

AMENDED AND RESTATED
DECLARATION OF COVENANTS AND RESTRICTIONS
SADDLE RIDGE SUBDIVISION
UNITS 1 THROUGH 5

KNOW ALL MEN BY THESE PRESENTS, that this Amended and Restated Declaration of Covenants and Restrictions made and entered into this the 1st day of January, 2012 by Saddle Ridge Homeowner's Association, Inc., a Tennessee Corporation, (hereinafter referred to as "Association"), PHS Development Corporation, a Tennessee corporation, and the undersigned Owners.

WITNESSETH:

WHEREAS, PHS Development Corporation, a Tennessee corporation (herein referred to as the "Developer") was the owner of certain real property and subjected such property to certain covenants, conditions recorded that certain Declaration of Covenants and Restrictions of Saddle Ridge Subdivision, Units 1 and 2, dated October 1, 1992, of record bearing Instrument No. 199210210042400 as amended by Declaration of Covenants and Conditions of Saddle Ridge Unit 3, dated September 7, 1993, of record bearing Instrument No. 199310080046394, amended by First Amendment to Declaration of Covenants and Conditions of Saddle Ridge Subdivision, dated October 25, 1993, of record bearing Instrument No. 199310250079887, amended by Declaration of Covenants and Conditions of Saddle Ridge Unit 4, dated March 15, 1995, of record bearing Instrument No. 199503200028919, and Adoption of Covenants and Conditions of Saddle Ridge Unit 5, dated November 12, 1999, of record bearing Instrument No. 200002020006989 (herein collectively referred to as the "Original Declaration"); and

WHEREAS, the Association has been incorporated under the laws of the State of Tennessee as a non-profit corporation, SADDLE RIDGE HOMEOWNER'S ASSOCIATION, INC. for the purpose of exercising the functions set forth in the Original Declaration;

WHEREAS, pursuant to Article VI of the Original Declaration, by majority vote of the Owners, the Original Declaration can be amended;

WHEREAS, a majority of the Owners, the Association and the Developer wish to amend and restate the Original Declaration as provided herein.

NOW, THEREFORE, the Association, the Owners and the Developer hereby amend and restate the Original Declaration as provided herein.



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THIS INSTRUMENT WAS PREPARED BY

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**Amended And Restated Declaration Of Covenants And Restrictions
Saddle Ridge Subdivision, Units 1 Through 5**

ARTICLE I

DEFINITIONS

In addition to other definitions herein provided and except where it is clearly evident from the context that a different meaning is intended, the following terms shall have the following meanings when used in this Declaration, any record plat of the lands covered hereby, and any other documents related to the Properties.

- (a) "Declaration" means this Amended and Restated Declaration, as modified, restated, extended or supplemented from time to time in the manner herein provided.
- (b) "Developer" means PHS DEVELOPMENT CORPORATION, a Tennessee Corporation.
- (c) "Association" shall mean and refer to the SADDLE RIDGE HOMEOWNER'S ASSOCIATION, INC., its successors and assigns.
- (d) "The Properties" shall mean and refer to the real property subject to this Declaration, said properties being more fully described in Article II hereof.
- (e) "Common Areas" shall mean and refer to any property owned by the Association and those areas of land which Developer has conveyed and transferred to the Association to be devoted to the common use and enjoyment of the Owners of The Properties, and, that property upon which detention basins and flowage or drainage easements are located, as noted more fully in the Agreement dated February 18, 1992 and recorded in Deed Book 2064, page 032, in the Register's Office for Knox County, Tennessee.
- (f) "Lot" shall mean and refer to all numbered residential lots as shown on the recorded subdivision map of The Properties designated for use as residential lots by this Declaration.
- (g) "Utility Easements" shall mean and refer to those areas of land designated for such purposes on any recorded subdivision plat of The Properties or as may be provided for, in, or by this Declaration.
- (h) "Assessment" means such amounts as are levied against the Owners by the Association, in order to provide funds for payment of the expenses of owning, managing and maintaining the Common Areas, and community social activities.
- (i) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designated and intended for use and occupancy as a residence by a single family.
- (j) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated within The Properties, but shall not mean or refer to any mortgagee or secured creditor, unless and until such mortgagee or secured creditor has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.


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- (k) "Member" shall mean and refer to all those Owners who are members of the ASSOCIATION as hereinafter provided.
- (l) "Traditional Architecture" as used herein shall be defined as residential architecture categorized as Williamsburg, Cape Cod, American Colonial, Georgian, French, Provincial, English Tudor, Gothic, and all other Traditional Single Family Residential Architecture common in the United States. Any design or development not included within one or more of the above categories must be approved by the SADDLE RIDGE ADVISORY COMMITTEE, before construction may commence.
- (m) "Director" shall mean and refer to a Director of or member of the Board of Directors of the ASSOCIATION.
- (n) "Board of Directors" shall mean and refer to the Board of Directors of the ASSOCIATION.
- (o) "Rules and Regulations" shall mean the rules and regulations adopted by the Board of Directors to govern the use of the Properties, including the Lots and the Common Areas, as amended by the Board of Directors.
- (p) "Subdivision Maps" shall mean the subdivision plats for Units 1-5 of Saddle Ridge Subdivision and all amendments thereto, of record in the Knox County Register of Deeds.
- (q) "Charter" shall mean the Charter for the Association filed with the Tennessee Secretary of State, as amended, modified and restated from time to time.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The existing real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Knox County, Tennessee, and is more particularly described as Units 1, 2, 3, 4 and 5 including Common Areas, of Saddle Ridge Subdivision as shown on maps of record in Map Cabinet M, Slides 282C and 282D, as revised in Map Cabinet M, Slides 328A and 328B, and Map Cabinet M, Slide 342D, and as shown on maps of record in Map Cabinet N, Slides 52D and 53A, Map Cabinet N, Slides 310B and 310C, and corrected and recorded in Map Cabinet O, Slides 95C and 95D, and as shown on map of record bearing Instrument No. 200001190003843.


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ARTICLE III

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

Section 1. MEMBERSHIP.

Every person or entity who is the record Owner of a fee or undivided fee interest in any lot within the Properties 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 record Owner of a fee or undivided fee interest in a Lot and expires upon the transfer or release of said ownership interest.

Section 2. VOTING RIGHTS.

Except as otherwise stated below, all Members shall be entitled to one vote for each Lot in which they hold the interests required for membership in 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 such Lot. Notwithstanding the foregoing, the Developer shall be entitled to two (2) votes for each Lot owned by Developer on the date hereof.

Section 3. SUSPENSION OF MEMBERSHIP RIGHTS.

If an Owner shall have failed to pay when due any assessment or charge lawfully imposed upon him or her on any Lot owned by him or her, or if the Owner, his or her family, tenants or guests shall have violated any of the covenants contained in this Declaration or any rule or regulation of the Board regarding the use of all or a portion of the Properties or conduct with respect thereto, then the Board 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. If the Owner shall not have taken reasonable steps toward the required remedy action within twenty (20) calendar days of the mailing of aforesaid notice of violation, then the Board may suspend the membership rights (including voting rights of that Owner).

Section 4. BOARD OF DIRECTORS.

The Association shall be governed by a Board of Directors to be elected annually by the membership. The directors shall be Owners or spouses of such Owners; provided that if an Owner is a corporation, partnership, trust or other entity other than a natural person(s) then any shareholder, officer, beneficiary, individual trustee or manager of such legal entity shall be eligible to serve as a Director. The Members shall elect no fewer than five (5) Directors as provided by the Bylaws. Each Director, except in case of death, resignation, retirement,

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disqualification or removal, shall serve until his or her successor shall have been elected and qualified. With the exception of a Managing Agent (if authorized by the Members of the Association), no compensation shall be paid to the President or the Vice President or any director or committee member for acting as such officer or director. Nothing herein stated shall prevent any officer or director, or committee member from being reimbursed for out-of-pocket expenses on behalf of the Association; provided, however, that any such expenses incurred shall have been authorized in advance by the Board of Directors.

