

THIS INSTRUMENT PREPARED BY: JAMES W. PARRIS, ESQ.
BERNSTEIN, STAIR & McADAMS
SUITE 600
530 S. GAY STREET
KNOXVILLE, TN 37902

DECLARATION OF COVENANTS AND RESTRICTIONS

OF

TEAGUES GROVE

This Declaration of Covenants and Restrictions is made and entered into as of June 10, 1998, by SADDLEBROOK INC., a Tennessee corporation ("Developer").

Developer is the owner of certain real property located in Knox County, Tennessee as more particular described as follows (the "Property"):

SITUATE in District Number Six (6) of Knox County, Tennessee, without the corporate limits of the City of Knoxville, Tennessee, being a tract of land lying on the northeast side of Pedigo Road, and being more fully described as follows:

BEGINNING at an iron pin in the northeast right of way of Pedigo Road, said iron pin being 40 feet from the centerline of said road and distant in a northeasterly direction 1000 feet, more or less, from the point of intersection of Pedigo Road and the centerline of Greenwell Road; thence from said beginning iron pin and along the northeast right of way of the road, North 22 deg. 08 min. West, 462.20 feet to an iron pin the boundary of Berkley Estates as set forth in Map Cabinet N, Slide 95B and Map Cabinet O, Slide 11C; thence leaving the right of way of the road and along the boundary of Lot 17R through Lot 8, the following calls and distances: North 43 deg. 09 min. East, 255.04 feet to an iron pin; North 43 deg. 09 min. East, 7.27 feet to an iron pin; North 38 deg. 47 min. East, crossing an iron pin at 14.29 feet, a second iron pin at 142.76 feet, a third iron pin at 242.71 feet, a fourth iron pin at 342.71 feet, for a total distance of 428.10 feet to an iron pin; North 42 deg. 42 min. East, 300.81 feet to an iron pin; and North 41 deg. 14 min. West, 419.29 feet to an iron pin in the boundary of Berkley as set forth in Deed Book 1302, page 202; thence along the Berkley boundary, North 39 deg. 48 min. East, 218.09 feet to an iron pin; thence North 39 deg. 56 min. East, 792.24 feet to an iron pin in the boundary of Hamlin as set forth in Deed Book 2077, page 246; thence along the Hamlin boundary, South 58 deg. 20 min. East,

159.86 feet to an iron pin in the boundary of Dowling as set forth in Deed Book 1932, page 1068; thence along the Dowling boundary, South 57 deg. 50 min. East, 275.86 feet to an iron pin at a fence corner in the boundary of Sanders as set forth in Deed Book 1258, page 473; thence along a fenceline boundary to Sanders, South 28 deg. 31 min. West, 1025.36 feet to an iron pin at a fence corner; thence South 46 deg. 28 min. East, 180.19 feet to an iron pin in the boundary of Teague; thence along the Teague boundary, South 40 deg. 27 min. West, 1325.52 feet to an iron pin in the northeast right of way of Pedigo Road, the place of BEGINNING; according to survey of Robert G. Campbell & Associates, LP., Knoxville, Tennessee, dated November 21, 1996, file no 96118; containing approximately 24.306 acres.

BEING the same property conveyed to Saddlebrook, Inc. by Deed dated December 12, 1996 of record in Deed Book 2234, page 891, in the Register's Office for Knox County, Tennessee.

Developer desires to create on the Property a residential community known as Teagues Grove (the "Subdivision") as shown on the plat of record in Plat Cabinet P, Slide 49-C in the Register's Office for Knox County, Tennessee which may have common facilities for the use and benefit of the residents of the subdivision.

Developer desires to provide for the preservation of the values in the Subdivision and for the maintenance of common facilities and, to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof.

Developer has deemed it desirable to create an entity to which should be delegated and assigned the powers of maintaining and administering the community and facilities, administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created. In order to carry out such duties, Developer has incorporated under the laws of the State of Tennessee a non-profit corporation known as TEAGUES GROVE HOMEOWNERS' ASSOCIATION, INC.

