

This Instrument Prepared By:
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503 North Maple Street
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Heather Dawbarn, Register
Rutherford County Tennessee
Rec #: 1028204
Rec'd: 110.00 Instrument #: 2245846
State: 0.00
Clerk: 0.00 Recorded
Other: 2.00 12/11/2019 at 3:13 PM
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RESTRICTIVE COVENANTS AND CONDITIONS APPLYING TO SECTION ONE, WALNUT DOWNS SUBDIVISION

SALEM CREEK PARTNERSHIP, a Tennessee general partnership (“Developer”), being the owner in fee simple of the real estate that has been subdivided and named Section One, Walnut Downs Subdivision, according to survey and plat of same, which plat is of record in Plat Book 43, page 183, Register's Office of Rutherford County, Tennessee, (the “Plat”) and which plat is made a part hereof by reference, does hereby agree and bind itself, its successors and assigns, that all the property described in said Plat, as well as any further properties incorporated as hereinafter described shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest to the property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof. Notwithstanding the foregoing, Lot 63 as shown on the Plat, shall be excluded from the restrictions, covenants, and conditions set forth herein and shall not be part of the Association. This instrument shall be referred to as “Declaration.”

ARTICLE I DEFINITIONS

1. Association. Association shall mean and refer to the Walnut Downs Homeowners' Association, Inc., its successors and assigns.
2. Board of Managers or Board. Board of Managers or Board shall mean the governing body of the Association as provided in this instrument, the Articles of Incorporation and the By-Laws thereof.
3. By-Laws. By-Laws means the By-Laws of Walnut Downs Homeowners' Association, Inc.
4. Common Areas. Common Areas, if any, shall mean all real property and the improvements thereon as designated on the Plats and/or owned or maintained by the Association for the common use and enjoyment of the Owners.
5. Common Elements. All improvements made within Common Areas and all other improvements made to the Property maintained by the Association are Common Elements, including without limitation, the centralized mail delivery area, development entrance signage, landscaping, fencing, and stormwater management facilities..
6. Common Expenses. Common Expenses mean and include (a) expenses of administration, operation, management, repair or replacement of the Common Areas of the Property, (b) expenses declared common by the provisions of the instrument or the Charter, or By-Laws of the Association, (c) all sums lawfully assessed by the Board, and (d) expenses as provided in any duly

authorized management agreement.

7. Developer. Developer shall mean and refer to Salem Creek Partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Developer for the purposes of development.

8. Documents. Documents and the Walnut Downs Documents mean this document which may hereinafter be referred to as Declaration, the Articles of Incorporation, the By-Laws, the Plat and any amendments or supplements thereto.

9. Lot. Lot shall mean and refer to any numbered plot of land shown upon any recorded subdivision map for the Property with the exception of the Common Areas and dedicated streets, if any. Title to lots will be held by an Owner or Owners (the "Lot Owner") in fee simple.

10. Majority or Majority of the Lot Owners. Majority or Majority of the Lot Owners means the owners of more than fifty (50%) percent of the undivided membership in the Association present and then eligible to vote. Any specific percentage of Lot Owners means that percentage of Lot Owners who in the aggregate own such specified percentage of the entire undivided membership in the Association, present and then eligible to vote.

11. Member. Member shall mean and refer to every person or entity who holds membership in the Association.

12. Owner. Owner shall mean and refer to the record owner, (including Developer) whether one or more persons or entities, of a fee simple title to any lot which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

13. Plat. Plat means the plats of survey of the Property of record in Plat Book 43, page 183, Register's Office of Rutherford County, Tennessee, showing the number of each Lot, location and other data necessary for identification and any new or amended plats added pursuant to this document. Developer is authorized and empowered irrevocably to amend the Plat (without joinder of any Lot Owner) to correct mistakes and to more clearly define common elements.

14. Property. Property (whether singular or plural) means all the land, property and space which is the subject of this instrument (by amendment or otherwise), comprising the land shown on the Plat.

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

ARTICLE II THE ASSOCIATION

1. Organization.

(a) The Association shall not be incorporated or otherwise organized until such time as determined by Developer; it being the specific intent that Developer shall, in the interim, act with the

same powers as herein provided to the Association.

(b) The Association is a non-profit Tennessee corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor the By-Laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The officers and directors of the Association shall be required to be either (i) members of the Association; or (ii) officers, directors, agents, representatives or employees of Developer or a successor to Developer.

(c) A Board of Managers of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Walnut Downs Documents. The Board shall, except to the extent specified membership approval shall be required by the By-Laws or by this Declaration, act on behalf of the Association in the implementation of this Declaration. Until the Association is incorporated, Developer shall act in place of the Association, with the same powers as herein granted the Association such as but not limited to the power to assess fees for the common area maintenance and to enforce all provisions of the Walnut Downs Documents. Upon the incorporation of the Association, the Developer shall have the sole right to appoint and remove Directors of the Association, it being understood that the Association shall not be turned over to the Owners until such time as Developer has sold all of the Lots in Walnut Downs.