Section 5. MANAGING AGENT

If approved by a majority of the Members of the Association voting in person or by proxy at a meeting duly called for such purpose, the services of an agent (hereinafter sometimes referred to as the "Managing Agent") may be engaged to maintain, repair, replace, administer the Common Area or any part thereof for all of the Owners, upon such terms and for such compensation as the Board may approve.

Section 6. POWERS AND DUTIES.

The Board shall exercise for the Association all powers, duties and authority vested therein by this Declaration and by the Bylaws, except for such powers, duties and authority reserved thereby to the Members of the Association. The Board shall have the following powers and duties:

- (a) to elect the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association;
- (c) to engage the services of a Managing Agent if approved by a vote of the majority of the Members of the Association;
- (d) to provide for the operation, care, upkeep, maintenance, repair, replacement and improvement of the Common Area and payments therefor, and to approve payment vouchers or to delegate such approval to the officers of the Association or the Managing Agent;
- (e) to have access to each Lot excluding structures from time to time as may be necessary for the maintenance, repair or replacement of the Common Area therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Area or to one or more other Lots;
- (f) to obtain adequate and appropriate kinds of insurance as provided herein;
- (g) to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Common Area, and to delegate any such powers to a Managing Agent (and any employee or agents of a Managing Agent) if the services of a Managing Agent are approved by the Members of the Association;

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- (h) to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (j) to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying on and collecting from the Owners the annual and special assessments;
- (k) to cause to be kept a complete record of all its acts and corporate affairs, to present a statement thereof to the Owners at the annual meeting of the members, and to file Federal and State tax returns as required by law;
- (l) to make available to Owners current copies of the Amended and Restated Declaration of Covenants and Restrictions, By-Laws, rules and regulations, books, records and financial statements of the Association, except that the Board of Directors may at any time(s) determine that certain items are confidential and should not be made available (for example to protect the privacy or confidentiality of Owners, complainants, or others) and that the person(s) accessing such documents shall pay all costs associated therewith ("available" shall mean access to the documents for inspection, upon request, during normal weekday business hours or under other reasonable circumstances);
- (m) to make such mortgage loan arrangements and special assessments proportionately among the respective Owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase of a Lot, or interest therein, by the Association; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Property other than the Lot, or interest therein, to be purchased or leased;
- (n) to act in a representative capacity in relation to matters involving the Common Area or more than one Lot, on behalf of the Owners, as their interests may appear;
- (o) to enforce by legal means the provisions of this Declaration and the Bylaws of the Association with respect to the Property;
- (p) to renew, extend or compromise indebtedness owed to or by the Association;
- (q) unless otherwise provided herein, to comply with the instructions of a majority of the Owners as expressed in a resolution duly adopted at any annual or special meeting of the Association;
- (r) the Association shall (i) have all powers permitted to be exercised by a nonprofit corporation and (ii) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with the law which may be

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appropriate to promote and attain the purposes set forth in this Declaration and the Bylaws of the Association;

- (s) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (t) to supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (u) to employ attorneys to represent the Association when deemed reasonable or necessary;
- (v) to adopt and publish rules and regulations governing the use of the Common Area, and the conduct of the Owners and their guests thereon, and to establish penalties for infractions thereof;
- (w) to declare the office of a director of the Board to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board.

Nothing in this Article or elsewhere in this Declaration or in the Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Owners.

Section 7. EMPLOYMENT BY BOARD OF DIRECTORS.

The Association acting by and through its Board of Directors shall have the right to engage and employ such individuals, corporations or professional managers for the purpose of managing and maintaining the common areas and performing such other duties as the Board of Directors shall from time to time deem advisable in the management of the Association. The Board or its duly authorized agent shall obtain such insurance policies upon the Common Area as the Board deems necessary or desirable in its absolute and sole discretion. The named insured on all policies of insurance shall be the Association.

Section 8. INDEMNIFICATION OF BOARD; EXCULPABILITY.

~~(a) Each director, officer or committee member of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a director, committee member or agent of the Association, and in connection with any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein he or she is adjudged guilty of willful misfeasance or gross negligence in the performance of his or her duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement~~

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and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer or committee member may be entitled.

(b) Exculpability. Unless acting in bad faith, neither the Board of Directors as a body nor any director, officer, committee member or agent of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Member shall be bound by the good faith actions of Board of Directors, officers, committee members or agents of the Association, in the execution of the duties of said directors, officers, committee members or agents.

Section 9. BYLAWS.

The Association and its members shall be governed by the Bylaws attached hereto as Exhibit A, as amended from time to time by the Board of Directors.

Section 10. RULES AND REGULATIONS

The Board of Directors shall have the right to adopt Rules and Regulations and to amend, restate and/or repeal any rule or regulation adopted by it. The Rules and Regulations shall be provided to each Owner. Each Owner, by acquiring his Lot, shall be deemed to agree to be bound by, among other things: (i) the Rules and Regulations, (ii) the Declaration, and (iii) the Bylaws.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. MEMBERS' EASEMENTS OF ENJOYMENT.

Subject to the provisions of Section 3, 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. TITLE TO COMMON AREAS.

Common Areas have been conveyed to the Association by the Developer pursuant to that certain quitclaim deed dated December 8, 1995 and in Warranty Book 2197, Page 789 in the Knox County Register of Deeds.

Section 3. EXTENT OF MEMBERS' EASEMENTS.

The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Association to take reasonable action to protect and preserve the rights and interests of the Association and its Members in and to the Common Areas, including but not limited to rights to prevent the sale confiscation or foreclosure of the Common Areas by creditors or lien holders of the Association or Members;

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(b) the right of the Association, as provided in its Charter, Bylaws and herein, to suspend the enjoyment rights of any Member for any period during which any Assessment remains unpaid for any infraction of its published rules and regulations or for violation of this Declaration;

(c) the right of the Association to charge reasonable admission and other fees for the use of the Common Areas; and

(d) the right of the Association to dedicate or transfer all or any part of the Common Areas or areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by a majority of the Board of Directors and sixty-five percent (65%) of the Members of said Association; provided, however, that no such dedication or transfer shall be effective or permitted unless approved by the Board of Directors and the membership of the Association pursuant to the Bylaws of the Association.

(e) The rights of Members of the Association shall not be altered or restricted because of the location of the Common Area in a Unit of Saddle Ridge Subdivision in which such Member is not a resident. Common Area belonging to the Association shall result in equal membership entitlement, notwithstanding the Unit in which the Lot is located. For example, an Owner of a Lot in Unit 3 shall have the right to use the Common Area located in Unit 1 or any other Unit.

Section 4. PARKING RIGHTS.

The Association shall have the absolute authority to determine the type, location and number of parking spaces in the Common Areas and to regulate, develop and alter said parking.

Section 5. DRAINAGE AND DETENTION EASEMENTS – ADJOINING PROPERTY.

An Agreement between Charles W. Weigel and wife, Wanda P. Weigel, Jack Troutt and PHS Development Corporation has heretofore been entered into, and a copy of said Agreement is of record in Deed Book 2064, page 032, in the Register's Office for Knox County, Tennessee. In accordance with the provisions contained in said Agreement, two (2) detention basins have been constructed on the property which is owned in part by Charles W. Weigel and wife, Wanda P. Weigel, and in part by Jack Troutt. The surface water run-off from Saddle Ridge Subdivision is permitted to drain through a series of drainage easements, into one or both of the detention basins, and into the natural drainage areas located on said property, for which an easement is also provided. The detention basins and drainage or flowage easements shall be treated as "Common Areas" of the Saddle Ridge Subdivision, and shall be maintained as such, insofar as maintenance, repair or replacement is concerned, and the ASSOCIATION, shall budget for and assess its members for such maintenance, repair or replacement, as provided for in Article V, herein.


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ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.

Except as hereinafter provided, The 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; (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 Lot and shall be a continuing lien upon the Lot against which each Assessment is made. Each such Assessment, together with such interest thereon and cost of collection thereof, including, but not limited to attorney's fees, as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Lot at the time the Assessment becomes payable. Notwithstanding the foregoing, Developer shall be exempt from annual Assessments and special Assessments for all Lots owned by Developer on the date hereof.