NOW, THEREFORE, the Developer declares that the Property and all Lots which are a part thereof are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easement, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

1.1 The following words when used in the Declaration (unless the context shall prohibit) shall have the following meanings:

"Association" shall mean and refer to the Teagues Grove Homeowners' Association, Inc.

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

"Common Area" shall mean and refer to those portions of the Property which shall be conveyed to the Association by the Developer and any improvements, recreation facilities or other items located on such portions of the Property.

"Developer" shall mean Saddlebrook, Inc. and its successors and assigns.

"Directors" shall mean and refer to a Director of or Member of the Board of the Association.

"Lot" shall mean and refer to any plot of land shown upon any recorded subdivision of the Property with the exception of Common Area as heretofore defined.

"Member" shall mean and refer to all those Owners who are members of the Association as provided in Article II hereof.

"Owner" shall mean and refer to the owner, whether one or more persons or entities, of the fee simple title to any Lot 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.

"Traditional Architecture" shall be defined as residential architecture categorized as Williamsburg, Cape Cod, American Colonial, Georgian, French Provincial, English Tudor, and all other Traditional single family residential architecture common in the United States and not typically referred to as "contemporary".

"Unit" shall mean and refer to an portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single family.

ARTICLE II

MEMBERSHIP, BOARD OF DIRECTORS, AND VOTING RIGHTS IN THE ASSOCIATION

2.1 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 any 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 a Lot and shall expire upon the transfer, release or other conveyance of said ownership interest, other than a conveyance for security purposes.

2.2 Voting Rights. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all those owners as defined in Section 2.1 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 2.1. 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 such lot.

CLASS B. The Class B member shall be the Developer, its successors and assigns. The Class B member shall be entitled to two votes for each Lot in which it holds the interest required for membership by Section 2.1. The Class B membership shall cease on the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or (b) April 30, 2012.

If the developer elects to add annex additional Lots or property to the Subdivision as permitted hereafter, Developer shall have Class B membership in regard to such additional Lots or property on the same basis as outlined herein.

Said Class B membership shall be non-transferable except to transferees of Developer's remaining interest in the Property and shall remain in

the Developer, its successor or assigns, until such time as Class B membership terminates as provided in this Section 2.2.

2.3 Votes Necessary for Action. Notwithstanding anything to the contrary contained herein, actions of the Association shall be effective only after two-thirds (2/3) vote of each Class of Members approve said action.

2.4 Board of Directors. The Association shall be governed by a Board of Directors to be elected annually by the Members. As long as Class B membership exists, Class A members shall elect two Directors, and Class B members shall elect three Directors. Thereafter, the Class A members shall elect five Directors.

2.5 Maintenance of Common Area. The Association acting by and through its Board of Directors shall have the right to engage and employ such individuals, corporations or professionals managers for the purpose of managing and maintaining the Common Area and performing such other duties as the Board of Directors shall from to time deem advisable in the management of the Association.

Article III

PROPERTY RIGHTS IN THE COMMON AREA

3.1 Members' Easements of Enjoyment. Subject to the provisions of Section 3.3, every Member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot.

3.2 Title to Common Area. The Developer shall retain the legal title to the Common Area until such time it, in the sole and exclusive discretion, shall convey same to the Association.

3.3 Extent of Members' Easements. The rights and easements of enjoyment in and to the Common Area created hereby shall be subject to the following:

- (a) any rules and regulations reasonably adopted by the Association.
- (b) the right of the Association to take reasonable action to protect and preserve the rights of the Association and the individual Members in and to the Common Area.

- (c) the right of the Association, as provided in its Articles and bylaws, 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 rules and regulations reasonably adopted by the Association.
- (d) the right of the Association to dedicate or transfer all or any part of the Common Area or areas to any public agency, authority, utility, municipality or other governmental entity for any reasonable purposes or the right of the Association to mortgage or convey the Common Area, and subject to such conditions as may be agreed upon by the Board of Directors of said Association; provided, however, that no such dedication or transfer, and the conditions and provisions incident thereto, shall be effective unless approved by at two-thirds of the members of each class of membership in the Association;
- (e) the rights of Members of the Association shall not be altered or restricted because of the location of the Common Property in a phase or portion of the Subdivision in which such Member is not a resident. Notwithstanding the phase or portion of the Subdivision in which the Lot is located, the Owners of such Lots shall be entitled to full use and enjoyment of all Common Area as provided herein.

