjoin such construction and/or remove any structure subject to the violation.

The builder of any structure or landscaping shall become signatory to the existing Storm Water Pollution Prevention Plan (SWPPP) by The State of Tennessee for the overall development and follow its requirements.

Insuring that, as soon as reasonably possible but no later than when the foundations for the structure are poured, all driveways and construction entrances are to be sufficiently graveled as to prevent mud from getting on adjoining

driveways and roads, and a portable toilet is to be on the site.

ARTICLE VII

Setback Requirements

No building shall be located on any Lot nearer to the front lot lines, side yards and rear yards than the minimum building setback lines as described in these restrictions or as may be applicable for the zoning laws of Blount County, Tennessee, whichever setback distance is greater.

Lot owner to meet Tennessee Valley Authority's guidelines as it relates to the 820 contour line.

Further, no building shall be located on any Lot nearer to the side Lot line than the minimum building side setback line designated for each Lot by the applicable zoning laws in Blount County, Tennessee, or within a distance of twenty (20) feet from the side Lot line, whichever distance is greater, said side lines being shown on the subdivision plats of record in the Blount County Register of Deed's Office.

In certain circumstances, it may be necessary in the best utilization of the specific Lot to construct a dwelling, a garage or storage building in front of the front setback line or within the side setback lines; in such a case, permission to place the structure in front or within the setback lines must first be obtained from the Advisory Committee, and after said permission is granted by the Advisory Committee, the location of said structure will no longer be a violation of the setback restriction. There is also to be required a buffer of woods between Parks Ferry Road and the front of each residence. In setting the location of the houses this must be considered as the Advisory Committee will require this buffer. The Advisory Committee shall have the final say on where the house will be located on each individual lot.

ARTICLE VIII

Land Use and Building Type of Lots

All Lots of said subdivision shall be known and designated as residential Lots. No structure shall be erected, altered, placed or permitted to remain on any of the said Lots other than one detached, single-family dwelling, not to exceed two stories plus basement in height, with private garage or garages, except by written approval and sanction of the Advisory Committee.

Boathouses, docks and outbuildings will be permitted prior to construction of a single-family dwelling if they meet the other requirements set forth in these restrictions and are approved by the Advisory Committee.

All driveways shall be of pavement. Pavement may change to concrete, pavers or other approved surfaces at parking and court areas adjacent to the houses.

Any improvements which are to be placed or constructed on any of the lots must first be approved by the Advisory Committee as to the location, size, style and materials of the improvements, as required and set forth in Article VI herein. As one criterion in the review of the placement of improvements, the Advisory Committee shall look at the proposed location of the improvements and strive to prevent the placement of improvements in such a location as to be disruptive or aesthetically displeasing to adjoining Lot Owners.

ARTICLE IX

Dwelling Size on Lots

No dwelling shall be erected, placed, altered or permitted to remain on any Lot in

this subdivision having a floor area of less square footage than 2,400 square feet. In computing the said floor area, measurements will be made from the outside of the exterior stud walls and will include only finished and heated living areas. No basements, including daylight, partially above ground or fully below ground shall be considered a main floor, nor is its floor area to be included in any of the minimum floor area calculations. Porches, decks, carports, garages and patios are not to be included in any of the minimum floor area calculations. The Advisory Committee reserves the right to modify these minimum square footage requirements in certain situations.

ARTICLE X

Signs

No signs shall be erected or maintained on any Lot , except one professionally lettered builder, realtor, or Owner sign advertising the property for sale. Such signs shall not be more than six (6) square feet in size. The Developer herein and any realtor employed by the Developer shall be excluded from this requirement.

ARTICLE XI

Property Appearances for Lots

Trash, garbage or other waste shall not be kept, except in sanitary containers. All equipment for the storage of such materials shall be kept in a clean and sanitary condition and shall be concealed underground or placed in such a position as to be screened from view by neighbors or members of the public.

Air conditioners, garbage cans, pool equipment and HVAC equipment shall be concealed from view by appropriate screening.

No structure or any new landscaping (bushes, trees, etc.) of lot owners within the neighborhood shall restrict the view of the lake of another lot owner.