Section 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 residences in The Properties 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 Areas and of the homes situated upon The Properties, including but not limited to, 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. The Assessments shall not be specifically limited to the Common Areas, 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 Properties. The cost, if any, of the operation and maintenance of street lights and lighting regardless of the location within The Properties and the proximity to the individual Lots shall be borne equally and prorated as to each Lot without regard to the ownership; it being the intent of this requirement to insure the safety, enjoyment and security of the entire Properties.

Section 3. ESTABLISHING ANNUAL ASSESSMENT.

The Board of Directors shall be responsible for developing an annual budget for the operations of the Association for the current year and shall determine and set the annual assessment for the next year. The current year budget and annual Assessment for the next year shall be presented to the Members of the Association at an annual meeting held prior to March 31 of each year. A summary of the current year annual budget and the

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annual assessment for the next year shall also be mailed or emailed (if such Owner has provided an email address to the Association) to each Owner after the annual meeting and shall be posted on the subdivision website. The Assessment for each year shall be a sum reasonably necessary to defray the expenses of the Association for each year.

If the annual Assessment is to be increased by more than three percent (3%), the Board of Directors shall obtain the approval of at least fifty one percent (51%) of the Members voting in person or by proxy at a meeting duly called for such purpose.

If the annual Assessment is to be increased by less than three percent (3%) and a minimum of 25 lot Owners submit a written request to the Board of Directors by June 30 that the increase in the annual Assessment be approved by a majority of the Owners, the Board of Directors shall obtain the approval of at least fifty one percent (51%) of the Members voting in person or by proxy at a meeting duly called for such purpose. If a minimum of 25 lot Owners do not make this request by June 30, the annual Assessment established by the Board of Directors shall become effective for the next year.

Notice of the amount of the annual Assessment must be mailed or emailed (if such owner has provided an email address to the Association) to each Owner at least thirty (30) days before the annual Assessment is to become effective.

The omission by the Board of Directors, before the expiration of any year, to fix the Assessment thereunder for that or the next year, shall not be deemed to waiver or modification in any respect of the provisions of this Declaration and Bylaws or a release of any Owner from the obligation to pay the Assessments, or an installment thereof for that or any subsequent year, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

The Board of Directors shall not be obligated to expend all of the Assessments collected in any accounting period, but must establish and maintain reasonable reserves for the periodic maintenance, repair and replacement of the Common Areas.

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 reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the roads, sidewalks, fixtures, and personal property related thereto, provided that any such Assessment shall be approved by a majority of the Board of Directors and a majority vote of at least sixty-seven percent (67%) of the Members entitled to vote at a meeting duly called for such purpose. Special Assessments may also be levied by the Board if for any reason the Annual Assessments



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prove inadequate to defray the expenses of the Association in fulfilling its duties and obligations hereunder, subject to the consent of the Members as set forth above.

Section 5. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS.

All Annual Assessments shall become due and payable on January 1st and delinquent on February 1st, of each year. In the event of a transfer of a Lot or Lots, the Annual Assessment shall be pro-rated as of the date of transfer, and credit given to the Seller or Buyer, as their interests may appear.

The Association may increase or decrease the amount and basis of the Annual Assessment as described in Article V, Section 3 above.

Section 6. QUORUM FOR CHANGE IN BASIS AND/OR AMOUNT OF ANNUAL ASSESSMENT AND LEVYING SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

If approval of at least fifty one percent (51%) of the Members voting in person or by proxy at a meeting duly called for such purpose is required as described in Article V, Section 3 above, the presence at a duly called meeting of Members, or of their proxies, entitled to cast fifty one percent (51%) of all the votes of the Owners, shall constitute a quorum. If the required quorum is not present, an adjourned meeting may be called, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Said adjourned meeting shall be held not less than thirty (30) days from the date of notice or prior meeting, nor more than sixty (60) days from the date of notice or prior meeting. It shall be the duty of the Board of Directors to notify each Owner of any proposed change in the annual 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 of such Owner or via e-mail if such Owner has provided an e-mail address to the Association, not less than thirty (30) days from the date the meeting is scheduled to occur.

In order to levy a Special Assessment, the presence at a duly called meeting of Members, or of their proxies, entitled to cast sixty seven percent (67%) of all the votes of the Owners, shall constitute a quorum. If the required quorum is not present, an adjourned meeting may be called, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Said adjourned meeting shall be held not less than thirty (30) days from the date of notice or prior meeting, nor more than sixty (60) days from the date of notice or prior meeting. It shall be the duty of the Board of Directors to notify each Owner of any proposed change in the 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 of such Owner or via e-mail if such Owner has provided an e-mail address to the Association, not less than thirty (30) days from the date the meeting is scheduled to occur. The due date of any Special Assessment under Section 4 hereof shall be fixed in the resolution authorizing such Assessment.

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Members who are delinquent in the payment of Assessments or who are exempt from payment of Assessments are not eligible to vote for increases in the annual Assessment or for Special Assessments.

Section 7. EFFECT OF NON-PAYMENT OF ASSESSMENT. THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN REMEDIES OF ASSOCIATION.

If the Assessments are not paid on the date when due (being the dates specified in Section 5 hereof), then such Assessment shall become delinquent and shall, together with such monetary penalty, as hereinafter recited, and cost of collection thereof, as hereinafter provided, become a continuing lien on the property.

If the Assessment is not paid by the 1st day of February of any calendar year, then \$2.00 per day shall be assessed as liquidated damages and not as a penalty against each Lot for which payment has not been made, retroactive to January 1st, of said calendar year, and the Association may bring an action at law against the Owner or Owners to enforce payment of same or 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 fee, together with the costs of the action.

Section 8. 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 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.

Section 9. 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 dedicated and accepted by the local authority and devoted to public use;
- (b) all Common Areas as defined in Article I hereof;
- (c) all properties exempted 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,
- (d) lots owned by the Developer as described in Article V, Section 1 above.

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

ARTICLE VI

TERM

These covenants shall take effect immediately and shall be binding on all parties and all persons claiming under them until 1 January 2022, 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 the Lots it is agreed to change said covenants in whole or in part. Notwithstanding the foregoing, a majority of the Owners shall be permitted to amend this Declaration at any time and from time to time.

ARTICLE VII

ENFORCEMENT

If the parties hereto or any of their tenants, lessees, heirs, successors or assigns shall violate or attempt to violate any of the covenants or restrictions herein, it shall be lawful for the Association or any Owner as defined herein 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 to recover damages or other dues for such violation. The Association shall be entitled to recover all costs and expenses incurred by the Association, including but not limited to attorney's fees, in all enforcement actions taken by the Association to enforce the terms and conditions of this Declaration.

The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the Advisory Committee or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

The Advisory Committee shall have the right of abatement in all cases where the Owner of a Lot which is bank or lending institution owned and is unoccupied fails to take reasonable steps to remedy violation or breach of any restriction contained in this Declaration within twenty (20) days after the certified mailing of written notice of such violation or breach. The right of abatement means the right of Advisory Committee, through its agents and employees, to enter at all reasonable times upon any Lot or structure as to which a violation or breach exists, and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions. Further, the Association or any Owner may prosecute proceeding at law for the recovery

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Saddle Ridge Subdivision, Units 1 Through 5**

of damages against those violating or attempting to violate the declaration of covenants and restrictions, and, or maintain a proceeding in equity against those so violating or attempting to violate any covenants or restrictions, for the purpose of preventing or enjoining all of any such violations or attempted violations, and/or to have any such violation removed from the Lot or cured.

The remedies contained in this Article shall be construed as cumulative of all other remedies now or hereafter provided by herein, at law or in equity. If the Association, the Advisory Committee, the Board or any other Person or Persons owning a Lot shall successfully prosecute in law or equity an action pursuant to this or any other enforcement section of these covenants or restrictions, then that party shall be entitled to receive its reasonable attorney's fees and the costs reasonably necessary to prosecute the case against the party violating the covenants and restrictions herein.

