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MURFREESBORO, TN 37130 (MB)

Record Book
358 Pg 2492

**RESTRICTIVE COVENANTS APPLYING TO
LIBERTY STATION, SECTION I**

The undersigned, LIBERTY HEIGHTS, L.P., a Tennessee Partnership, being the Owner and Developer in fee simple of the real estate that has been subdivided and named LIBERTY STATION, SECTION I, according to survey and plat, which plat is of record in Plat Book 27, page 100, of the Register's Office of Rutherford County, Tennessee, and which plat is made a part hereof by reference, does hereby agree and bind itself, its successors and assigns, that the following restrictions, limitations and covenants shall be binding on all purchasers of lots in said subdivision, their heirs, successors and assigns, as follows:

**ARTICLE I
DEFINITIONS**

The following words, when used herein, shall have the following meanings:

SECTION 1. The "Architectural Review Committee" or "Committee" or "ARC" shall mean a committee organized by the Developer for the purpose of overseeing and controlling new construction, etc., during the build out of Liberty Station.

SECTION 2. The "Association" shall mean Liberty Heights Homeowners' Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns organized by the Developer for the purpose of owning and maintaining the Common Area and which has as its members every Lot Owner subject to assessment as hereinafter provided. The By-Laws of the Association are attached hereto as Exhibit "B" and are incorporated herein by reference. The By-Laws may be amended from time to time as provided for therein.

SECTION 3. "Builder" shall mean and refer to any person who is in the business of constructing single family residences and who acquires any Lot(s) in the Subdivision for the purpose of constructing a single family residence thereon for sale to a third party customer of the Builder.

SECTION 4. "Common Area or Common Areas" shall mean and refer to any and all real property owned by the Association, and such other property to which the Association may hold legal title, whether in fee or for a term of years, for the non-exclusive use, benefit and enjoyment of the members of the Association, subject to the provisions hereof, and such other property as shall become the responsibility of the Association, through easements or otherwise, including any recreational areas, which may be constructed initially by the Developer whether thereafter by the Association. Common Areas with respect to the property made subject to this Declaration, whether at the time of filing of this Declaration or subsequently by Supplemental Declarations shall be shown on the Plat(s) for Liberty Heights/Liberty Valley Subdivisions and designated thereon as "Common Areas" or "Open Space" or "Preservation Areas".

SECTION 5. "Declaration" shall mean this instrument, as the same may be amended and/or supplemented from time to time as provided for herein.

SECTION 6. "Developer" shall mean this instrument, as the same may be amended and/or supplemented from time to time as provided for herein.

SECTION 7. "House" shall mean and refer to a building situated upon any Lot designated and intended for use and occupancy as a residence by a single family.

SECTION 8. "Lot" shall mean any lot shown on any recorded plats of the Property. A Lot shall not include any dedicated streets and roadways.

SECTION 9. "Lot Owner" or "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 10. "Master Plan" shall mean and refer to the Master Plan which plan has been given preliminary approval by the Murfreesboro Planning Commission for the development of the Subdivision on the Property. Developer reserves the right to amend the Master Plan at any time as well as any amendments thereof and such rights shall include without limitation the right to reconfigure Lots, increasing or decreasing the number of different Lot types, and adding or removing property from the Subdivision.

SECTION 11. "Occupant" shall mean or refer to any person or persons in possession of a lot or home other than a Lot Owner.

SECTION 12. "Person" shall mean or refer to a natural person, as well as a corporation, partnership, firm, association, trust, or other legal entity.

SECTION 13. "Plat(s)" shall mean and refer to the plat(s) for Liberty Station to be recorded in the Rutherford County Register of Deeds Office subdivision the Property into lots and reflecting thereon the public streets, common areas, and utility easements and other matters normally shown on subdivision plats. The Property may be platted in two or more phases/sections.

SECTION 14. "Property" shall mean the real property submitted to this Declaration and described on Exhibit "A" attached hereto and incorporated herein by reference. The Property shall not include any public streets and roadways shown on the Plat. As provided in this Declaration, the Developer shall have the right to subject certain additional real property to the terms of this Declaration and in such event such additional property shall be deemed to be included within the definition of "Property".

SECTION 15. "Subdivision" shall mean and refer to the Liberty Station Subdivision to be platted on the Property.

**ARTICLE II
ARCHITECTURAL REVIEW COMMITTEE**

SECTION 1. ARCHITECTURAL REVIEW COMMITTEE/BOARD OF DIRECTORS. There is hereby appointed an Architectural Review Committee (hereafter Committee") to be comprised of four people. The initial committee shall be composed of LARRY K. TOLBERT, H. ALLEN JONES, RITA W. THOMPSON, and HOWARD D. WALL. This committee shall also compose the initial Board of Directors for the LIBERTY HEIGHTS HOMEOWNERS ASSOCIATION, INC. Each committee/board member shall serve a three-year term, with the initial terms expiring on the following dates:

LARRY K. TOLBERT	January 1, 2006
H. ALLEN JONES	January 1, 2007
RITA W. THOMPSON	January 1, 2008
HOWARD D. WALL	January 1, 2009

As each member's term expires, a new member shall be chosen by the three remaining members to serve a three-year term. Committee/board members shall be eligible for re-election. All committee/board members will serve for three years or until their successors are elected by the remaining committee members. Any future committee/board member must either own in his own name, or jointly with his spouse, a subdivided lot in LIBERTY STATION, or be a partner of LIBERTY HEIGHTS, L.P., the Developer.