No incinerators shall be allowed and all trash is to be removed from the site weekly and all trash and garbage cans shall be concealed from the view of others. All trash cans or garbage cans shall be contained in a manner where they are inaccessible to animals.

No outside clotheslines are permitted.

No fencing or freestanding walls other than around a pool or patio areas shall be permitted. Fencing type must be approved by the advisory committee. Chainlink fencing is prohibited.

Approval is to be granted from the Advisory Committee for the removal of any tree larger than six (6) inches in diameter at its base measured two (2) feet from the ground.

No dog runs shall be allowed.

No exterior antennas shall be allowed.

No satellite dishes larger than eighteen (18) inches in diameter shall be allowed.

Shingles shall be 50 year architectural dimensional shingles. The existing house on Lot 4 Serenity Cove 2 currently has 30 year shingles which are to remain. If a new roof is installed, 50 year shingles are to be used.

Any and all improvements that are approved under this Article such as propane tanks, satellite dishes, swing sets, doll houses, or playground equipment shall be located away from the front (facing Parks Ferry Road) or lake side of the house.

Dock exterior materials are set by the Developer or approved by the Advisory Committee.

The exterior walls of all buildings shall be of brick, wood siding, Hardi cement siding, stone or stucco. Soffits and fascias shall be of wood or wood composite materials.

No log dwellings shall be permitted on any lot.

Access to the lake along the ingress and egress and utility paths from the house on each lot is to be with motorized carts, quiet and are not to be a nuisance. No trucks or automobiles are permitted on the cart path except in case of emergency. No trucks or automobiles are allowed on the shared driveway except lot owners that have houses off the driveway for access to their lots.

All alarms or security systems with a siren, bell or other auditory warning device shall have an automatic device to stop it after ten (10) minutes.

Only one (1) mail box is permitted per lot. The Developer shall set the standard design of the mailbox which is to be used by all lot owners. Mailboxes for Lots 1, 3 and 4 of Serenity Cove 1, and Lot 4 of Serenity Cove 2 shall be grouped together at the entrance to the shared driveway.

All garages must be full sized and allow for minimum of two (2) cars. The owner must submit overhead door specifications to the Advisory Committee for approval. A decorative door is required for all overhead doors. The existing house of Lot 4 Serenity Cove 2 is exempt from this requirement except any replacement doors must meet this requirement.

All exterior plumbing, electrical or HVAC appurtenants shall be concealed to view by matching color with surrounding exterior material.

No more than two dogs and two cats allowed on any lot.

ARTICLE XII

Nuisance

No illegal, noxious, or offensive activity shall be permitted on any Lot, nor shall anything be permitted or done thereon which is or may become a nuisance or a source of embarrassment, discomfort, or annoyance to the neighborhood. No commercial activity of any kind may be conducted from a Lot. No trash, garbage, rubbish, debris, waste material, or other residue shall be deposited or allowed to accumulate or remain on any Lot.

ARTICLE XIII

Temporary Structures

No trailer, mobile home, camper, basement, garage, tent, shack, barn, or any outbuilding of any kind, even if otherwise permitted hereunder to be or remain on a building Lot, shall be used as a residence, temporarily or permanently. Developer is allowed a temporary trailer or camper.

ARTICLE XIV

Docks

No boathouse or dock may be erected that would block the use of any Lot Owner's dock in the development. All docks and boathouses must be maintained in a neat and orderly manner. All docks and boathouses must be approved for location and property appearance by the Advisory Committee as set forth in Articles VI and XI set forth herein. All Owners must comply with any and all regulations of the Tennessee Valley Authority, the U.S. Army Corp of Engineers, and any and all other regulations applicable to waterfront use.

Original dock design is per the Developer and any changes are subject to Advisory Committee and TVA approval. In the case of approved changes, original intent of style and design is to be maintained.

All owners in the subdivision shall be allowed to use the 30 foot ingress/egress and utility easement for cart access from Parks Ferry Road to the individual dock easements. Access across both Serenity Cove 1 Subdivision as shown in Map File _____ and Serenity Cove 2 Subdivision as shown in Map File _____ is herein conveyed for this purpose.

Developer herein and approved contractors shall have temporary access to the dock area for the construction and maintenance of docks and lake front.