ARTICLE VIII

BINDING EFFECT AND SEVERABILITY

This Declaration shall be binding upon and insure to the benefit of the Owners of all Lots, the Association and their respective heirs, personal representatives, successors and assigns. Invalidation of any one of these covenants, or any article, sentence, phrase, clause or word or the application thereof in any circumstances is held invalid by judgment, court order, legal precedent or otherwise, shall not in any way affect any of the other provisions and the remainder of this Declaration shall remain in full force and effect as if such invalid part was never included herein. In addition, to the extent that any Owner of a Lot is deemed not to be bound by the terms and provisions of this Declaration by any legal reason allowable by law (even though this Declaration has been adopted in accordance with the amendment provisions of the Original Declaration), the terms and provisions of the Original Declaration shall continue to be binding upon said Owner(s) until such time as said Owner(s) sells or transfers his or her Lot at which time the new owner(s) of said Lot so transferred shall be deemed to be bound by the terms and provisions of this Declaration by virtue of the fact that this Declaration has been recorded in the Register's Office for Knox County, Tennessee prior to said transfer occurring.

ARTICLE IX

LAND USE AND BUILDING TYPE

All Lots shall be utilized for residential purposes only, and no commercial business shall be permitted on any Lot. Lot rentals by an Owner shall not be considered a commercial business. No structure shall be erected, altered, placed or permitted to remain on any of the said Lots other than one detached single-family dwelling and a private attached garage, except by approval and sanction of the Advisory Committee.

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No out-buildings such as pool houses, carports, or detached garages, shall be built unless approved by the Advisory Committee. Any such out-buildings shall be in substantial conformity with the architectural design used for the construction of the main dwelling, located on said Lot. All outside storage buildings are specifically prohibited on any Lot, including the Common Areas.

Any Owner may lease its Unit to third parties subject to this Declaration and its Exhibits, the Act and Rules and Regulations properly promulgated. Such lessee may be removed from the Properties and/or refused further entrance by the Board of Directors of the Association or its designee for noncompliance, and the Owner of that Lot shall be liable for all damages caused by his lessee and for all costs of removal, which shall be a lien upon his Lot, the same as the lien for unpaid Assessment.

ARTICLE X

BUILDING LOCATION

No building shall be located on any lot nearer to the front boundary than 35 feet, unless special permission coupled with a waiver is granted in hardship cases by the Association. All other rear and side set back requirements shall comply with regulation for the Zoning Authority and said Zoning Authority shall have the exclusive authority to permit or deny variances in hardship cases as to rear and side set back requirements, except in those cases in which these Restrictive Covenants, or the plat of Saddle Ridge Subdivision, are more restrictive, in which case, the Association shall have the exclusive authority to permit or deny variances.

ARTICLE XI

DIVISION OF LOTS

Not more than one single family dwelling may be erected on any one Lot as shown on the recorded map and no Lot shown on said map 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 explicit purpose of increasing the size of another Lot.

ARTICLE XII

SADDLE RIDGE ADVISORY COMMITTEE

No building shall be erected, placed, altered, or permitted to remain on any Lot in The Properties until the building plans and specifications and a plan showing the location of the dwelling or other permitted improvement(s) have been approved in writing by the Saddle Ridge Advisory Committee (the "Advisory


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Committee" or "SRAC") 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 Advisory Committee shall be composed of not less than three (3) members appointed by the Board of Directors. A majority of the Advisory Committee may designate a representative to act for the Committee. In the event of a death or resignation of any member of the Advisory Committee, the Board of Directors shall have the exclusive authority to designate a successor. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. In the event the Committee or its designated representative fails to approve or disapprove such plans and specifications that have been delivered to one of the regularly scheduled SRHA board meetings. The board has 31 days (the "Approval Period"), to review the request. In the event the Advisory Committee requests additional information in connection with its review of the submitted plans, the Approval Period shall be extended to 31 days after the Advisory Committee's receipt of such additional information.

If the board does not respond within the Approval Period the request will be considered approved as long as the construction complies with this Declaration. In this case, the requester may proceed with the construction of improvements provided that written notice is provided to the board that its failure to respond within the Approval Period constitutes approval in accordance with this Declaration. If the construction does not comply with this Declaration and the board does not respond with the Approval Period, the request will be considered to be rejected. In the event the Advisory Committee rejects plans and/or specifications submitted for approval under this covenant, upon written request or application by eighty percent (80%) of Lot Owners within a 1000 foot radius desiring the approval be given, then same shall be deemed approved by the Advisory Committee. If approval is granted, the applicant must begin construction of improvements no later than six (6) months after the applicant's receipt of the written approval of the plans and specifications by the Advisory Committee and complete such project within twelve (12) months of commencement of such project unless otherwise approved by the Advisory Committee. Failure to begin construction within said six (6) month period shall result in the automatic revocation of the approval of said plans and specifications by the Advisory Committee. Further, upon approval, a set of plans and specifications shall be furnished to and retained by the Advisory Committee during the period of construction. The building shall be constructed consistent with the approved plans and specifications. If no suit to enjoin the construction has been filed prior to completion thereof, further approval will not be required and the covenant shall be deemed to be fully made.

The decision of the Advisory Committee in the performance of its duties under Articles IX, XII and XIII hereof shall be final and conclusive in all respects and shall not be subject to review by any authority, Owner, or the Association, except when its disapproval of a plan is permitted to be overruled under this Article XII. Neither the Advisory Committee nor any of its members shall be liable to any person for damages or otherwise resulting from the performance of its duties hereunder and the exercise of the authority and discretion granted to it herein.



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No 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 the plans and specifications comply with applicable codes and laws, nor the quality, function or operation of the structure or of any construction, workmanship, engineering, materials or equipment. No member of the Advisory Committee shall be liable in damages or in any other respect to anyone submitting plans or specifications for approval under this Article, or to any Owner, or to any other Person having an interest in any of the Lot or Properties by reason of mistake in judgment, negligence, misfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. By submission of such plan and specifications to the Advisory Committee, every Owner of any Lot releases and agrees to hold harmless and to defend any member of the Advisory Committee from any such alleged liability, claim and/or damage including attorney's fees.

ARTICLE XIII

DWELLING RESTRICTIONS

Section 1. DESIGN REQUIREMENTS.

No dwelling shall be erected, placed, altered or permitted to remain on any Lot without the prior approval of the Advisory Committee and unless it conforms to the following requirements:

1. The design of the dwelling and related improvements shall be of Traditional Architecture, or such other design as may be approved by the Advisory Committee.
2. The minimum living area square footage requirements shall be determined by the Advisory Committee on a case by case basis and shall be within the sole discretion of the Committee; however, except for special circumstances justifying an exception,
 - (a) houses with one and one-half or two stories shall contain at least 1300 square feet of heated living area on the ground floor and a total of not less than 2600 square feet of heated living area on all floors;
 - (b) houses with one floor or one floor and a basement, shall contain not less than 2200 square feet of heated living area on the upper-most level, and
 - (c) square footage requirements for multi-level houses will be determined by the Advisory Committee on a case by case basis, considering design and terrain. Computation of square footages shall be exclusive of porches and garages.


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3. All windows and related trim shall be of wood, wood clad or vinyl construction unless otherwise specifically approved by the Advisory Committee.
4. All dwellings, except one story dwellings, shall have a minimum roof pitch of 8/12 and one story dwellings shall have a minimum roof pitch of 9/12.
5. All dwellings shall be of brick, stone, stucco, or a combination of brick or stone or stucco, and natural wood siding, with no Masonite or other type of artificial or synthetic siding, such as Hardie Board.
6. All above ground exterior foundation walls shall be veneered with brick or stone, or such other materials as may be approved by the Advisory Committee.
7. All chimneys are to be faced with brick or stone, or stucco or such other materials as may be approved by the Advisory Committee, so as to match the foundation of the dwelling.
8. The outside wiring for all dwellings, buildings and any other structure shall be placed underground. No overhead wiring of any type shall be permitted. Outside light poles, etc., shall be approved by the Advisory Committee.
9. All dwellings shall have not less than a two-car, attached garage capable of accommodating two automobiles. The driveway shall provide a minimum of two additional off-street parking spaces. All driveways shall be paved with concrete or such other materials as are approved by the Advisory Committee.
10. Heating, air conditioning systems, garbage containers and recycling containers shall be enclosed on two of three sides, other than the dwelling unit, so as to limit visibility from any street, through the use of appropriate screening constructed of brick, wood, stucco, rock, or such other composition as might be approved by the Advisory Committee.
11. Every dwelling shall be connected to the sanitary sewer and public water systems serving the Lots.
12. All private swimming pools must be constructed below the ground surface, shall be enclosed and maintained in a manner consistent with the Knox County Health Department regulations, and all other appropriate governmental agencies, and the plans and specifications must be submitted to, and approved by, the Advisory Committee, prior to construction. Any proposed fencing is also subject to the prior approval of the Advisory Committee, before construction may commence.
13. There shall be no occupancy permitted of any dwelling until such time as the dwelling, yard and landscaping is complete except by approval of the Advisory Committee.
14. All future maintenance, repair or replacement of the detention basins for the Properties shall be the responsibility of the Association.

