

Instrument Prepared by:
Charles Patterson
Attorney at Law
1023 Old Humboldt Road
Jackson, TN 38305

EMERALD LAKE – SECTION IV DECLARATION OF RESTRICTIVE COVENANTS

The undersigned Woods Venture, LLC, hereinafter called “Declarant” has certain property which borders Emerald Lake, which property is more particularly described in the attached Exhibit “A” and is incorporated by reference. The Declarant shall develop the land into nine (9) lots of three (3) acres each, more or less, to be known as Emerald Lake Section IV.

The property shall be subject to the following restrictions, covenants and conditions which are made for the purpose of enhancing, protecting the value, desirability and attractiveness of the property. These easements, covenants, restrictions and conditions shall run with the land and shall be binding on all properties having or acquiring any right, title and interest in the described property or any part thereof and shall be for the benefit of each owner and there successors.

A. RESTRICTIONS

The following restrictive covenants shall apply to the property and are established and declared for the purpose of protecting the use and value of this development, and as an inducement to encourage the purchase of Lots by the general public. Therefore the following restrictive covenants are impressed upon said property and shall apply and run with each and every lot in this Development.

1. Each house shall have a minimum of 4,500 Square Feet (Heated and Cooled Living Area), with a minimum 2,800 Square Feet (Heated and Cooled Living Area) for First Floor of a one and one-half or two-story. At least 75% of the interior living area must be finished.

2. The Architectural Control Committee, composed of R. Joel McAlexander and Lee W. Godfrey must approve all plans, including exterior materials and color, as well as site plans showing the location of

house, driveway, pool house, fences, out buildings, all landscaping and any other improvements to be placed or located on lot. Plans, with elevations, must be signed after approval and kept on file by Architectural Control Committee prior to commencement of construction.

3. All home designs and styles must be approved in writing by the Architectural Control Committee prior to commencement of construction.

4. Homeowner (builder) must have permission in writing from Architectural Control Committee to cut any existing trees.

5. Setback from street a minimum of 200 feet, unless a lesser setback is approved in writing by the Architectural Control Committee.

6. Side setback to be a minimum of 15 feet unless a lesser set back is approved in writing by the Architectural Control Committee.

7. Lake setback to be a minimum of 75 feet unless a lesser setback is approved in writing by the Architectural Control Committee; or is required elsewhere in these restrictions, not to include pools, patios, etc.

8. Every dwelling and accessory building erected in the Subdivision shall be constructed of brick or dryvit unless another similar type construction material approved by Architectural Control Committee. Building location must be approved in advance in writing. No wood, vinyl or masonite will be approved except for windows, doors, trim and gables as specifically approved in writing by the Architectural Control Committee. No outside walls may be constructed of imitation brick or similar materials. All outside materials must be new except that used brick, stone, or ornamental iron work or other ornamental objects may be used. No previously used dwelling or accessory buildings shall be relocated in the Subdivision. No open foundations or unsightly methods of construction shall be permitted on any lot in the Subdivision.

8 A. No fountains, gazebos, pool and pool houses, fences, TV antennas, towers, satellites, outbuildings, equipment, yard decorations or improvements of any kind shall be placed or located on a lot without the express prior written consent of the Architectural Control Committee.

9. No trailers, boats, motorcycles, campers, or relocated types of vehicles or instrumentalities, shall be permitted on any lot in the Subdivision unless stored at all times completely out of sight in a stockade type fence, an enclosed garage or other permanent accessory building otherwise permitted under these restrictions.

10. No commercial vehicles larger than a pickup truck shall be allowed on any lot in the Subdivision unless same is maintained within an enclosed garage. Nothing herein contained is intended to prohibit commercial vehicle access to any lot within the Subdivision for purposes of rendering commercial services for the benefit of such lot owner. No inoperable or damaged vehicle shall be parked or maintained on any lot unless same is within an enclosed garage area.

11. No temporary residence or other temporary structure shall be erected on any lot. No mobile or modular homes or previously used structures of any type shall be placed on any lot nor used as a residence at any time.

12. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done which may be or become an annoyance or nuisance to the Subdivision or other lot owners.

13. All concrete block foundations shall be covered with new or used brick, or plaster, or other material as approved by Declarant.

14. All garages and carports must be fully enclosed and of sufficient size for at least three (3) cars. No garage will be permitted to open to any street or Emerald Lake without written approval of the Architectural Control Committee.

15. All driveways shall be paved with concrete, or asphalt, or substance of similar quality approved by Architectural Control Committee.

16. All electrical service lines, telephone lines and cable T.V. lines (excluding utility poles along University Parkway) shall be located underground, and the owners of the lot over which a telephone line, etc., are to be placed shall be responsible for the costs of labor and materials in placing such lines underground from the street to the dwelling located on the lot. To the extent that Declarant shall furnish or otherwise construct utilities, or future utility services, easements for same shall not be unreasonably withheld by any lot owner.