Utilities are allowed along the utility easements down to the dock easements as shown on the respective plats. Individual electric meters will be set for Dock Easement 1 of Serenity Cove 1 Subdivision and Dock Easement 1 and 2 of Serenity Cove 2 Subdivision. Meters will be clustered together on property lines between Serenity Cove 1 Subdivision Lot 4 and Serenity Cove 2 Subdivision Lot 4. Lot owners shall individually pay all utility charges for their docks. All utilities will be allowed to feed to the respective docks. Serenity Cove 2 Subdivision Lot 4 shall have utilities pass from the existing house to their dock. Utilities across the 20 foot easement along the lake bank to all docks shall be allowed.

All lots fronting Parks Ferry Road are allowed dock easements in the specified dock easement areas. Each dock easement is to be used only by the designated lot owner for said dock easement.

Dock Easement 1 for Serenity Cove 1 Subdivision is to be shared by Lots 1 and 2 of Serenity Cove 1 Subdivision. Said lots shall share a dock consisting of a boardwalk and each is allowed a boat slip off of the boardwalk. Each owner shall share in the maintenance of this dock. The Developer is originally responsible for the dock design. The owners of said lots may modify the dock design with the Developer and TVA's approval. However, Developer does not guarantee that the design changes made by the owners of the respective lots will be acceptable to TVA.

Dock Easement 2 of Serenity Cove 2 Subdivision is to be shared by the owners of Lots 2 and 3 of Serenity Cove 2 Subdivision. Said lots shall share a dock consisting of a boardwalk and each is allowed a boat slip off of the boardwalk. Each owner shall share in the maintenance of this dock. The Developer is originally responsible for the dock design. The owners of said lots may modify the dock design with the Developer and TVA's approval. However, Developer does not guarantee that the design changes made by the owners of the respective lots will be acceptable to TVA.

Dock Easement 1 of Serenity Cove 2 Subdivision shall belong to the owner of Serenity Cove 2 Subdivision Lot 1. The Developer is originally responsible for the dock design. The owner of said lot may modify the dock design with the Developer and TVA's approval. However, Developer does not guarantee that the design changes made by the owner of the respective lot will be acceptable.

All easements to the docks shall be jointly maintained by the property owners using said easements unless otherwise agreed to in writing by the parties. This includes any cart paths or landscaping along the 25 foot easement on the north side of Lot 4 of Serenity Cove 2 and the 20 foot easement along the lake bank.

ARTICLE XV

Unsightliness

No abandoned cars, trucks, or other vehicles of any type shall be allowed on any Lot. No vehicle in an inoperative condition shall be kept in an area open to the view of the public or other Lot Owners for a period in excess of 30 days. In the event of violation of this item, such vehicle may be removed by the Advisory Committee at the expense of the Owner of the Lot on which the vehicle is located.

ARTICLE XVI

Maintenance Equipment

All yard maintenance equipment and other similar items shall be stored out of view of other Lot Owners.

ARTICLE XVII

Motor Homes

The owner of a Lot, if also the Owner of a motor home, travel trailer, or camping trailer, may park such motor home, travel trailer or camper on their Lot for storage purposes provided the same is not used for living purposes and provided the same is parked in such a place and manner so as not to be offensive to or any annoyance to other Lot owners and only after a single-family residence has been constructed on the Lot by the Lot Owner.

ARTICLE XVIII

Subdivision

No Lot, may be further subdivided in size by any device, voluntary alienation, partition, judicial sale or other proceeds or process of any kind, except for the purpose of increasing the size of another Lot. In the event two (2) or more adjacent and contiguous Lots are purchased by the same person, these Lots may be combined to form one (1) Lot subject to the approval of the Advisory Committee and the approval of governmental authority. The Lot Owner shall bear the cost of surveying or any fees related to the consummation of this transaction. However, the Developer specifically reserves the right to recombine any Lot it owns with adjoining Properties of the Developer.

ARTICLE XIX

Utilities and Drainage

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded subdivision map. It is contemplated that Developer will place utilities underground. In the event the easements are so developed, any and all later utilities must likewise be placed underground. 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 of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. Exception is made for the building of driveways required for normal access to each subdivision Lot. All primary and secondary electrical lines are to be placed underground.