SECTION 2. PURPOSE OF ARCHITECTURAL REVIEW COMMITTEE. The Committee exists in order to assure maximum protection to all lot owners, to assure continuity and conformity to high aesthetic and environmental standards, and to have the initial but non-exclusive right to enforce these covenants. The Committee shall have the powers and duties necessary for proper care and control of any common areas in said Subdivision, such as entrances, undeveloped lots and buffer zones and may do all acts as set forth herein or as delegated by the lot owners of the subdivision. Such powers and duties of the Committee shall include, but not be limited to, the following:

a) CONSTRUCTION PLANS AND SPECIFICATIONS FOR ANY IMPROVEMENTS TO BE ERECTED ON ANY LOT MUST BE SUBMITTED TO THE COMMITTEE FOR ITS APPROVAL. No construction, reconstruction, remodeling, alteration or additions of any structure, building, fencewall, driveway, path, landscaping or other improvements of any nature shall be commenced or constructed prior to receiving approval by said Committee in writing or by verbal permission. The Committee shall ascertain that the exterior design and exterior finishes of any structure are in harmony with the above-stated goals and standards to the end that the dwellings located in the subdivision are uniform and aesthetically pleasing, without the utilization of garish colors or architectural design. In fact, the Committee shall be the sole arbitrator of said exterior design and finish and may withhold approval for any reason, including purely aesthetic considerations.

b) Complete landscaping shall be required with each dwelling house.

c) Meetings of the Committee may be held at such time and place as the members shall determine, and provided a majority of the whole Committee is present no prior notice is necessary. At all meetings of the Committee, a majority of the members thereof

shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting at which a quorum is present shall constitute a decision of the Committee. Meetings by means of telephone conference call are expressly permitted.

d) The members of the Committee shall not be liable to lot owners for any mistake of judgment, negligent or otherwise, except for their own individual and willful misconduct or bad faith.

e) The members of the Committee shall not receive any compensation from the Committee or the lot owners for their services thereon.

f) At such time as there shall be a validly incorporated Liberty Heights Homeowners Association whose members shall own 100% of the platted lots of LIBERTY STATION, SECTION I, and all lots in any hereafter platted sections, then from that point forward, all Committee members shall be elected as their term expires or their office is vacated by the Board of Directors of the said Liberty Heights Homeowners Association.

g) The operation, care, beautification, upkeep and maintenance of the entrance areas, common areas and/or any adjacent landscaped areas of the subdivision is initially charged to and the responsibility of the Committee. Once a Liberty Heights Homeowners Association is formed, these duties, responsibilities and privileges are to be vested in that body. The Committee (and the Liberty Heights Homeowners Association, once formed) is hereby specifically authorized to charge and collect a maintenance fee from all lot owners in order to pay the expenses of said operation, care, beautification, upkeep and maintenance. This maintenance fee as charged shall be the same amount for each lot in LIBERTY STATION, regardless of size or sales price. The Committee and/or the Association is specifically authorized to delegate these duties to a commercial realty management company, if the Committee/Association deems necessary or expedient.

h) For good cause shown, the Committee shall have the authority to waive all or any part of the hereinafter set forth restrictive covenants as to minimum square footage where the proposed improvement, because of unusual or extraordinary shape or design, does not meet said minimums, but such improvement will in the sole discretion of said Committee be a complementary asset to the Development. The Committee shall also have the authority to waive such other restrictive covenants, hereafter set forth, upon good cause shown, where such waiver, in the opinion of the Committee, shall not compromise the high esthetic standards of the development.

i) By way of example, and not in limitation, the power and authority of the Committee shall include approval/rejection/enforcement of the following items:

1. General construction plans
2. General construction specifications
3. Exterior paint colors
4. Roof materials/color
5. Roof pitch - MINIMUM 8/12
6. Exterior materials/colors
7. General landscape plans

8. LANDSCAPE MATERIALS - ALL HOUSES MUST BE LANDSCAPED UPON COMPLETION OF HOUSE FOR OCCUPANCY.
9. Landscape plantings/size/quantity
10. Yard or exterior ornaments/size/color
11. Exterior lighting/size/location
12. Lot topography recontouring
13. Location of any improvement upon lot
14. Off street parking of any motorized vehicle not housed within the dwelling
15. Fences - materials/colors/locations/dimension - (wrought iron and/or brick will be encouraged)
16. Grass cutting/Landscape maintenance - enforcement
17. Satellite dishes - Permission on each lot is at the discretion of the Architectural Review Committee.
18. Restrictive covenants - enforcement
19. Exterior maintenance of all improvements

SECTION 3. ARCHITECTURAL REVIEW COMMITTEE EASEMENT. There shall be a general right-of-way and easement for the benefit of the Committee, its officers, agents and employees to enter upon the lots or buildings to perform their respective duties and to exercise their powers as enumerated in these covenants.