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15. The finished grading for all Lots shall be completed in conformity with the recorded plat for The Properties and in such manner as to retain all surface water drainage on said Lot or Lots in "property line swales" designed to direct the flow of all surface waters into the drainage easements as created by the overall drainage plan for the Development, as approved by the City of Farragut or such other authority, as may have jurisdiction over the Properties.

16. All retaining walls and other free-standing walls shall be veneered or faced with brick, stone, or stucco, from ground level on all sides and top, so that concrete blocks or other subsurface material will not be exposed.

Section 2. MISCELLANEOUS RESTRICTIONS.

1. All new construction homes, and any replacement mail boxes, shall meet federal regulations and standards, and shall be enclosed in a brick, stucco or stone structure, and shall also contain a separate compartment or receptacle for news papers and other forms of literature or advertising, which may not be deposited in a mail box. Additionally, all mail box structures in Units 4 and 5 shall have a light similar to that located at the front door of the dwelling unit it serves. Since the mail box structure lights are relied upon for street lighting and the safety of the residents, the Owner shall be responsible for the replacement of light bulbs, photo-cells and/or gas lighting systems, when required. If after receiving notice, an Owner fails to make the necessary improvements or repairs, the Advisory Committee may do so and assess the cost to the Owner, for which a lien may be filed, as provided for the non-payment of Assessments under Article VII hereof. Outside lighting, and other post structures shall be of traditional type and design consistent with the overall character and appearance of the neighborhood and as approved by the Advisory Committee.

2. No outside radio transmission towers, receiving antennas, television antennas, satellite antennas or dishes or solar panels may be installed or used, except as may be approved by the Advisory Committee. Notwithstanding the foregoing, each Owner shall have the right to install one (1) satellite dish under two and one-half (2 ½) feet in size without approval by the Advisory Committee.

3. No one shall be permitted to store or park house trailers, campers, trailers, trucks, buses, motor homes, or boats on the Lot, unless the same are stored or parked inside a garage or to the rear of the dwelling, so as not to be readily visible from the street or any other Lot. In no event shall any trailer, camper, truck (such as box trucks, flatbed trucks and other commercial vehicles but excluding pickups, non-commercial passenger vans and sport utility vehicles), bus, motor home, pleasure or fishing boat be parked any place on the Lot for more than 48 hours. No automobiles or other vehicles which are inoperable or being stored shall be repeatedly parked, kept, repaired or maintained on the street, driveway or lawn of any Lot.

4. Owners, or Builders at the Owner's request, will be responsible for providing silt control devices on each Lot during construction activities. Each Owner shall be responsible for confirming such Owner's builder complies with this provision, and shall be liable for the breach of such Owner's builder. All construction sites must at all times be kept in a neat, orderly and safe condition.



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Saddle Ridge Subdivision, Units 1 Through 5**

5. Clotheslines and other devices or structures designed and customarily used for the 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, or in the yard, porch or deck railings, or on the exterior of any dwelling for the purpose of drying, airing or curing of said items.

6. No wall, hedge or shrub planting which obstructs sight lines above the roadways shall be placed or permitted to remain on any corner lot with the triangular area formed by the street property line connecting them at twenty-five (25) feet from the intersection of the street lines or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet of the intersection of the street property line with the edge of a driveway. No trees shall be permitted to remain within such sight distances of the intersection unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.

Section 3. MODIFICATION.

In keeping with the purpose of this Declaration, each Owner recognizes that the restrictions set forth in this Article XIII are not inclusive nor totally comprehensive for a quality and aesthetically pleasing neighborhood development. Accordingly, notwithstanding anything to the contrary in this Article XIII as to the design of dwellings, the Advisory Committee may, in its sole discretion, in special circumstances, make exceptions to the design criteria set forth herein and approve other types of architecture and designment requirement, provided that such exceptions in each instance shall be consistent with the intent and purpose of this Declaration.

ARTICLE XIV

NUISANCES; LAWFUL PURPOSE

No noxious or offensive trade or activity shall be carried on upon any Lot or Common Areas nor shall anything be done thereon which is or which may become an annoyance or nuisance to the neighborhood or otherwise unreasonably interferes with the peaceful use and possession of the Lots by the Owners. No immoral, improper, offensive or unlawful use shall be made of any Lot or the Common Areas. All applicable laws, zoning ordinances and regulations shall be observed.



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ARTICLE XV

TEMPORARY STRUCTURES

No trailer, basement, tent, shack, garage, barn or other outbuildings shall be erected on any Lot at any time and be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence. Utility buildings or areas shall not be permitted to be constructed or utilized, on any subdivision Lot.

ARTICLE XVI

EASEMENTS

Easements and other restrictions in conformity with the recorded plat of Saddle Ridge Subdivision, are expressly reserved for the overall development of The Properties 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 (i) Lot in The Properties unless prior written permission is granted by such Owner or (ii) any Common Area unless prior written permission is granted by the Association. Easements to each individual Lot for installation and maintenance of utilities and drainage facilities are reserved on each Lot as shown on the recorded plat.

ARTICLE XVII

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 or 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 more than a reasonable time for the completion of construction in which they are to be used. Before or after construction, no person shall place or leave on any lot in the Properties refuse, stumps, rock, concrete blocks, dirt, debris, or building materials or other undesirable materials.

Lot Owners shall provide reasonable maintenance of improved lot landscaping consistent with the standard of the neighborhood. This shall include periodic mowing and edging of lawns, weeding of landscaping beds and removing dead plants and trees. All unimproved Lots must be mowed and cleaned a minimum of every thirty (30) days from April 1 through October 31 and the vegetation on any undeveloped Lot shall not be permitted to grow more to a height of more than 12 inches.

The Association shall notify Lot Owners who do not comply with the above standards about the nature of the problem and attempt to determine if there is a legitimate reason for the deficiency (for example, family illness or

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Saddle Ridge Subdivision, Units 1 Through 5**

financial reverses). If a legitimate reason for the deficiency is verified, the Association will solicit volunteers from the community to provide short-term assistance to the Lot Owner.

If the Association is unable to determine a legitimate reason for the deficiency and the Lot Owner fails to correct the noted problems, the Association shall provide the Lot Owner with a formal notification of the deficiency and request that the noted problems be corrected within 20 days. If the condition is not corrected within said time period, Association shall have the right to issue a fine and to seek injunctive relief against the Owner of the affected Lot.

ARTICLE XVIII

SIGNS

No sign of any kind shall be displayed to the public view on any lot except (i) one professional sign such as that of a contractor advertising while work is being done on a home (but in no event more than one [1] month unless otherwise approved by the Advisory Committee), of not more than three (3) square feet, (ii) security sign or signs of not more than one (1) square foot, (iii) one sign of not more than five square feet advertising the Lot for sale or rent, or signs used by the builder to advertise the property during the construction and sales period and (iv) political signs may not be displayed sooner than thirty (30) days prior to the election, and must be removed no later than ten (10) days after the election. No other signs shall be permitted on the Properties.

ARTICLE XIX

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 which are permitted; provided they are not kept, bred or maintained for any commercial purpose and do not create a nuisance. The Association shall have exclusive authority to further regulate the maintenance and care of pets and animals as it deems advisable. All animals must be kept on a leash at all times and Owners must collect and dispose of their animal's droppings when the animals are not on the Owner's lot.