3.4 Parking Rights. The Developer shall have the absolute authority to determine the manner of parking within the Property and the manner in which vehicles may be parked on any Lot. At such time as the Association obtains authority over the Common Area wherein said parking is situated, it shall have the absolute authority to regulate the maintenance and use of the same.

3.5 Swimming Pool and Recreation Areas. Any swimming pool, playground or other recreation or play areas or equipment furnished by the Developer (collectively, the "Recreation Equipment") on the Common Area or otherwise within or adjacent to the Subdivision, shall be used at the sole risk of the user. Neither the Developer, the Association nor any of their officers, directors, members, shareholders, agents or employees, shall be liable to any person or entity for any claim, damages, liability or injury relating to or arising out of the use of the Recreation Equipment. Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to have released any and all claims of any kind, type or nature relating to or arising out of the use of the Recreation Equipment and accepted the terms of the Section 3.5. The use of the Recreation Equipment is subject to rules and regulations established from time to time by the Association, including, without limitations, rules addressing hours of use, appropriate dress and other matters. The Recreation Equipment, generally,

and any swimming pool specifically, is intended for family use and all users of the Recreation Equipment shall at all times dress and conduct themselves in a manner consistent with the presence of families and young children.

ARTICLE IV

COVENENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments. The Developer for each Lot owned by him within the Property hereby covenants and each Owner of any Lot by acceptance of a 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 determined in accordance with these Declarations; and (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 hereinafter provided shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made. Upon default in the payment of such assessments, the Association is authorized and entitled to record a notice of lien claim in the Register's Office for Knox County, Tennessee, and to foreclose that lien claim by attachment and sale of the property through appropriate legal proceedings. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation, jointly and severally, of the person who was the Owner of such property at the time when the assessment fell due. The Association may bring an action in court to recover such assessment, together with interest, costs and reasonable attorney fees, from each person who was an Owner of such Lot at the time when the assessment fell due, which action maybe brought in lieu or in addition to the filing or foreclosure of the lien pursuant hereto. The personal obligation or the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

4.2 Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health safety, welfare and beautification of the Property and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and of the homes situated upon the Property, and administrative costs related thereto. Such uses shall include, without limitation, the payment of taxes and insurance thereon and repair, replacement, and addition thereto, and for the cost of utilities, labor equipment, materials, management and supervision thereof, including all such costs relating to or arising out of the Recreation Equipment. The assessments shall not be specifically limited to the Common Area, but shall

extend to and include the right to maintain and repair the streets and accessways and the lighting, traffic signals and signs pertaining to the Subdivision, and any common easements and driveways. The costs of operation and maintenance of street lights and lighting regardless of the location within the Subdivision and the proximity to the individual Lots shall be borne equally and prorated as to each Lot without regard of the ownership; it being the intent of the requirement to insure the safety, enjoyment and security of the entire Subdivision.

4.3 Annual Assessment. The Developer shall have the right to determine and set the annual assessment each year for a period of two (2) years from and after the establishment of the Association. The assessment shall be a sum reasonably necessary as deemed by the Developer to defray the expenses of the Association for such year and to otherwise satisfy the provisions of Section 4.2. From and after the expiration of the first year, the assessment may be adjusted upward or downward as herein provided.

Until January 1, 1999, the maximum annual assessment shall be \$600.00 per Lot.

4.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 4.3 hereof, the Association may levy in any year a special assessment applicable to the time period set forth in such special assessment for the purpose of defraying in whole or in part the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, and any other matter as determined by the Association provided that any such assessment shall have the assent of at least three members of the Board of Directors.