In addition to the foregoing, the following restrictions, limitations and covenants shall be binding on each lot purchaser, their heirs, successors and assigns:

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every Lot Owner who is subject to assessment by the Association as hereinafter provided shall be a member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment. When any Lot is owned of record in joint tenancy, tenancy in common, tenancy by the entirety, or by some other legal entity, their membership as to such Lot shall be joint and the rights of such membership (including the voting power arising therefrom) shall be exercised as specified herein. A corporate member's vote shall be cast by the president of the member corporation or by any other officer or proxy appointed by the president or designated by the Board of Directors of such corporation. When two or more persons hold an interest in any Lot as owners thereof, all such persons shall be members. The vote for such Lot shall be exercised by one of such persons as proxy or nominee for all persons holding an interest as owners in the Lot and in no event shall more than one vote be cast with respect to any Lot, except as provided above with respect to Developer. If joint owners are unable to specify by their majority vote how their vote shall be cast, then no vote shall be cast with respect to such Lot.

SECTION 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Lot Owners, with the exception of the Developer or its assignees as hereinafter provided, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine,

but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer and any assignee of the Developer to whom such rights have been assigned in writing. The Class B member shall be entitled to four (4) votes for each Lot owned. For voting purposes, any and all Lots shown on the Master Plan but not yet platted shall also be counted as Lots owned by the Developer or its assignee and the Owner of any such unplatted Lots shall be entitled to four (4) votes for each Lot owned prior to the termination of the Class B Membership and one vote for each unplatted Lot thereafter.

SECTION 3. The Class B memberships shall continue until the earlier of (i) one year after 100% of the total Lots shown on the Master Plan have been sold by the Developer, (ii) ten (10) years from the latter of the date hereof or the date of the last supplement to this Declaration, or (iii) the Developer's election by notice to the Association to relinquish such additional voting rights (hereinafter referred to as the "Transfer of Control") after which time the Class B membership interest shall terminate and Developer shall have only one vote for each Lot that it owns.

SECTION 4. First Meeting of Members. The first regular annual meeting of the Members may be held, subject to the terms hereof, on any date, at the option of the Board of Directors; provided, however, that the first meeting may (if necessary to comply with Federal Regulations) be held no later than the earlier of the following events: (a) four months after all of the Lots have been sold by the Developer, or (b) fourteen years following conveyance of the first Lot by the Developer.

SECTION 5. Acceptance of Development. By acceptance of a deed to a Lot, any purchaser of a Lot shall be deemed to have accepted and approved the entire plans for the Liberty Station Subdivision Development, and all improvements constructed by that date, including, without limitation, the utilities, drains, roads, sewers, landscaping, Common Area amenities, and all other improvements as designated on the plat and as may be supplemented by additional plats upon completion of development of any portion of the Subdivision. Such purchaser agrees that all improvements constructed after the date of purchase consistent with such plans, and at the same quality of then existing improvements, shall be accepted.

ARTICLE IV COVENANT FOR ASSESSMENTS FOR THE ASSOCIATION

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. All Lot Owners by acceptance of a deed for any Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) any other amounts properly assessed against a Lot Owner by the Association, including fines, late fees or any other amounts. The annual and special assessments and any other amounts properly charged to a Lot Owner by the Association, together with interest, costs and reasonable attorney's fees 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 from the date when due until the same is paid in full or otherwise discharged. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title of said person unless expressly assumed by them.

SECTION 2. PURPOSE OR ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Lot Owners, to provide for the maintenance of the Common Area, to pay the fees of any management agent the Association may employ to manage the affairs of the Association, and to pay other reasonable and necessary expenses of the Association including the repayment of any loans or advances from the Developer. An adequate reserve fund for the maintenance, repair and replacement of items maintained by the Association pursuant to this section shall be established and funded by regular monthly payments.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT.

- (a) Until January 1, of the year immediately following the conveyance of the first Lot by Developer the maximum annual assessment shall be Four Hundred Twenty and 00/100 Dollars (\$420.00) per Lot payable in quarterly installments on the first day of each quarter in the amount of \$105.00.
- (b) The Board of Directors of the Association shall thereafter fix the annual assessment.
- (c) In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment to pay in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property, if any, related thereto.

SECTION 4. INTENTIONALLY LEFT BLANK

SECTION 5. WORKING CAPITAL FUND AND TRANSFER FEE. Each Owner of a completed residence in the subdivision shall pay a transfer fee to the managing agent to be set by the managing agent and a working capital fee to the Association the amount of which will be set by the Developer at the closing of the sale of the completed residence to such owner. Pending the transfer of control, the developer shall be obligated to pay an amount at his discretion of the assessment amount payable by other Lot owners on all Lots owned by the Developer and currently platted on recorded plats recorded in the Rutherford County Register of Deeds. To the extent that the Association is unable to pay all costs of maintaining the Common Areas and administering the Association, Developer agrees that it will loan additional monies to the Association on an interest free basis to fund any such deficits. The amounts paid to the working capital fund by each Owner upon the closing of the sale of the completed residence to such Owner shall not be considered as advance payment of regular assessments. The working capital fund shall

be held in disbursed for the following purposes in the order of priority:

- (a) To fund costs of maintenance of the Common Areas and administration of the Association that cannot be defrayed by assessments;
- (b) To reimburse the Developer for all amounts loaned by Developer to the Association to fund any operating deficits; and
- (c) To assure that the Association will have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Board of Directors.

SECTION 6. INTENTIONALLY LEFT BLANK

SECTION 7. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate or all Lots and may be collected on a quarterly basis.