ARTICLE XX

Septic Facilities and Easements

Before any permitted dwelling on a Lot shall be occupied, a septic tank, septic field or a sewage disposal facility constructed in accordance with the requirements of the Tennessee State Board of Health and/or the Blount County Health Department shall be installed. All sewage from the Lot shall be turned into such sewage disposal facility and the same shall be continuously maintained in a proper state of sanitation by the Lot Owner. The effluent from such septic tank or sewage disposal shall not be permitted to discharge into a stream, storm sewer, open ditch, lake or drain.

In the event that at some future time a public sewer system is installed on the property, then each individual lot owner shall be responsible for tapping on to said system.

ARTICLE XXI

Access shall be granted as shown on the respective plats to each individual lots as shown by maps of record in Map File _____ and Map File _____ in the Register's Office for Blount County, Tennessee. In addition, the 30 foot ingress and egress and utility easement shall be used for utilities serving the lots in this subdivision. It shall be the responsibility of all lot owners to cut the grass for that portion of the roadway which lies in front of that respective lot. The easement is hereby granted to the respective lot owners over said roadway for the purpose said maintenance. The responsibility for other maintenance for said roadway shall be shared by the respective lot owners until the roadway is conveyed to the association. Thereafter, the maintenance of the roadway shall be at the associations expense. Reference is further made to a shared driveway agreement of record in Record Book _____, Page _____ in the Register's Office for Blount County, Tennessee.

In the event any Owner or an agent, invitee, builder or subcontractor of an Owner causes any damage to the roadway, then that Lot Owner shall be responsible for repairing the roadway to its previous condition.

Lots 1, 3 and 4 of Serenity Cove 1 Subdivision and Lot 4 Serenity Cove 2 Subdivision shall use the shared drive for access to their homes and shall be allowed to attach a secondary drive to the shared driveway. All the lots off Parks Ferry Road shall be entitled to use said driveway for access to their respective docks.

Owners sharing the lot line between Lot 2 of Serenity Cove 1 Subdivision and Lot 1 of Serenity Cove 2 Subdivision may use the old abandoned driveway for cart access toward the lake. Said owners shall be jointly responsible for the maintenance of said driveway that they use.

ARTICLE XXII

Membership and Voting Rights in the Association

Section 1. Membership. Every person or entity who is the Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Membership shall commence on the date such person or entity becomes the Owner of a fee or undivided fee interest in the Lot.

Section 2. Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A Members shall be all of those Owners as defined in Section 1 with the exception of the Developer. Class A Members shall be entitled to one vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B Members shall be the Developer. The Class B Member shall be entitled to three votes for each Lot in which he or she holds the interest required for membership by Section 1, provided that Class B membership shall cease and become converted to Class A membership when the total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership, at which time the Class B membership shall be determined to be a Class A membership and entitled to vote as such.

ARTICLE XXIII

Property Rights in the Common Areas

Section 1. Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, as provided in its Articles and By-laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(b) The right of the Association to charge reasonable use and maintenance fees for the use of the Common Areas; and

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes.

ARTICLE XXIV

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer for each Lot owned by it within the Properties hereby covenants and each Owner of any Lot by acceptance of the deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as may be hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the roadway for ingress and egress and utilities over the Common Areas, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and addition thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Basis and Maximum of Annual Assessments. The annual assessment shall be the amount set by the Association at its annual meeting duly called, written notice of which shall be sent to all Members at least seven (7) days in advance. The first annual assessment for the calendar year 2007 shall be an amount of \$200.00 per Lot. The Developer shall contribute a sum of money in the amount of \$100.00 as an initial capitalization of these funds, said funds to be paid by the Developer not later than April 1, 2007. After 2007, an annual assessment shall be the amount set by the Association at its annual meetings duly called, written notice of which shall be sent to all members at least seven (7) days in advance. For purposes of setting the Annual Assessment, the Developer shall have three votes for each Lot owned by it. Thereafter, the assessment may be increased by vote of the Members, as hereinafter provided.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or capital improvement upon any shared or Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of 2/3 of the votes of Members who are voting in person at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. For purposes of setting special assessments for capital improvements, the Developer shall have three votes for each Lot owned by it.