4.5 Change in Bases and Maximum of Annual Assessments. The Association may change the maximum annual assessment and basis of the assessment fixed by Section 4.3 hereof prospectively for any period provided that any such change shall have the assent of at least three Members of the Board of Directors.

4.6 Quorum for any Action Authorized Under Sections 4.4 and 4.5. The quorum required for any action authorized by Sections 4.4 and 4.5 hereof shall be as follows:

At the first meeting called as provided in Sections 4.4 and 4.5 hereof, the presence at the meeting of Members in person or by proxy entitled to cast fifty one (51%) 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 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 sixty (60) days following the preceding meeting.

4.7 Commencement of Annual Assessments. The first annual assessment shall become due and payable on the first day of the month following the lapse of thirty (30) days from the date of the sale of the first Lot in the Subdivision. Thereafter as each person or entity becomes a member such new Members' assessment for the current year shall be a pro-rata part of the annual assessment and shall be due on the first day of the month following the date such person or entity becomes a Member of the Association. Upon a person or entity's ceasing to be a Member of the Association, such Member shall not be entitled to any refund of his annual assessment.

It shall be the duty of the Board of Directors to notify each owner of any change in the annual assessment or any special assessment and the due date of such assessment. The requirement of notice shall be satisfied if such notice is given by regular deposit in the United States Mail to the last known address of each such owner.

The due date of any special assessment under Section 4.4 hereof shall be fixed in the resolution authorize such assessment.

4.8 Effect on Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of Association. If any assessment is not paid on the date when due (being the dates specified in Section 4.7 hereof), then such assessment shall become delinquent and shall, together with interest thereon and cost of collection, as hereinafter provided, thereupon become a continuing lien on the Owner's Lot which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

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%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, may foreclose the lien against the Owner's Lot, or may take both such actions, and there shall be added to the amount of such assessment reasonable attorneys fees, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorneys fees together with the costs of the actions.

4.9 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first 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 thereafter becoming due or from the lien of any such subsequent assessment. An assessment shall not be subordinate to a mortgage held by a prior owner who was the Owner at the time such assessment accrued.

4.10 Exempt Property. The following property to the extent it is 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 dedicated and accepted by the local authority and devoted to public use; (b) all Common Area as defined in Article I, Section 1 hereof; (c) all properties exempt from taxation by the laws of the State of Tennessee or United States Government upon the terms and to the extent of such legal exemption.

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

4.11 Assessment on Lots Owned by Developer. The amount of the annual or special assessments on any Lots owned by the Developer shall be equal to the amount of the annual or special assessments for all other Lots.

4.12 Books and Records. The books and records of the Association shall be kept in such a manner that is possible to determine and ascertain that (i) such sums are expended by the Association for development, improvements, maintenance and upkeep of all Common Area of the Association, and (ii) such sums are expended for the purposes set forth herein.

ARTICLE V

TERM

These covenants are to take effect immediately and shall be binding on all parties and all persons claiming under them until January 1, 2025, at which time said covenants shall be automatically extended for successive periods of ten years unless by vote of the majority of the then Owners of Lots it is agreed to change said covenants in whole or in part.

ARTICLE VI

ENFORCEMENT

If the parties hereto or any of their heirs and assigns shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for the Association or any Owner to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent him or them from so doing or recover damages or other dues for such violation.

ARTICLE VII

SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall not in any way affect any of the other provisions which shall remain in full force and effect.

ARTICLE VIII

BUILDING LOCATION

No building shall be located on any Lot nearer to the front boundary than 20 feet unless such requirement is waived by the Developer for so long as said Developer shall own any Lot in the Subdivision, and thereafter the Association which shall have exclusive jurisdiction and authority to permit or deny variances. As to all other front, rear and side set back requirements, the regulations of the applicable municipal zoning authority shall be controlling and said zoning authority shall have the exclusive authority to permit or deny variances as to rear and side set back requirements.