17. No fowl, livestock, or other animals, except such customarily domesticated animals as dogs and cats, shall be kept, stabled or penned on any lot or brought onto a lot, and all such animals must be confined on said lot in accordance with local ordinances and state law.

18. No television satellite receiver shall exceed 18" and must be approved by Architectural Control Committee.

19. All fences, their location and material must be approved by Architectural Control Committee. Chain link is expressly prohibited.

20. Each lot owner will be responsible for maintaining his lot in a reasonably neat condition and shall do nothing on a lot which would render it unattractive, unsightly or a nuisance to the Subdivision or other lot owners.

21. No trash containers will be permitted unless same are screened by fencing or shrubbery from public view. All trash and refuse shall be disposed of as allowed and permitted by local laws and ordinances.

22. Prior to construction of a dwelling on a lot in the Subdivision, the owner of the lot must submit a detailed set of house plans, including the proposed site plan to Architectural Control Committee for written approval thereof and not construction on any lot may be commenced without first obtaining said written approval of the Declarant. Once written approval has been obtained, construction on the lot must generally conform with the approved plans.

23. For Purposes of these Restrictive Covenants, a two story house shall be defined as a house where the exterior walls extend a full two stories in height, excluding dormers or other partial second stories.

24. During construction any construction sign must be approved by Declarant and shall not exceed 2' x 2'.

25. The following restrictions shall apply to Emerald Lake:

- a). No fence barrier or structure of any type shall be erected on the rear of any lot bordering Emerald Lake within 20 feet of the retaining wall of the Lake, unless approved by Declarant and Architectural Control Committee.
- b). No water craft on the Lake shall have a gasoline engine. The entire lake shall be a no wake area.
- c). The Lake may be used only by members of the Homeowners Association and their guests.
- d). Each lot owner shall maintain his property in such a manner as to prevent any discharge of any pollution into the Lake and shall take all appropriate steps to ensure that surface water runoff is free from waste, debris, silt and any other pollution.
- e). Each lot owner shall observe the appropriate rules and regulations concerning the use of Emerald Lake as established by the Homeowners' Association; and any

violation of rules and regulations shall be treated as a breach of these restrictive covenants and subject to enforcement as outlined hereafter.

- f). Any pier constructed on Emerald Lake must be approved in writing by the Architectural Control Committee.
- g). Any fence barrier, structure of any type, or landscape plantings shall not be erected or placed on any lot without prior written consent of the Architectural Control Committee.

26. These restrictions and covenants shall run with the land and shall be binding on all purchasers and owners of lots within the Subdivision, and all persons claiming under them, until midnight, January 1, 2036, at which time said covenants and restrictions shall be automatically extended for successive ten year periods unless by vote of the majority of the then owners of the lots in the Subdivision, it is agreed to change said covenants and restrictions in whole or in part, said changes, modifications or amendments to be in writing and duly recorded in the Register's Office of Madison County, Tennessee. However, any restriction can be modified, eliminated or waived at anytime from July 1, 2006, forward if the modification or waiver is approved by an ownership group constituting Two-Thirds (2/3) of the lots in Section IV of Emerald Lake Subdivision.

27. In the event any lot owner shall construct any improvements on any lot without first obtaining the prior written consent of the Declarant or the Architectural Control Committee, or other such consents as required by law, or materially violates any restrictive covenant, said owner shall be liable to the Declarant and for a partial liquidated damages penalty in the amount of \$5,000.00. Nothing herein contained is intended to serve as a waiver of the Declarant or any other lot owner's rights to require full compliance with these restrictions or to seek additional allowable damages; and payment of such penalty shall not relieve said lot owner from compliance with these restrictions. Further, if any owner of a lot shall violate or attempt to violate any of the restrictions or covenants herein contained, it shall be lawful for any persons owning a lot within the Subdivision to prosecute such proceedings at law or in equity against the person or persons violating or attempting to violate said restrictions, either to prevent such violations or to recover damages therefore, or both. In the event the Declarant, Architectural Control Committee or a lot owner shall employ the services of an attorney to enforce any covenant or restriction herein contained, the non-complying lot owner shall be liable for all costs, expenses and attorney's fees incurred by such Declarant, Architectural Control Committee, or a lot owner, to enforce these covenants and restrictions. Invalidation of any one or

more of these restrictions or covenants by judgment or court order shall in no way effect any of the provisions which shall remain in full force and effect. The Architectural Control Committee shall be comprised of R. Joel McAlexander and Lee W. Godfrey, until and unless one or both of those parties resign. Thereafter, the Architectural Control Committee shall be composed of two lot owners, appointed by the Declarant or, in the event the Declarant resigns, selected by a majority of the lot owners in Emerald Lake Section IV.