SECTION 8. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS DUE DATES. The annual assessments provided for herein shall commence as to Lots not owned by the Developer on the first day of the first month following the closing of the transfer of the first Lot by Developer. As to Lots owned by the Developer, the annual assessments shall commence as to each Lot upon conveyance of such Lot by Developer except for a transfer in which Developer is transferring its rights as Developer. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Lot Owner subject thereto. The assessment shall be paid quarterly on the first day of each quarter by every Lot Owner or in such installments as shall be determined by the Board of Directors of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. ***Notwithstanding anything to the contrary contained herein, assessments shall not commence as to any Lots owned by a Builder until the earlier of (i) one year following the closing date for the purchase of said Lot by Builder from Developer or (ii) the date of receipt of a certificate of occupancy for a single family residence on the Lot.***

SECTION 9. EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any assessment not paid by the tenth (10th) day of the month in which it is due shall be subject to a late charge in an amount established by the Board of Directors of the Association and shall bear interest from the due date at the maximum rate allowed by applicable law. The Association may bring an action at law against the Lot Owner personally obligated to pay the same, or foreclose the lien against the Lot, and their shall be added to the amount of such assessment all collection costs, including reasonable attorney's fees, and

the costs of bringing such action or foreclosure. No Lot Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments on any Lot provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or form the lien thereof.

ARTICLE V
ARCHITECTURAL, MAINTENANCE, AND USE RESTRICTIONS

SECTION 1. LOT USE. No lot may be used for any purpose except for the construction and maintenance of a residential building of traditional design. No such residential structure on any such lot shall be designed, constructed or used for more than one family. Group homes are expressly prohibited.

SECTION 2. RESUBDIVISION. No lot shall be resubdivided, but shall remain as shown on the recorded plat and not more than one residence building may be constructed or maintained on any one lot. A slight variance in the property lines may be made by adjacent owners, but not for the purpose of subdividing into more lots. The foregoing notwithstanding, two or more lots may be combined (with approval of the City of Murfreesboro and the Architectural Review Committee) to accommodate a single dwelling house or a slight variation of the property line separating adjacent lots.

SECTION 3. NUISANCE/ANIMALS. No noxious or offensive operations shall be conducted or maintained on any lot and nothing shall be done on any lot which may constitute an annoyance or nuisance to the neighborhood. No poultry of any kind or description shall be allowed or maintained on any lot at any time for any purpose. No animals or livestock of any kind shall be allowed or maintained on any lot except that dogs, cats or other household pets may be kept, provided that they are not kept for commercial purposes. The Committee shall have authority over all animals and shall have the right to order the removal or any special control measures as to any animal which becomes, in the sole opinion of the Committee, a nuisance or hazard to the health and welfare of the development.

SECTION 4. TRAILERS, ETC. No trailer, prefabricated house, basement house, tent, garage, barn or other outbuilding shall be erected or used as either a temporary or permanent residence.

SECTION 5. SETBACK LINES. No building shall be constructed or maintained on any lot closer to the street than the setback line as shown on the recorded plat; PROVIDED, HOWEVER, unclosed porches either covered or uncovered, bay windows, steps or terraces shall be permitted to extend across the setback lines; PROVIDED FURTHER, HOWEVER, that the main structure does not violate the setback line.

SECTION 6. CITY OF MURFREESBORO. All owners of lots in the development shall consult with the appropriate officials of the City of Murfreesboro before installation of any driveway, culvert or other structure within the dedicated roadway and such placement or construction shall be done in accordance with the rules and regulations of said City of Murfreesboro.

SECTION 7. DRIVEWAYS. All driveways shall be smooth finished concrete and completed not later than the initial occupancy of the dwelling house. All driveways shall be graveled when footings for initial construction are installed.

SECTION 8. FENCES. The only fences which shall be permitted on lots shall be those erected with the express written permission of the Committee, which is charged to ensure that said fences conform to the general character and atmosphere of the neighborhood. The Committee may require, as a condition of approval, the use of hedges or other greenery as screening for the fence. All fences shall be maintained in good repair, and owners agree to abide by reasonable directives for repairs and maintenance as may be made by the Committee.

All fences must be constructed of matching brick and/or aluminum/wrought iron. Said fence may not extend closer to any street than the **front** corners of the house nor closer than 5 feet from each side lot line and 5 feet from the rear lot line.

Vinyl covered "picket" type fences not exceeding 5 feet in height may be used in the **rear** yard behind the back corners of the house. Said fence may not extend closer to any street than the rear corners of the house nor closer than 5 feet from each side lot line and 5 feet from the **rear** lot line.

As to corner lots: No fence may be closer than 30 feet from any street (measured from the back of the street curb).

On all fences, the exact description and material of the fence, showing the exact location of the lot, house and fence must be submitted to the Committee for approval. No fence shall be located upon or within a dedicated easement (public utility, sewer, access, drainage, etc.).

SECTION 9. ACCESSORY VEHICLES. Recreational vehicles, such as golf carts, and/or yard mowing equipment, must be kept in garages or screened from view of all neighbors and from the front view of the house. The storage of said vehicles shall be subject to the approval of the Committee. No inoperable nor junk vehicles shall be parked on any lot, nor on the street. **Boats, campers, trailers and motor homes is prohibited.** All licensable vehicles shall have current license plates and registration. No vehicle of any kind shall be parked on the street.

SECTION 10. SIDE SETBACK LINE. No dwelling shall be constructed on any lot closer than 10 feet to either side lot line for lots zoned R-10 or 12 1/2 feet to either side lot line for lots zoned R-15.