ARTICLE XX

GARBAGE AND REFUSE DISPOSAL

No Lot shall be used or maintained as a dumping ground for trash or rubbish. Trash, garbage, recyclables or other waste shall not be kept except on a temporary basis and in concealed sanitary covered containers. All equipment for the storage of such material shall be kept in a clean and sanitary condition in locations and under

**Amended And Restated Declaration Of Covenants And Restrictions
Saddle Ridge Subdivision, Units 1 Through 5**

rules and regulations approved the Board Directors for the Association. All Lots shall be kept in a clean and sanitary condition.

ARTICLE XXI

FENCING AND WALLS

No fencing, walls, hedge rows, dog runs or fenced animal areas, shall be erected, placed or altered on any Lot, unless approved by the Advisory Committee; provided that, fencing and/or walls shall not be approved for corner lots except in those instances where the fencing and/or wall is not visible from the street. All authorized fences constructed on lots or parcels are to be of natural wood, unpainted, with the finished side out, or wrought iron construction or other construction materials approved by Advisory Committee and have a maximum height of four (4) feet. Chain link fences are specifically prohibited on any Lot, except the Common Areas, where they may be erected as protection or part of the structure of tennis courts, swimming pools and/or recreation areas.



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**Amended And Restated Declaration Of Covenants And Restrictions
Saddle Ridge Subdivision, Units 1 Through 5**

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed as of the date hereof.

ASSOCIATION:

SADDLE RIDGE HOMEOWNER'S

ASSOCIATION, INC.

BY: *JM II*
Its: *President*

STATE OF TENNESSEE

COUNTY OF *Knox*

Before me, the undersigned Notary, of the state and county aforementioned, personally appeared *John Radu II*, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be *president* of **SADDLE RIDGE HOMEOWNER'S ASSOCIATION, INC.**, the within named bargainor, a Tennessee corporation, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself/herself as such officer.

WITNESS my hand and seal this *13* day of *October*, 2011.

My commission expires: *2/2/2014*

Barbara J. Yosick
Notary Public


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DEVELOPER:

PHS DEVELOPMENT CORPORATION

By: Philip H. Schrader

Name: Philip H. Schrader

Its: PRESIDENT

STATE OF TENNESSEE

COUNTY OF Knox

Before me, the undersigned Notary, of the state and county aforementioned, personally appeared Philip H. Schrader, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be president of PHS DEVELOPMENT CORPORATION, the within named bargainor, a Tennessee corporation, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself/herself as such officer.

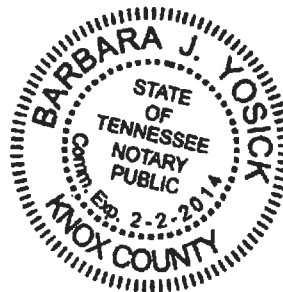
WITNESS my hand and seal this 13 day of October, 2011.

My commission expires: 2/2/2014

Notary Public

Barbara J. Yosick


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**BYLAWS
OF
SADDLE RIDGE HOMEOWNER'S ASSOCIATION, INC.
A NOT FOR PROFIT CORPORATION
ADOPTED JULY 14, 2011**

I GENERAL PURPOSE

Saddle Ridge Homeowner's Association, Inc. (hereinafter the "Association") has been organized for the purpose of ownership, maintenance, preservation of the common areas, and maintenance, preservation and architectural control of residential lots in that certain subdivision know as Saddle Ridge Subdivision, located in Knox County, Tennessee, and to promote the health, safety, and welfare of the residents within the above named subdivision; to exercise all of the powers and privileges, and perform all of the duties and obligations of the Association, as set forth in its Amended and Restated Declaration of Covenants and Restrictions, which have been, or may be, placed of record in the office of the Register of Deeds for Knox County, Tennessee (as amended, the "Declaration"); to fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of said Restrictions; to pay all expenses in connection therewith, and all office or other expenses incident to the conduct of the business of the Corporation (Association), including all licenses, taxes, or governmental charges levied or imposed against the property of the Corporation (Association), including all licenses, taxes, or governmental charges levied or imposed against the property of the Corporation (Association) and to otherwise have, and exercise any and all powers, rights, and privileges which a non-profit corporation organized under the Tennessee General Corporation Act may now or hereafter have or exercise. The terms and provisions of these Bylaws are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Charter of Saddle Ridge Homeowner's Association, Inc. (the "Charter") and in the Declaration. The terms and provisions of such Charter and Declaration are incorporated herein by reference and shall be controlling wherever the same may be in conflict herewith. For purposes of these Bylaws, initial capitalized terms shall have the meanings set forth in the Declaration unless otherwise stated or the context so requires.

DEFINITIONS

A. "Advisory Committee" shall mean and refer to those persons selected annually by the Board in compliance with this Declaration to serve as members of said committee.

**Bylaws of Saddle Ridge Homeowner's Association, Inc.
A Not For Profit Corporation
Adopted July 14, 2011**

B. "Association" shall mean and refer to Saddle Ridge Homeowner's Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns.

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

D. "Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners, including, but not limited to, development amenities described herein and any and all portions of the Property which are or may be designated as joint permanent access easements and sign easements on the Plat. The Common Area shall include the property encumbered or to be encumbered by sign, wall, fence, sidewalk and landscape easements (as so designated on the Plat) of the Property as established by separate instruments. The Common Area shall also include that property described in the Declaration. The Common Area will be maintained and repaired by the Association in accordance with the provisions hereof.

E. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to these Bylaws, the Declaration and the Charter of the Association.

F. "Developer" shall mean and refer to PHS Development Corporation, a Tennessee corporation.

G. "Lot" shall mean and refer to any parcel of land shown upon any recorded subdivision plat of the Property upon which a single-family residence may be constructed.

H. "Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of any obligation.

I. "Person" shall mean and refer to a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.

J. "Plats" shall mean and refer to those certain maps of record in Map Cabinet M, Slides 282C and 282D, as revised in Map Cabinet M, Slides 328A and 328B, and Map Cabinet M, Slide 342D, and as shown on maps of record in Map Cabinet N, Slides 52D and 53A, Map Cabinet N, Slides 310B and 310C, and corrected and recorded in Map Cabinet O, Slides 95C and 95D, and as shown on map of record bearing Instrument No. 200001190003843. References to the "Plat" shall also mean and refer to any and all plats depicting such additional real property as may by subsequent amendment be added to and subjected to these Bylaws and the Declaration.



**Bylaws of Saddle Ridge Homeowner's Association, Inc.
A Not For Profit Corporation
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K. "Property" shall mean and refer to that certain real property described in the Plats and by reference made a part hereof, together with such additional real property as may by subsequent amendment be added to and subjected to these Bylaws and the Declaration.

L. "Structure" shall mean and refer to (i) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration but not limitation, any building or part thereof, garage, porch, gazebo, shed, greenhouse or bathhouse, coop, cage, covered or uncovered patio, swimming pool, tennis court, basketball goal(s), fence, curbing, paving, wall, tree, shrub, sign, signboard, mailbox, driveway, any temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement to such Lot; (ii) any excavation, grading, fill ditch, diversion dam or other thing, object or device which affects or alters the natural flow of surface waters from, upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream or wash, or which causes a drainage change from, upon or across any Lot; and (iii) any change in grade at any point on a Lot of more than twelve (12) inches, whether or not subsection (ii) of this Paragraph L applies to such change. No reference to any of the foregoing things or objects which will be deemed to be a "Structure" shall indicate or imply that all of such things or objects are permitted Structures under the terms and provision of these Bylaws or the Declaration.

II. MEMBERSHIP AND VOTING RIGHTS

A. **Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Lots within the Properties shall automatically be a mandatory member of the Association (hereinafter referred to as "Member"); 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 record owner of a fee or undivided fee interest in a Lot or Lots and expires upon the transfer or release of said ownership interest. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to these Bylaws or the Declaration and shall pass automatically to an Owner's successor-in-title to the Lot.