B. LIMITED "LAKE MEMBERSHIP" IN ASSOCIATION ONLY

Each lot owner in Emerald Lake Section IV shall become a "Limited Member" of the existing Emerald Lake Homeowner's Association on the following limited terms and basis:

1. There are no common areas necessary for the areas necessary for the owners in Section IV, Emerald Lake Subdivision, to maintain. All streets shall be public and there are no gates, drives or walls to maintain. The only common area is the adjacent Emerald Lake. Therefore, each lot owner in Emerald Lake shall be only a "Limited Member" in Emerald Lake Homeowners Association.
2. A "Limited Member" in Emerald Lake shall be responsible only for the portion of any Homeowner Association dues that deals with the maintenance, upkeep, repair and capital improvements of the Emerald Lake, Emerald Lake dam, Emerald Lake levee, Emerald Lake well, Emerald Lake concrete retaining wall and boat ramp, and Emerald Lake spillway and drainage structures. A "Limited Member" shall not have a vote on any Homeowner's Association matter except one which deals with the maintenance repair, and capital improvements for the Lake. On matters and dues directly involving the Lake only, the lot owners in Section IV shall have the same assessments and voting rights as the lot owners, who are adjacent to the Lake in Section I, II and III (See Section 5 of the original Emerald Lake Homeowner's Association Agreement of record in Trust Deed Book 1115 at page 392 in the Register's Office of Madison County, Tennessee.
3. It is the express intent of the Declarant that the lot owners in Section IV have no responsibility or obligation for assessments by the Emerald Lake Homeowners Association for any cost expense or matter that is not directly related to the maintenance and care of Emerald Lake. The grounds for this intent is that Section IV lot owners do not have any access to the private

drives and common areas within Section I, II and III. All lots in Section IV are serviced by public roads and there is no common area except the lake. Therefore, there is no obligation for Lot owners in Section IV on any Emerald Lake Homeowners Association dues, except the portion of the dues related to Lake Maintenance. Likewise, the owners in Section IV have no voting rights on Homeowner's Association matters except for rules, regulations and expenditures directly involving the Lake.

4. No Homeowners dues shall be owed by the Declarant, Woods Venture, on any lot it owns in Section IV. In addition, it is anticipated that Woods Venture, shall convey lots to the individual members of Woods Venture, specifically Lee Godfrey, R. Joel McAlexander, David Woods or any other entity owned or controlled by those particular individuals. There shall be no Homeowners Association dues assessed against any lot held by Woods Venture, Lee Godfrey, R. Joel McAlexander, David Woods or any other entity owned or controlled by those particular individuals. Homeowners dues shall be assessed against a lot only after Declarant, Woods Venture or Lee Godfrey, R. Joel McAlexander, David Woods or any other entity owned or controlled by those particular individuals, sells and conveys a particular lot to a third party independent of any ownership interest in Woods Venture. The only exception to this provision would be in the event Lee Godfrey, R. Joel McAlexander, David Woods or any other entity owned or controlled by those particular individuals, occupied one of the lots as their personal residence, at which time that lot would then be subject to the normal Homeowner's Association dues.

C. CONSTRUCTION

These By-Laws are intended to be read in conjunction with the Declaration, and if there is any conflict between the By-Laws and the Declaration, the Declaration shall control.

D. EFFECTIVE DATE

These Covenants, Conditions and Restrictions are executed this the ____ day of _____, 2006, these Covenants, Conditions and Restrictions, along with the attached Bylaws become effective upon the recording of this document in the Register's Office of Madison County, Tennessee.

E. MODIFICATION OF THIS DECLARATION

This Declaration can be modified at anytime by a Vote of the lot owners representing Two-Thirds (2/3) of the lots in Section IV of Emerald Lake Subdivision.

IN WITNESS WHEREOF, the undersigned the Declarant herein, has cause and this instrument to be executed by and through its duly authorized officials, this the ____ day of _____, 2006.

DECLARANT:

WOODS VENTURE, LLC
a Tennessee Limited Liability Company

BY: _____
R. Joel McAlexander, Chief Manager

BY: _____
Lee W. Godfrey, Secretary

STATE OF TENNESSEE)
COUNTY OF MADISON)

Before me, the undersigned a Notary Public of the State and County aforesaid, personally appeared R. Joel McAlexander, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be Chief Manager of WOODS VENTURE, L.L.C., a Tennessee Limited Liability Company, and Lee W. Godfrey, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who upon oath, acknowledged himself to be Secretary of WOODS VENTURE, L.L.C., a Tennessee Limited Liability Company, the within named bargainers, and they as such officers executed the foregoing instrument for the purpose therein contained, by signing the name of the company be himself as officer.

WITNESS MY HAND and official Seal on this the ____ day of _____,2006.

My Commission Expires:

Notary Public