SECTION 11. MINIMUM SQUARE FOOTAGE. The minimum square feet of heated living area in any residence with an attached two-car garage shall be 1,600 square feet. Plans and specifications for all dwellings shall be subject to the pre-approval of the Committee.

SECTION 12. GARAGES. All garages shall enter from the front or side. The garage door shall have glass or equivalent panels along the upper portion of said door and the door must be of the highest esthetic quality and design. Each owner shall be required to install and maintain an operational garage door opener. All garage doors shall remain closed, except for the actual ingress and egress therein. There shall be no detached garages or other accessory buildings constructed or located on the premises unless prior approval in writing is granted by the Committee. All dwelling houses shall have an attached garage of a size adequate to accommodate a minimum of two full size automobiles, unless a two-car or larger detached garage has been authorized.

SECTION 13. EXTERIOR MATERIALS. All dwellings or other buildings constructed on any lot shall have a full brick masonry foundation of at least sixteen inches (16") fully visible. Any dwelling constructed on any lot shall have a front exterior construction of not less than 25% brick or stone to grade, unless expressly approved otherwise by the Committee due to the type or style of the house. THE FOREGOING NOTWITHSTANDING, any dwelling constructed on any lot which abuts Washington Boulevard shall have an exterior construction (as to all exterior elevations) of not less than 70% brick or stone to grade, unless expressly approved otherwise by the Committee, due to the type or style of the house.

Any siding or covering of a non-masonry nature used in the exterior construction shall be a painted surface or color pigmented vinyl. Any variance must be pre-approved by the Committee.

SECTION 14. SOD. The front yard of all newly completed houses shall be sodded with either a bluegrass, Bermuda, zoysia or fescue type sod, which sod shall cover the entire front yard and extend to the front corners of the house

SECTION 15. ACCESSORY BUILDINGS. Any detached garage or other accessory building shall not exceed one story in height and shall be subject to the pre-approval of the Committee. Said building shall be to the rear of the lot, but not less than 12 1/2 feet from any side or rear lot line, and in no case closer than the house is to any street. Said garage or accessory building shall be erected as one building and no garage shall contain room for more than three cars. Any accessory building must be of a permanent type and shall be "stick built" on site in a design and material as would be compatible with the main residence (if residence is brick, accessory building shall be 70% brick, etc). Prefabricated or pre-built garage or accessory buildings are not permitted.

SECTION 16. EXTERIOR MAINTENANCE. Each owner shall be responsible for the safe, clean and attractive maintenance of all lands, buildings, improvements and landscaped areas on any lot. All lots must be kept clear and clean of all litter.

SECTION 17. SATELLITE DISHES. Satellite dishes shall be permitted provided that the overall diameter does not exceed 24" and the location of the dish shall be subject to approval and/or requirements of the Committee at its sole discretion on each improved lot.

SECTION 18. MAXIMUM BUILDING TIME. Every dwelling house shall be constructed and completed, start to finish, within 180 days of visible commencement of construction.

SECTION 19. ENFORCEABILITY/ATTORNEY FEES. These protective covenants shall be enforced by the Committee herein created; and/or the Liberty Heights Homeowners Association; and/or any individual lot owner in said subdivision by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain the violation or to recover damages. In the event litigation is implemented for the enforcement of these covenants, the prevailing party shall be entitled to an award of attorney fees as additional damages.

SECTION 20. CLOTHES LINES. No outside clotheslines shall be permitted.

SECTION 21. MAILBOXES. All mailboxes shall be of uniform size, color and design as determined by Developer. Non-conforming mailboxes shall not be permitted. Said mailboxes shall be purchased by lot owner from a pre-approved vendor.

SECTION 22. YARD AND GARAGE SALES. Yard sales, garage sales and any type of premises sale wherein the general public is invited into the development is expressly prohibited. Semi-Annual one day entire neighborhood sales may be permitted by pre-approval of the Architectural Review Committee.

SECTION 23. RESTRICTIVE COVENANTS. *Original and successor lot owners shall be responsible for furnishing new owners a copy of the hereof restrictive covenants.*

SECTION 24. BASKETBALL GOALS. Permanent placement of basketball goals are prohibited. Basketball goals of a movable type shall be stored indoors when not in actual use.

SECTION 25. SWIMMING POOLS. Swimming pools shall be allowed only on Lots approved by the Association and shall be located at the rear of a residence. All swimming pools shall have a perimeter enclosure, the plans for which, including landscaping plans, must be approved by the Architectural Review Committee. The construction of any swimming pool shall conform to all applicable government regulations. No above-ground swimming pools shall be permitted.

SECTION 26. STORAGE TANKS AND REFUSE DISPOSAL. No exposed above-ground tanks or receptacles shall be permitted for the storage of fuel, water, or any other substance, except for refuse produced through normal daily living and of a nature which is satisfactory for pick-up by the Department of Public Works or its equivalent. Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected or placed on any Lot. All equipment, coolers, and garbage cans shall be concealed from the view of neighboring lots, roads, streets and open areas.

SECTION 27. OUTSIDE LIGHTING. Outside lights at eaves and door entrances shall be permitted, but no exterior flashing or high-intensity lights, floodlights, or spotlights on the exterior of any building shall be permitted, except with the prior written approval of the Association. Tasteful accent lighting are encouraged and security lighting which does not create a nuisance for other Lot Owners are permitted. The Association reserves the

right to require any Lot Owner to deactivate or remove any light which the Association deems to be unattractive or a nuisance to other Lot Owners. Tasteful holiday decorative lighting is permitted from Thanksgiving until January 7 subject to any rules established by the Association regarding the types and extent of such lighting.