Section 5. Change in Basis and Maximum of Annual Assessments. The Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any period provided that any such change shall have the assent of a majority of the votes of Members who are voting in person or by proxy, at a meeting

duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Quorum for any Action Authorized Under Sections 3, 4 and 5. The Quorum required for any action authorized by Sections 3, 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 3, 4 and 5 hereof, the presence at the meeting of Members, entitled to cast fifty (50) percent of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3, 4, and 5, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than forty five (45) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments. The Annual Assessment for each Lot shall be due in one payment being due and payable on the first day of April of each year commencing on the first such date following the closing of the sale of that Lot from the Developer. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Effect of Non-Payment of Assessment; Personal Obligation of the Owner; Lien; Remedies of Association. If the assessment is not paid within 30 days of the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten (10) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments which thereafter become due, nor from the lien of any such subsequent assessment.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all Properties to the extent of any easement or other interest therein; (b) all Common Areas as defined in Article I, Section 1, hereof; (c) all Properties exempted from taxation by the laws of the State of Tennessee, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.


ARTICLE XXV

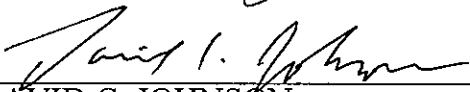
Amendment

The Advisory Committee shall have the sole right (a) to amend these covenants

and restrictions, but all such amendments shall conform to the general purposes and standards of the covenants and restrictions herein contained, (b) to amend these covenants and restrictions for the purpose of curing any ambiguity or any inconsistency between the provisions contained herein, and (c) to include in any contract or deed or other instrument hereafter made any additional covenants and restrictions applicable to the said land which shall not lower the standards of the covenants and restrictions herein contained. Upon withdrawal of the Developer's appointed member from the Advisory Committee, this Declaration may be amended by a vote of one hundred percent (100%) of the Lot Owners voting in person at a meeting of all of the Lot Owners for such purpose. Such amendment shall be certified by a written instrument signed by one hundred percent (100%) of the Lot Owners and recorded in the Blount County Register's Office.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed the day and year first above written.


IRMA F. JOHNSON


DAVID C. JOHNSON

STATE OF TENNESSEE)
COUNTY OF BLOUNT)

Personally appeared before me, a Notary Public in and for said County, the within named bargainors, IRMA F. JOHNSON AND DAVID C. JOHNSON, with whom I am personally acquainted, and who acknowledged that they executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal at office this _____ day of _____,
2005.

My Commission Expires:

Notary Public

This instrument prepared by:
J. Kevin Renfro, Attorney
329 Cates Street
Maryville, Tennessee 37801

DECLARATION OF EASEMENTS AND MAINTENANCE
AGREEMENT FOR SERENITY COVE 1 SUBDIVISION

The undersigned, IRMA F. JOHNSON, hereby declares that she is the owner of certain real property situated in District Four (4) of Blount County, Tennessee, as more particularly described in Map File _____ in the Register's Office for Blount County, Tennessee, to which Map File specific reference is hereby made for a more particular description thereof; and

WHEREAS, the undersigned as such owner desires to establish easements for ingress, egress and installation of maintenance and utilities across the property of Irma F. Johnson as shown in Map File _____ in the Register's Office for Blount County, Tennessee, and across the Serenity Cove 2 Subdivision as shown in Map File _____ in the Register's Office for Blount County, Tennessee, and hereby declares and grants to the Owners of all Lots in the Serenity Cove 1 Subdivision, as shown in Map File _____ in the Register's Office for Blount County, Tennessee, and all of the lots in the Serenity Cove 2 Subdivision as shown in Map File _____ in the Register's Office for Blount County Tennessee, their heirs, successors, assigns, invitees, administrators, executors, and successors in interest a permanent non-exclusive easement for ingress and egress and for installation and maintenance of utilities over, across, and through said 30 foot permanent private easement as shown in Map Files _____ and _____ in the Register's Office for Blount County, Tennessee.