ARTICLE IX

DIVISION OF LOTS

Not more than one single family dwelling may be erected on any Lot and no Lot may be subdivided or reduced in size by any method such as voluntary alienation, partition, judicial sale, or other process of any kind except for the express purpose of increasing the size of another Lot; provided however, the Developer may subdivide or otherwise change the boundaries of any Lot.

ARTICLE X

TEAGUES GROVE ADVISORY COMMITTEE

No building shall be erected, placed, altered (including, without limitation, any change or exterior color), or permitted to remain on any Lot until the building plans and specifications and a plan showing the location of a dwelling have been approved in writing by the Teagues Grove Advisory Committee as to quality of workmanship and materials, harmony of exterior design with existing structures and as to location with respect to topography and finish grade level and elevation. The Teagues Grove Advisory Committee shall be composed of three members appointed by the Developer. A majority of the Committee may designate a representative to act for the Committee. In the event of the death or resignation of any member of the Committee, the Developer shall have the exclusive authority to designate a successor. In the event the said Committee or its designated representative fails to approve or disapprove such plans or specifications within twenty (20) days after the same have been submitted, as to the Lot for which such plans and specifications were submitted to it, such approval shall be implied and no longer required and this covenant will be deemed to have been fully complied with. Further, such plans must be left with Teagues Grove Advisory Committee during the period of construction after approval. If no suit to enjoin the construction has been filed prior to completion thereof, approval will not be required and the covenant shall be deemed to be fully satisfied. In the event Teagues Grove Advisory Committee rejects plans submitted for approval under the covenant, upon written application for approval by 75 percent of the Owners within a 200 foot radius of the affected Lot the said proposed plans shall be deemed approved by the Advisory Committee. The Developer shall continue to have the exclusive authority to appoint the Members of the Advisory Committee until such time as it shall in writing expressly confer such authority to the Association as provided in Paragraph XX.

ARTICLE XI

DWELLING RESTRICTION

11.1 Design Requirements. No dwelling shall be erected, placed, altered or permitted to remain on any Lot unless it conforms to the following requirements:

1. The dwelling and related improvements must be of Traditional Architecture and design as defined herein.
2. The minimum living area square footage requirements shall be determined by the Teagues Grove Advisory Committee on a

case by case basis and shall be within the sole discretion of the Committee.

3. All dwellings shall have a minimum roof pitch of 6/12.
4. All dwellings shall have not less than a one car attached garage.
5. Except by approval of the Advisory Committee, there shall be no occupancy permitted of any dwelling until such time as the dwelling, yard and landscaping complete.
6. The finished grading for all Lots shall be completed in conformity with the recorded plat for the Subdivision and in such manner as to retain all surface water drainage on said Lot or Lots in "property line swales" designated to direct the flow of all surface waters into the drainage easements as created by the overall drainage plan for the subdivision, as approved by the municipal authority having jurisdiction over said subdivision.
7. There shall be no above-ground swimming pools, basketball goals, outbuildings or accessory structures built or constructed on any Lot.

11.2 Miscellaneous Restrictions.

1. Mailboxes shall be of a traditional type and design consistent with the overall character and appearance of the subdivision and as selected by the Developer.
2. No outside radio transmission towers, receiving antennas, television antennas, satellite antennas or dishes or solar panels may be installed or used provided, however, satellite dishes of not more than thirty-six (36) inches in diameter may be installed behind the back plane of a house if properly screened to prevent viewing from any road or any other lot.
3. No one shall be permitted to store or park house trailers, campers, pleasure or fishing boats, trailers or other similar type vehicle on or about said residences unless the same are stored or parked inside a garage so as not be readily visible from the street or adjoining properties. No automobiles which are inoperable or being stored shall be repeatedly parked, kept, repaired or maintained on the street, driveway or lawn of any Lot.
4. Builders will be responsible for providing silt control devices on each Lot during construction activities.
5. Clotheslines and other devices or structures designed and customarily used for drying or airing of clothes, blankets, bed linen, towels, rugs or any other type of household ware shall not be permitted and it shall be strictly prohibited for articles or items of any description or kind to be displayed or placed on the

yard or exterior of any dwelling for the purpose of drying, airing or curing of said items.