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

Members shall be all those Owners as defined in Section A. Members shall be entitled to one vote for each Lot or Lots in which they hold interests required for membership by Section A, with the exception of the Developer. 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. If an Owner owns more than one (1) Lot, then said Owner is entitled to cast additional votes commensurate with

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the number of Lots owned. For example, if the Owner owns two (2) Lots, then he is entitled to cast two (2) votes. Notwithstanding the foregoing, the Developer shall have two votes per Lot for each Lot owned by Developer on June 1, 2011.

C. Change of Membership. Change of membership shall be accomplished by recording in the Knox County Register's Office, a deed or other instrument establishing record title to a Lot, and delivery to the Secretary of the Association of a certified copy of such instrument. The membership of the prior Lot Owner shall be thereby terminated.

D. Suspension of Membership Rights. If an Owner shall have failed to pay when due any assessment or charge lawfully imposed upon him or her on any property owned by him or her, or if the Owner, his or her family, or guests shall have violated any of the covenants contained in these Bylaws or the Declaration or any rule or regulation of the Board regarding the use of any property or conduct with respect thereto, then the Board 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. If the Owner has not taken reasonable steps toward the required remedy action within twenty (20) days of the mailing of the aforesaid notice of violation, then the Board may suspend the membership rights (including voting rights of that Owner).

E. Proxies. Proxy ballots shall be permitted with respect to all elections of Directors, and all amendments to the Charter, the Declaration of Covenants and Restrictions, or these By-Laws, or any other matter which is to come before a meeting of the membership of the Association. All proxies shall be in writing, signed by the individual Lot Owner or Owners (or in the case of joint owners, as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot), or by his or her duly authorized representative and delivered to the Secretary of the Association, or such other person as the President may designate, at least twenty-four (24) hours prior to the commencement of the meeting at which ballots are to be cast.

III. MEETINGS OF MEMBERS

A. Place of Meetings. All meetings of the Members of the Association shall be held at the Property or at such other place convenient to the Members as may be designated by the Board of Directors or the President.

B. Regular Annual Meetings. All annual Members' meetings shall be held on the day and month of the year to be established by the Board of Directors. At such meeting the election of Directors shall take place and the Members may transact such other business as may properly come before them.

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C. Special Meetings. Special meetings of Members may be called by the President whenever he or she deems such a meeting advisable or shall be called by the Secretary when ordered by a majority of the Board of Directors, or upon the written request of Members of the Association representing at least twenty-five (25%) percent of all votes entitled to be cast as such meeting. Such request shall state the purpose of such meeting and the matters proposed to be acted upon. Unless Members representing at least fifty (50%) of all votes entitled to be cast request such a meeting, no special meeting may be called to consider any matter which is substantially the same as a matter voted upon at any meeting of the Association held during the preceding twelve (12) months, which determination shall be made in the sole and absolute discretion of the Board of Directors.

D. Notice. Notice of all Members' meetings regular or special, shall be given by the President, Vice-President or Secretary of the Association, or other officer of the Association in absence of said officers, to each Member, unless waived in writing, such notice to be written or printed and to state the time and place and purpose for which the meeting is called. Such notice shall be given to each Member not less than ten (10) days nor more than thirty (30) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each Member within said time.

E. Quorum and Adjourned Meetings. A quorum at a Members' meeting shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. In the absence of a quorum, the Members who are present, either in person or by proxy may adjourn the meeting from time to time, until a quorum shall be present or represented.

F. Action by Written Consent. Whenever Members of the Association are required or permitted to take any action by vote, such action may be taken without a meeting or written consent, setting forth the action so taken, signed by all of the persons entitled to vote thereon.

G. Organization. At each meeting of the Association, the President, or, in his absence, the Vice-President, or in their absence, Members present in person or represented by proxy and entitled to vote thereat, shall act as chairperson, and the Secretary, or in his or her absence, a person whom the chairperson shall appoint, shall act as Secretary of the meeting.


H. Voting. Except as otherwise required by the Charter, the Declaration of Covenants and Restrictions, or any law, the affirmative vote of a majority of the votes represented at any duly called Members' meeting at which a quorum is present, shall be binding upon the Members. The election of directors shall be by a secret ballot.


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L Member in Good Standing. A Member shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting if and only if all Assessments appertaining to his or her Lot(s) have been paid, together with all interest, costs, attorneys' fees, penalties, and other expenses, if any, properly chargeable to him or her and to his or her Lot, at least three (3) days prior to the date fixed for such meeting. **J. Order of Business.** The order of business at the annual meeting of the Members or at any special meetings, insofar as practicable, shall be:

1. Roll Call (or check-in procedure);
2. Proof of notice of meeting or waiver of notice;
3. Reading of minutes of preceding meeting;
4. Establish number and term of memberships of the Board of Directors (if required and noticed);
5. Reports of Committees;
6. Election of Directors (if required and noticed);
7. Unfinished Business;
8. New Business;
9. Ratification of Budget (if required and noticed);
10. Adjournment.


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IV. BOARD OF DIRECTORS

A. Number and Qualification. Initially, the Board of Directors of the Association shall consist of a minimum of five (5) persons elected by the Members. Each Director shall be a Member of the Association, or shall be authorized representatives, officers or employees of such Member. This manner of electing members to the Board of Directors shall be followed until such time as the Class B Membership is terminated. Thereafter the Board of Directors shall be elected by a majority of the votes entitled to vote for election of directors, which is on vote per lot.

B. Term of Office. Members of the Board of Directors, shall serve for a period of two (2) years which shall expire at the second annual meeting, following their election, or until their successors are duly elected and qualified, or until removed in the manner elsewhere provided, or as may be provided by law.

C. Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within fourteen (14) days of their election at such time and at such place as shall be fixed by the directors at the Association meeting at which they were elected, and no further notice of the

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organizational meeting shall be necessary in order to legally constitute such a meeting, providing, a quorum of the Board of Directors shall be present.

D. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one (1) such meeting shall be held each fiscal year. Notice of regular meetings shall be given by the Secretary or other designated person to each director, personally or by mail, telephone, facsimile or e-mail, at least three (3) days prior to the day named for such meetings, unless notice is waived.

E. Special Meetings. Special Meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of any two directors. Not less than three (3) days notice of a meeting shall be given to each Director personally, by mail, telephone, facsimile or e-mail, which notice shall state the time, place and purpose of the meeting.

F. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by a Board of Directors member at any meeting of the Board shall be deemed a waiver of notice by him or her. If all directors are present at any meeting of the Board of Directors, not notice shall be required and any business may be transacted at such meeting. In the discretion of the Board of Directors, meetings of the Board of Directors or portions thereof, may be open to Members of the Association for observation or participation in such manner, and to the extent the Board of Directors may deem appropriate.

G. Quorum and Adjourned Meetings. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business and acts of the majority of directors present at a meeting at which a quorum is present, shall be acts of the Board of Directors, unless otherwise provided in the Charter and the Declaration of Covenants and Restrictions. If any directors' meeting cannot be organized because a quorum has not attended, the directors who are present may adjourn the meeting from time to time until a quorum, is present. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such director for the purpose of determining a quorum.

H. Removal of Members of the Board of Directors. At any duly held regular or special meeting of the Association, any one or more directors may be removed with or without cause, by a majority of the votes held by the Members represented, and a successor may be then and there elected to fill the vacancy thus created. Each person so elected shall be a director for the remainder of the term of the director whose term he or she is filling and until his or her successor is duly elected and qualified. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.



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L. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the Members of the Association, shall be filled by a vote of a majority of the remaining directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy; provided, however, in the event that the vacancies on the Board of Directors result in one (1) or fewer directors remaining on the Board of Directors, a special meeting of the Association shall be called by the President in order to fill such vacancies. Each person so elected at a special meeting of the Association shall serve as a director for the remainder of the term of the director whose term he or she is filling and until his or her successor is duly elected and qualified. If the vacancy has been filled by a vote of the remaining directors, each person so elected shall be a director until his or her successor is elected at the next meeting of the Association.

J. Consent in Lieu of Meeting and Vote. Anything to the contrary in these By-Laws, the Charter, or the Declaration of Covenants and Restrictions, notwithstanding, the entire Board of Directors shall have the power to take action on any matter on which it is authorized to act, without the necessity of a formal meeting and vote, if the entire Board of Directors, or all the directors empowered to act, whichever the case may be, shall consent in writing to such action.