THE owners of Lots 1, 3, and 4 of the Serenity Cove 1 Subdivision and the Owner of Lot 4 of the Serenity Cove 2 Subdivision shall bear equally the entire expense of adequately maintaining and repairing the private drive shown on Map File _____ and Map File _____ in the Register's Office for Blount County, Tennessee, AND drainage facilities or any improvements over, across, and through said easement. The decision as to the need for improvements, maintenance or repairs of said private easement shall be made by a majority of the owners of the lots bearing the expense for the maintenance of the easement with each lot having one (1) vote. All improvements, maintenance, repairs, and other costs whatsoever associated with maintaining a road of adequate quality across the easement and the construction and installation of any utilities shall be the responsibility of future owners.

Declarant herein is released for any and all liability for costs, expenses, or liability associated with the Easement. This Declaration of Easements is made by and between Declarant and the future owners of the above referenced lots. The term "future owner" shall include the successors, assigns, invitees, administrators, executors, and successors in interest of such owner.

The undersigned hereby covenants that she is lawfully seized and possessed of the hereinabove described real property and that she has good and lawful right to convey the rights and privileges herein set forth and bind herself and her successors and assigns to warrant and defend the easements and rights of way herein conveyed.

Whenever in this instrument a pronoun is used it shall construed to represent either singular, plural, or as the case may demand.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the 12th day of August, 2005.

Irma F. Johnson
IRMA F. JOHNSON

STATE OF TENNESSEE)
COUNTY OF BLOUNT)

Personally appeared before me, a Notary Public in and for said County, the within named bargainor, IRMA F. JOHNSON, with whom I am personally acquainted, and who acknowledged that she executed the within instrument for the purposes therein contained.

WITNESS my hand and official seal at office this 12 day of August, 2005.
My Commission Expires: 9/8/08

Dorinda B. Wheeler
Notary Public
STATE OF
TENNESSEE
NOTARY
PUBLIC
COUNTY OF BLOUNT

THIS INSTRUMENT WAS PREPARED BY:
Foothills title Services, Inc.
357 North Houston Street
Maryville, Tennessee 37801

**AMENDMENT TO DECLARATION OF COVENANTS,
RESTRICTIONS AND EASEMENTS OF SERENITY COVE 1
SUBDIVISION AND SERENITY COVE 2 SUBDIVISION**

WHEREAS, covenants, restrictions and easements were adopted for certain real property within the development known as Serenity Cove 1 Subdivision and Serenity Cove 2 Subdivision, as shown on Map File 2230B, Map File 2231A and Map File 2389B; said covenants, restrictions and easements set forth in Record Book 2086, Page 528 and Record Book 2086, Page 543, both in the Register's Office for Blount County, Tennessee; and

WHEREAS, the Advisory Committee of said Subdivision, currently is composed of Irma F. Johnson, David C. Johnson and Andrew Shannon, has deemed it advisable and in the best interests of the hereinabove referenced development to amend said restrictions as herein below set forth.

NOW, THEREFORE, the undersigned, being the sole members of the Advisory Committee, do hereby amend said covenants, restrictions and easements of record in Record Book 2086, Page 528 and Record Book 2086, Page 543, both in the Register's Office for Blount County, Tennessee, as follows:

1. **Section XI**

A. **Paragraph Six** shall be deleted in its entirety and replaced with the following language:

“Use, type and location of fencing or free standing walls are subject to Advisory Committee approval. Chain link fencing is prohibited.”

B. **Paragraph Eleven** shall be deleted in its entirety and replaced with the following language:

“Shingles shall be architectural dimensional shingles, 30 year life minimum. Other roofing types are subject to Advisory Committee approval.”

2) **Section XIV**

A. **Paragraph Seven** shall be deleted in its entirety and replaced with the following language:

“Dock Easement 1 for Serenity Cove 1 Subdivision shall belong to the owner of Serenity Cove 1 Subdivision Lot 1. The Developer is originally responsible for the dock design. The owner of said lot may modify the dock design with the Developer and TVA's approval. However, Developer does not guarantee that the design changes made by the owner of the Lot 1 will be accepted.”

B. Paragraph Eleven shall be added to Section XIV as follows:

“Serenity Cove 1 Subdivision Lot 2 shall not have Dock Easement rights.”

All other Restrictive Covenants of record in Record Book 2086, Page 528 and Record Book 2086, Page 543 in the Register's Office for Blount County, Tennessee shall remain in full force and effect.