SECTION 28. WINDOW UNITS. All supplements to the central air conditioning system must be used, erected, placed or maintained to the rear of the main residential structure. No window or wall type air conditioning units shall be permitted to be seen from the street view of any Lot and all such units shall be installed flush with the exterior wall surface.

SECTION 29. RECREATIONAL EQUIPMENT. All playground and recreational equipment must be used, erected, placed or maintained to the rear of all Lots. Wood construction for such equipment is encouraged. No metal play equipment is allowed. No tree houses, play houses or other such structures shall be allowed except as may be specifically allowed by Rules of the Association.

SECTION 30. MAINTENANCE. All Lots, together with the exterior or all improvements located thereon, shall be maintained in a neat and attractive condition by their respective Owners or Occupants. Such maintenance shall include, but not be limited to, painting, repairing, replacing and caring for roofs, gutters, down spouts, building surfaces, patios, walkways, driveways and other exterior improvements. The Owner or Occupant of each Lot shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and all trees and shrubbery pruned and cut. In addition, each Lot Owner shall be responsible for maintaining the right of way and any Common Area between such Lot Owner's Lot and the street. Each Lot Owner agrees to abide by rules which may be established by the Association regarding specifics on maintenance of Lots and residences on the Lots as well as any requirements regarding plantings on Lots. No Lot shall be used for storage of material and equipment, except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind and the burning (except as permitted by law) of any such materials is prohibited. In the event of default on the part of the Owner or Occupant of any Lot in observing the above requirements or any of them, each default continuing after ten (10) days' written notice thereof, the Association may, subject to approval of its Board of Directors, enter upon said Lot, repair, maintain and restore the same, cut or prune or cause to be cut or pruned, such weeds, grass, trees and shrubbery and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Lot in a neat, attractive healthful and sanitary condition. In so doing, the Association or its agents shall not be subject to any liability for trespass or otherwise. All costs incurred in any such repair, maintenance, restoration, cutting, pruning or removal shall be charged against the Owner of such Lot as the personal obligation of such Owner and as a lien upon the Lot, enforceable and collectible in the same manner and to the same extent as a maintenance assessment. Any Occupant of such Lot shall be jointly and severally liable with the Owner of the payment of such costs.

The Association shall contract with one (1) or more landscaping service to provide grass cutting, lawn maintenance,

proper care for all trees, shrubbery and other landscaping, and other necessary maintenance services for the Common Areas, provision for which shall be made in the quarterly or annual assessments.

SECTION 31. DAMAGE DESTRUCTION OR MAINTENANCE. In the event of damage or destruction to any structure located on the Property, the respective Owner thereof agrees as follows:

- (a) In the event of total destruction, the Owner shall promptly clear the Lot of debris and leave the same in a neat and orderly condition. Within sixty (60) days of any insurance settlement, the Owner must commence to rebuild and reconstruct the structure. Any such rebuilding and reconstruction shall be accomplished in conformity with the plans and specifications of the original structure so destroyed, subject to any changes or modifications as approved by the Developer or the Association or Architectural Review Committee, as the case may be, in accordance with this Article V hereof.
- (b) In the case of partial damage or destruction, the Owner shall as promptly as an insurance adjustment may be made, cause the damage or destruction to be repaired and restored in a first class condition in accordance with the plans and specifications of the original structure and in conformity with its original exterior painting and décor. Any change or alteration must be approved by the Developer or the Association, as the case may be, in accordance with Article V hereof. In no event shall any damaged structure be left unrepaired and unrestored for in excess of sixty (60) days from the date of the insurance adjustment.
- (c) If the correction of a maintenance or repair problem incurred on one Lot necessitates construction work or access on another Lot, both Owners shall have an easement on the Property of the other for the purpose of this construction. Each party shall contribute to the cost of restoration thereof equally, unless such damages was caused by the fault of any Owner, in which event the Owners shall allocate the cost of restoration in proportion to the relative fault of the parties.

SECTION 32. HOBBIES AND ACTIVITIES. The pursuit of any inherently dangerous activity or hobby, including, without limitation, the assembly and disassembly of motor vehicles or other mechanical devises, the shooting of firearms, fireworks or pyrotechnic devises of any type or size, the use of bows and arrows and other such activities shall not be pursued or undertaken on any part of any Lot or upon the Common Areas without the consent of the Association.

SECTION 33. USE OF COMMON AREAS AND AMENITIES. The Association may publish regulations from time to time governing the use of all of the Common Areas including all amenities located thereon. Such regulations may be enforced in the same manner as the provisions of this Declaration. No Lot Owner shall be allowed to make improvements on any portion of the Common Areas.

SECTION 34. DRAINAGE. No Lot Owner shall place fill on any lot or place fences, trees or landscaping in such a location or

position that will interfere with the existing drainage on or from other Lots or the Common Areas.

SECTION 35. CURB CUTS AND DAMAGE. Any builder or Owner who makes a curb cut or damages any Common Areas shall be responsible for repairing same at his sole expense and at the direction and to the satisfaction of the Developer or the Association. Builder or Owner shall reimburse Developer for the cost of any such repairs if Developer repairs damages.