K. Eligibility of Directors. Nothing contained in these By-Laws shall prohibit a director from being an officer nor preclude the Board of Directors from employing a director as an employee of the Association or contracting with a director for the management of Saddle Ridge Subdivision, subject, however, to the limitations contained herein, and in the Declaration of Covenants and Restrictions.

V. OFFICERS

A. Designation. The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors at any meeting. The Board of Directors may also appoint such other officers as in its judgment may be necessary to manage the affairs of the Association. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary.

B. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first Board of Directors meeting following each annual meeting of the Members and such officers shall hold office at the pleasure of the Board of Directors.

C. Removal of Officers. Upon any affirmative vote of a majority of the full number of directors, any officer may be removed, either with or without cause, after opportunity for a hearing, and his or her successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board of Directors called for such purposes.



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D. Duties and Responsibilities of Officers.

1. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and the Board of Directors. He or she shall have all the powers and duties which are usually vested in the office of the President of an association, including, but not limited to, the power to appoint committees from among the Members from time to time, as he or she may in his or her discretion determine appropriate, to assist in the conduct of the affairs of the Association.
2. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. If neither the President, nor the Vice President is able to act, the Board of Directors shall appoint some other person to do so on an interim basis. He or she shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.
3. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the Members. He or she shall attend to the giving and serving of all notices to the Members and Directors, and such other notices required by law. He or she shall keep the books and records of the Association, except those of the Treasurer, and shall perform all other duties incident of the office of the Secretary of an association and as may be required by the Directors or President. The Assistant Secretary, if any, shall perform the duties of Secretary when the Secretary is absent.
4. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He or she shall keep the Assessment rolls and accounts of the Members; he or she shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all other duties incident to the office of Treasurer.

VI. COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS.

A. Exculpability. Unless acting in bad faith, neither the Board of Directors as a body, nor any director, officer, committee member or agent of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Member shall be bound by the good faith actions of Board of Directors, officers, committee members or agents of the Association in the execution of the duties of said directors, officers, committee members or agents.



VII. FISCAL MANAGEMENT.

A. Annual Assessments.

1. The Board of Directors shall adopt a budget for each fiscal year of the Association and such budget shall contain estimates of the amount of monies deemed necessary to defray the expenses of the Association for each year, the manner of expenditure thereof, and proposed Assessments against each Lot Owner. The annual assessment for each Lot shall be due and payable on JANUARY 1st of each year, and shall become delinquent and subject to the interest and penalty provisions contained in Article V, of the Declaration of Covenants and Restrictions, if not paid in full by February 1st of each year.
2. The Board of Directors shall give notice to each Lot Owner, in writing, of the amount estimated by the Board of Directors for the management and operation of the Association for the next ensuing budget period and the proposed annual Assessments, directed to the Lot Owner at his or her last know address by ordinary mail, or by hand delivery. Said notice shall be conclusively presumed to have been delivered five (5) days after deposit in the United States mails.

B. Depository. The depository of the Association shall be such bank or banks and/or federal savings and loan associations, as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be by such persons as are authorized by the Directors.

C. Annual Audit or Review. An audit or review of the accounts of the Association shall be made annually by a certified public accountant, the cost of the annual audit or review shall be deemed to be an expense of the Association, and a copy of the audit report shall be furnished to each Member upon written request of such Member within the later of (i) 45 days after the Association's receipt of such audit (ii) 30 days after such written request. In addition, any holder of a first Mortgage on a Lot shall, upon written request, be entitled to a copy of the audit report, provided it pays any reasonable expenses of the Association incurred in rendering such copy.

D. Examination of Books and Records. The Board of Directors shall keep records of the receipts and expenditures affecting Saddle Ridge Subdivision, and its administration and specifying the maintenance and repair expense of the Common Properties and any other expenses incurred. Such records, copies of the Declaration of Covenants and Restrictions, these By-Laws, the Rules and Regulations and other records and financial statements of the Association shall be maintained at the principal office of the Association, or at such other place designated by the Board of Directors, and

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shall be available for inspection by Members or by holders, insurers and guarantors of Mortgages that are secured by Lots in Saddle Ridge Subdivision, during normal business hours or under any other reasonable circumstances.

E. Management Contracts. The Association may enter into professional management contracts or other agreements; provided, however, that each such contract or other agreement shall contain a right of termination with or without cause, that the Association can exercise at any time; such right to be exercised without penalty, on advance notice of more than ninety (90) days.

F. Fidelity Bonds. The Association may maintain blanket fidelity bonds for all persons who either handle or are responsible for funds held or administered by the Association, whether or not they receive compensation for such services. Any management agent that handles funds for the Association shall be covered by a fidelity bond.

G. Interest and Attorneys' Fees. The Board of Directors shall have the option, in connection with collection of any charge or Assessment from a Lot Owner, to impose a late fee, or an interest charge at a rate of eighteen percent (18%) per annum, or the highest legal rate then chargeable, whichever is less, from the date the charge or Assessment was due until paid. In the event attorneys' fees are incurred by the Board of Directors in the collection of such charges, the Lot Owner shall be responsible for payment for all reasonable attorneys' fees, in addition to such costs allowable by law.

H. Expenditure Limits. The board is required to notify homeowners no less than 60 days in advance on any single expenditure that exceeds \$10,000. Non-emergency expenditures must be communicated to homeowners via two separate newsletters. Emergency repairs would be exempt from this policy. Notification of emergency repairs must be published in two newsletters after the expense is incurred.

VIII. OBLIGATION AND RESTRICTIONS OF LOT OWNERS.

A. Nuisances. No nuisance shall be allowed upon the property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, or any fire hazard allowed to exist. No Lot Owner shall permit any use of the Common Properties, which will increase the rate of insurance upon said Common Properties.

B. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the property. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

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C. Commercial Business. All Lots shall be utilized for residential purposes only, and no commercial business shall be permitted with Saddle Ridge Subdivision.

D. Waste and Lot Maintenance. At no time shall any lot or parcel 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 or 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 more than a reasonable time for the completion of construction in which they are to be used. Before or after construction, no person shall place or leave on any lot in The Properties, refuse, stumps, rock, concrete blocks, dirt, debris, or building materials or other undesirable materials. All unimproved lots must be mowed and cleaned a minimum of two (2) times per calendar year, and in no event shall any lot be allowed to become unsightly, so as to constitute and annoyance or nuisance to the neighborhood, as determined by the Association. Any person doing so shall, five days after notice by the Developer or the Association, correct said condition and if said condition is not corrected within said time period, the Association shall have the right to injunctive relief against the Owner of the affected lot and the Contractor or Agent of the Owner and the right to make all necessary corrections at the Owner's expense, the cost of which shall be a lien upon the affected lot.

E. Enforcement. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: lawful self-help; sending notice to offending party to cause certain things to be done or undone; complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

F. Fines. The Board shall have the power to levy fines against any lot owner (s) for violation (s) of any Rule or Regulation of the Association, the Declaration of Covenants and Restrictions, or By-Laws in accordance with applicable law.

G. Waiver. No restriction, condition, obligation or covenant contained in these By-Laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof, which may occur.

IX. AMENDMENTS.

Subject to any provisions contained in the Declaration of Covenants and Restrictions, these By-Laws may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly held for such purpose, previous to which written notice shall have been sent, a quorum being present, by an affirmative vote of the votes of the Association. Directors and Members not present at the meetings considering the amendment may express their approval in writing.

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X. CONFLICT; INVALIDITY.

A. Conflict. Anything to the contrary herein notwithstanding, if any provision of these By-Laws is in conflict with or contradiction of the Declaration of Covenants and Restrictions, the Charter or with the requirements of said Declaration of Covenants and Restrictions, or law shall be deemed controlling.

B. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the By-Laws.

THE FOREGOING were adopted as By-Laws of Saddle Ridge Homeowner's Association, Inc., a corporation not for profit, organized under the Laws of the State of Tennessee, at its meeting of the Board of Directors, on the 14th day of July, 2011.



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