ARTICLE XII

TEMPORARY STRUCTURES

No trailer, basement, tent, shack, garage, barn or other outbuildings erected on a Lot shall at anytime be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence.

ARTICLE XIII

EASEMENTS

Easements and other restrictions in conformity with the recorded plat of the Subdivision are expressly reserved for the overall development of the subdivision, and no easements, rights of way or rights of access shall be deemed granted or given to any person or entity over, across, upon or through any Lot unless prior written permission is granted by the Developer.

ARTICLE XIV

COMMISSION OF WASTE AND UNSIGHTLINESS

At no time shall any Lot be stripped of its top soil, trees or allowed to go to waste or waste away by being neglected, excavated, or having refuse or trash thrown, dropped or dumped upon it. No lumber, brick, stone, cinder block, concrete block or other materials used for building purposes shall be stored upon any Lot for more than a reasonable time for the construction in which they are to be used to be completed. No person shall place on any Lot refuse, stumps, rock, concrete blocks, dirt or building materials or other undesirable materials. Any person doing so shall be subject to notification by the Developer or the Association to correct and said condition within five (5) days of notification and if said condition is not corrected within said time period, the Developer or Association shall have the right to injunctive relief against the Owner of the affected Lot and the contractor or agent of the Owner and further, the Developer or Association may make all necessary corrections and the expense of the same shall be a lien upon the Lot.

ARTICLE XV

SIGNS

No sign of any kind shall be displayed to the public view on any Lot except one professional sign or not more than five square feet advertising the Lot for sale or rent or signs used by the builder to advertise the Lot during the construction or sales period.

ARTICLE XVI

LIVESTOCK AND POULTRY

No animals, livestock, poultry or fowl of any kind shall be raised, bred or kept on any Lot except pets such as dogs or cats; provided they are not kept, bred or maintained for any commercial purpose and do not create a nuisance. In no event, however, shall any Owner have more than two animals of any species. The Homeowners' Association shall have exclusive authority to further regulate the maintenance and care of said animals as it deems necessary.

ARTICLE XVII

GARBAGE AND REFUSE DISPOSAL

No Lot shall be used or maintained as a dumping ground for trash or rubbish. Trash, garbage or other waste shall not be kept except on a temporary basis and in sanitary covered containers. All incinerators or other equipment for the storage of such material shall be kept in a clean and sanitary condition, subject to the approval of the Developer, and may be used only during the construction period.

ARTICLE XVIII

FENCES AND WALLS

No fences or walls or hedge rows shall be erected, placed or altered on any Lot unless approved by the Developer or the Advisory Committee as the case may be. Chain link fences and dog runs are prohibited.

ARTICLE XIX

WAIVER AND MODIFICATION

Developer hereby reserves the right in its absolute discretion at any time to annul, waive, change or modify any of the restrictions, conditions or covenants contained herein as to any part of the Subdivision then owned by Developer and with the consent of the Owners as to any other Lot in the Subdivision. Developer shall have the further right before a sale to change the size of or locate any Lots, streets, or roads shown on any of the plats of the Subdivision.

ARTICLE XX

ASSIGNMENT OR TRANSFER

Any or all of the rights and powers, titles, easements and estates reserved or given to Developer in the Declaration may be assigned to any one or more corporations or entities which will agree to assume said rights, powers, duties and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers, and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by Developer and Developer shall thereupon be released therefrom.

ARTICLE XXI

FUTURE ADDITIONS

21.1 Additional land within the deed to Developer from Ralph F. Teague, Jack E. Teague and Janet T. Simcox dated December 12, 1996, of record in Deed Book 2234, at page 891 in the Register's Office for Knox County, Tennessee, may be annexed by the Developer without the consent of Members within twenty (20) years of the date of this instrument, provided that the Federal Housing Administration and the Veterans Administration determine that the annexation is in accord with the general plan heretofore approved by them.

21.2 Additional residential property and Common Area may be annexed to the Subdivision with the consent of two-thirds (2/3) of each Class of Members.