SECTION 36. RULES AND REGULATIONS. The Association shall have the right to pass rules and regulations governing additional aspects of and imposing additional restrictions on the use and maintenance of the Lots and use of and maintenance of Common Areas. Said rules and regulations may include (without limitation) the right to make additional special assessments against specific lot owners as a result of a Lot Owner's (or any agent or invitee of a Lot Owner) violation of any of the terms of this Declaration or of any rules or regulations promulgated hereunder. In addition, the rules and regulations may provide that Lot Owners shall be responsible for maintenance of limited portions of Common Areas immediately adjoining their lot. Any and all assessments made pursuant to the rules and regulations shall be deemed assessments properly made pursuant to the terms of this Declaration and may be collected by the Association in accordance with the provisions as contained herein. In addition, the Rules and Regulations may include (without limitation) restrictions and rules regarding any and all aspects of the use of the Lots and residences thereon as well as the common areas regarding any matter which the Association believes should be regulated in order to preserve the desirability and attractive and/or provide for maintenance of the Development if the Association reasonably determines that such rules and regulations shall benefit the overall Development. Specifically, and with limiting any additional matters which may be addressed in the Rules and Regulations, the Rules and Regulations may regulate lawn art, lighting, neon signs, interior window coverings that are visible from the street, and holiday decorations. In addition, the board of Directors of the Association shall have the power to set, assess, and collect fines from Lot Owners for violations of this Declaration or any Rules of the Association.

ARTICLE VI INSURANCE

SECTION 1. COMMON AREA. The Association shall keep in force and maintain such hazard, public liability, or other insurance as it shall deem necessary relating to the Common Area and any amenities located thereon. The Association may also insure any other property, whether real or personal, owned by it, against such hazards as may be deemed desirable by the Association. Premiums for all insurance carried by the Association shall be part of the expenses covered by the annual assessments of the Association.

SECTION 2. LOTS. Insurance against damages by fire or other casualty to the improvements on any Lot, liability insurance with respect to occurrences on any Lot, and other insurance relating to each Lot, shall be the responsibility of the individual Lot Owners.

SECTION 3. FIDELITY BONDS. At the discretion of the Board of Directors of the Association, blanket fidelity bonds will be maintained by the Association for all officers, directors, trustees, and employees of the Association handling, or responsible for, the funds of or administered by the Association. Further, in the event the Association delegates some or all of the responsibility for the handling of funds to a management agent, a blanket fidelity bond will be required for officers, employees and agents of such management agent handling, or responsible for, the funds of or administered on behalf of the Association.

- (a) The total amount of fidelity bond coverage shall be based upon the best judgment of the officers of the Association and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bond be less than a sum equal to three (3) month's aggregate assessment on all Lots plus reserve funds.
- (b) All such fidelity bonds shall:
 - (i) Name the Association as an obligee;
 - (ii) Contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions; and
 - (iii) Shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association.
- (c) Premiums on all such fidelity bonds (except premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.

SECTION 4. OTHER INSURANCE. The Association may also obtain such other insurance as the Board of Directors deems desirable, in such amounts, from such sources and in such forms as it seems desirable, insuring the Common Area owned and maintained by the Association and insuring each member of the Board and officer of the Association, and each member of any committee appointed pursuant to the By-Laws of the Association, from liability arising from the fact that said person is or was a director or officer of the Association, or a member of such a committee. The premiums for such insurance and bonds shall be a common expense of the Association.

Unpaid officers and Directors of the Association shall not be liable to any Lot Owner for any act or omission unless the act or omission constitutes gross negligence or willful misconduct. If an unpaid Director or officer of any of the Associations prevails in any legal action brought against him in his official capacity by a Lot Owner, that Lot Owner shall pay the Director or officer all his reasonable legal fees.

**ARTICLE VII
EASEMENTS**

SECTION 1. UTILITY EASEMENT. A perpetual easement is reserved on each lot 5 feet in width, contiguous and parallel to each side and rear lot line for the construction and maintenance of utilities, such as drainage, electricity, gas or water main, sewage, etc., and no structure of any kind shall be erected or maintained upon or over said easement. This perpetual easement is in addition to any and all easements as shown on the recorded plat.

SECTION 2. LANDSCAPE EASEMENT. A perpetual easement, as shown on the referenced plat, shall be reserved for the purpose of the construction and maintenance of common area entrance walls, signage, fences, landscaping, lighting, center roadway median and irrigation. Such improvements shall be maintained by Liberty Heights, L.P., (the Developer) until such time that the Developer assigns responsibility for this maintenance to the Liberty Heights Homeowners Association. The costs of such maintenance shall be borne by the lot owners of this section and any existing or future sections of LIBERTY STATION.

SECTION 3. DEVELOPER EASEMENT. Developer hereby reserves unto itself, its successors and assigns, the following easements and rights-of-way in, on, over, under and through all lots, and each unit or building located thereon, for so long as Developer owns any lot, unit or building primarily for the purpose of sale:

a) For the installation, construction and maintenance of conduits, lines and necessary or proper attachments in connection with the transmission of electricity, gas, water, telephone, community antenna, television cables and other utilities;

b) For the construction of buildings and related improvements;

c) For the installation, construction and maintenance of storm water drains, public and private sewers and any other public or quasi-public utility facility;

d) For the maintenance of such other facilities and equipment as in the sole discretion of Developer may be reasonably required, convenient or incidental to the completion, improvement and sale of lots.