ARTICLE XXII

AMENDMENTS

22.1 The covenants, conditions and restrictions set forth herein may be amended during the first twenty year period by an amended declaration signed by not less than ninety (90%) of the then Owners of the Lots in the Subdivision, and thereafter by an amended declaration signed by no less than seventy-five (75%) of the then Owners of the Lots. Any amendment must be properly recorded to be effective.

22.2 As long as there is a Class B Membership, the following actions will require the approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Area, amendment of the Declaration of Covenants and Restrictions and amendment of the Articles of Incorporation of the Association.

IN WITNESS WHEREOF, Saddlebrook, Inc., a Tennessee corporation has caused this instrument to be executed and its name to be signed by its president as of the date set forth above.

SADDLEBROOK, INC.

By: signature on file
Robert L. Mohney, President

This instrument Prepared By: James W. Parris
Bernstein, Stair & McAdams
Suite 600, 530 South Gay Street
Knoxville, Tennessee 37902
(865) 546-8030

**AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
OF TEAGUES GROVE**

This Amendment of is made and entered into as of December 1998, by Saddlebrook, Inc. ("Developer") and each of the undersigned individuals, being all of the current owners of Lots in Teagues Grove Subdivision.

Pursuant to the terms of the Declaration of Covenants and Restrictions of Teagues Grove dated as of June 10, 1998, of record in Warranty Book 2289, Page 582, in the Office of the Register of Deeds for Knox County, Tennessee (the "Declaration"), the Developer submitted the Property to the terms of the Declaration.

The Developer and the Owners now wish to amend the Declaration.

NOW, THEREFORE, the Developer and the Owners of the Lots hereby agree to amend the Declaration as follows:

1. Paragraph 2.2 of the Declaration is hereby deleted in its entirety and inserted in its place is the following:

2.2 Voting Rights. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all those owners as defined in Section 2.1 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 2.1. 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 such Lot.

CLASS B. The Class B member shall be the Developer, its successors and assigns. The Class B member shall be entitled to two votes for

each Lot in which it holds the interest required for membership by Section 2.1. The Class B membership shall cease on the happening of either of the following events, whichever occurs earlier: (a) 120 after the date on which seventy-five (75%) of the Lots have been conveyed to Lot purchasers, or (b) January 1, 2002.

If the Developer elects to add or annex additional Lots or Property to the Subdivision as permitted hereafter, Developer shall have Class B membership in regard to such additional Lots or property on the same basis as outlined herein.

Said Class B membership shall be non-transferable except to transferees of Developer's remaining interest in the Property and shall remain in the Developer, its successor or assigns, until time as Class B membership terminates as provided in the Section 2.2.

2. Defined Terms. Any capitalized terms not otherwise defined in this Amendment shall have the meaning given them in the Declaration.

3. Continued Effect. To the extent not specifically modified or amended by this Amendment, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date set forth above.

SADDLEBROOK, INC.

By: signature on file
Robert L. Mohney

Title: _____
President

(other signatures on file)

AMENDMENT to the DECLARATIONS of COVENANTS and RESTRICTIONS of
TEAGUES GROVE

This Amendment to the Declaration of Covenants and Restrictions is made and entered in the 26th day of June 2000 by Saddlebrook, Inc. and the undersigned property owners in Teagues Grove.

The following dwelling restrictions are being amended to Article XI Dwelling Restrictions, 11.1 Design Requirements.

11.1,2. The minimum living area square footage shall be no less than a total of 1,800 square feet.

11.1,4. All dwellings shall have at least a two car attached garage.

11.1,8. All dwellings shall have a minimum of one-half to a full brick front.

11.1,7. Portable basketball goals will be permitted, none shall be placed on any street nor affixed to any home.

The following livestock restrictions are being amended to Article XVI.

Any lot owner may have up to a maximum of four domestic pets. All other livestock restrictions remain.

THIS INSTRUMENT PREPARED BY:
Teagues Grove Homeowner's Association
Cider Lane, Powell, TN 37849

(signatures on file)