**ARTICLE VIII
GENERAL PROVISIONS**

SECTION 1. ENFORCEMENT. The Association, or any Lot Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any Lot Owner, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 2. VOIDABILITY. If any of the provisions of this instrument are at any time declared void or inoperative by any court of competent jurisdiction, the remaining provisions shall

continue in full force and effect and shall not be otherwise affected thereby.

SECTION 3. DURATION AND AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of those Owners then owning the Lots has been recorded prior to the expiration of said 30-year period or any said 10-year period, as the case may be, agreeing to terminate said covenants or to modify said covenants in whole or in part for the next 10-year period. Except as provided below, the provisions of this Declaration may be amended by Developer, without joinder of the Owner of any Lot, for a period of five (5) years from the date of recordation of this instrument. Thereafter, this Declaration may be amended by the affirmative vote of at least three-fourths (3/4ths) of the votes of the Owners. No such amendment shall be come effective until the instrument evidencing such change has been filed of record signed by the required number of Lot Owners. In addition, notwithstanding anything to the contrary contained herein, Developer reserves the right to file any amendments that may be necessary to correct clerical or typographical errors in this Declaration with regulations of the Federal Home Loan Mortgage Corporation, Federal Housing Administration, the Veterans Administration or other applicable regulations that may be necessary to assure lender approval of the Subdivision. For so long as the Developer maintains ownership of any Lots, any amendments which would provide the annexation of additional properties, the merger of the Subdivision with any other similar project or the consolidation of the Subdivision with such similar project, the mortgaging of Common Areas, the dedication of Common Areas, or the dissolution or amendment of the provisions of this Declaration, shall require the prior written approval of the Veterans Administration or the Federal Housing Administration, if such approval is required by said agencies as a condition to making loans on homes constructed in the Subdivision. However, such approval shall not be required in order to subject the Property described in Section 9 below to this Declaration.

SECTION 4. APPOINTMENT OF SUCCESSOR DEVELOPER; RESIGNATION OF DEVELOPER. Developer reserves the right to assign its rights as Developer to any other person as to all or any portion of the Property by written instrument specifically setting out such assignment and any such assignee shall become the Developer hereunder upon such assignment with respect to the portion of the Property so assigned. Developer shall have the right at any time upon sixty (60) days written notice to the Association to resign as Developer of the Subdivision and shall thereafter be freed from any and all obligations imposed upon Developer upon the effective date of such resignation. Any representatives of Developer on the Association's Board may also resign at any time upon written notice to the Association.

SECTION 5. HEADINGS AND BINDING EFFECT. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular paragraphs to which they refer. The covenants, agreements and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Developer and all person claiming by, through or under Developer.

SECTION 6. UNINTENTIONAL VIOLATION OF RESTRICTIONS. In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Developer or its successors reserves the right, but shall have no obligation, (by and with the mutual written consent of the Owner or Owners of such Lot) to change, amend, or release any of the foregoing restrictions as the same may apply to that particular lot.

SECTION 7. BOOKS AND RECORDS. The books and records of the Association shall, during reasonable business hours, be subject to inspection by any member upon five (5) days written prior notice. The charter, By-Laws of the Association and this Declaration shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

SECTION 8. CONFLICTS. In the event of any conflict between the provisions of this Declaration and the By-Laws of the Association, the provisions of this Declaration shall control.

SECTION 9. STATE OF TENNESSEE. These restrictions shall be interpreted according to the laws of the State of Tennessee.

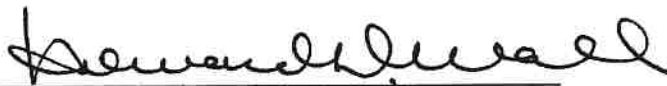
SECTION 10. COURTS OF JURISDICTION. Application for judicial enforcement of the hereof restrictions shall be only in either the General Sessions or Chancery Court for Rutherford County, Tennessee.

SECTION 11. SUCCESSORS BOUND. Each and every one of the preceding covenants and restrictions shall be binding and obligatory upon the present and all succeeding owners of lots or any part thereof, until January 1, 2029, at which time these protective covenants and restrictions shall be automatically renewed for successive periods of ten (10) years; however, said protective covenants and restrictions may be changed in whole or in part by a three-fourths (3/4) majority vote of the owners (expressly including Developer) of the lots in said subdivision, each owner having one vote per lot owned. However, these changes may be voted on only at the express approval of LIBERTY HEIGHTS, L.P., or if the entire LIBERTY HEIGHTS, L.P. subdivision LOTS in all sections have been sold.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed this 17th day of FEBRUARY, 2004.

LIBERTY HEIGHTS, L.P., a
Tennessee Partnership

BY: LIBERTY HEIGHTS, LLC, a
Tennessee Limited Liability Company,
General Partner

By: 
HOWARD D. WALL, Chief Manager

STATE OF TENNESSEE]
 ss.
RUTHERFORD COUNTY]

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared HOWARD D. WALL, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Chief Manager of Liberty Heights, LLC, a Tennessee Limited Liability Company, the General Partner of Liberty Heights, L.P., a Tennessee Partnership, the within named bargainor, and that he as such officer executed the foregoing (RESTRICTIVE COVENANTS) instrument for the purposes therein contained.

WITNESS MY HAND and official seal at office in Murfreesboro, Tennessee, this 17th day of FEBRUARY, 2004.

Notary Public

My commission expires: 7/21/04