2. Membership.

(a) Qualifications. Each Owner (including Developer) shall be a member of the Association and shall be entitled to one (1) membership for each lot owned. Ownership of a lot shall be the sole qualification for membership in the Association.

(b) Members Rights and Duties. Each member shall have the rights, duties and obligations set forth in the applicable Walnut Downs Documents.

(c) Transfer of Membership. The Association membership of each Owner (including Developer) shall be appurtenant to the lot giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said lot and only to the transferee of title to such lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

3. Voting Rights - Members, Classes of Members.

(a) Class A. Members. Class A Members shall be all owners with the exception of the Developer; but, in no event shall more than one (1) vote be cast with respect to any lot in this class.

(b) Class B. Members. Class B Members shall be the Developer and any successor thereto and shall be entitled to three (3) votes for each lot owned.

4. Duties of the Association. The Association shall, in addition to such obligations, duties and functions as are assigned to it by other provisions of this Declaration, have the obligations, duties and functions, (subject to the provisions of this Declaration), to do and perform each and every of the

following for the benefit of the Owners and for the maintenance, administration and improvement of the Properties.

(a) Enforcement. Take such action, whether or not expressly authorized herein or in any other governing instrument, as may reasonably be necessary to enforce the restrictions, limitations, covenants, affirmative obligations, conditions, and other provisions of this Declaration, the plat, the By-Laws and Articles, and the other Walnut Downs Documents.

(b) Operation and Maintenance of Common Area. To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, together with all easements for operation and maintenance purposes and for the benefit of the Association or its members over and within the Common Area and; to keep all improvements of whatever kind and for whatever purpose from time to time located thereon in good order, condition and repair.

(c) Water and Other Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, electrical, telephone and gas and other necessary utility services for the Common Area.

(d) Taxes and Assessments. To pay all real and personal property taxes and assessments (if any) separately levied upon or assessed against the Association and/or any property owned by the Association. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring a payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes. It is the intent of this Declaration in as much as the interest of each Owner's lot is an interest in real property on a proportionate basis appurtenant to each lot, that the value of the interest of each Owner in such Common Area shall be included in the assessment for each lot, and as a result any assessment directly against such Common Areas should be of a nominal nature reflecting that the full value of the same should be included in the several assessments of the various lots.

(e) Dedication for Public Use. Upon being directed by Developer or its successor to do so, as long as Developer is a Class B Member, to promptly dedicate such streets, roads and drives and such water, sewer or other utility lines or facilities and appropriate easements as may be specified by Developer or its successor to such municipalities, utility companies, political subdivisions, public authorities or similar agencies or bodies as may be designated by Developer or its successor.

(f) Insurance. To obtain and maintain insurance as provided for by either the By-Laws, this Declaration, or the mortgagee protective agreement referred to in later sections of this Declaration.

(g) Rule Making. To make, establish, promulgate, amend and repeal the Association rules as provided for by this Declaration and the other Association documents except as otherwise provided.

(h) Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration as may be reasonably necessary or appropriate to enforce or effectuate any of the provisions of this Declaration and the Association rules.

(i) Execution of a Mortgagee Protective Agreement. Upon being directed to do so by Developer, or by a successor to Developer, during the period in which Developer is continuing to

develop this project to execute and cause to be recorded from time to time written agreements in favor of holders or insurers of mortgages secured upon portions of the properties, conditioning specified actions of the Association upon specified mortgagee approval, permitting such mortgagees or insurers to take certain actions upon the failure of the Association to take specified action or conforming the Walnut Downs Documents to the requirements of such mortgagees or insurers, providing that any such agreements do not contravene the requirements of the Walnut Downs Documents or any applicable law.

5. Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including the following which are listed without intent to limit the foregoing grant.

(a) Assessments. To levy assessments on the Owners of lots and to enforce payment of such assessments, all in accordance with the provisions of this Declaration.

(b) Right of enforcement in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of any Walnut Downs covenants, conditions, obligations or duties and to enforce, by mandatory injunction or otherwise, all the provisions of the Declaration, Articles and By-Laws.

(c) Easements and Rights-of-Way. To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Areas for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder, (1) overhead or underground lines, cables, wires, conduit or other devices for the transmission of electricity and for lighting, heating, power, telephone, television cables, radio and audio antennae facilities and for other appropriate purposes; (2) public sewers, storm water drains and pipes, water system, sprinkling systems, water, heating and gas lines or pipes; and (3) any similar public or quasi-public improvements or facilities.

(d) Employment of Manager and Employees. To employ the services of any person or corporation as manager, together with employees, to manage, conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose. Such manager and employees shall have the right of ingress and egress over such portion of the Properties as is reasonably necessary for the purpose of performing such business, duties and obligations.

(e) Mortgagee Protective Agreements. To execute and cause to be recorded from time to time agreements in favor of holders or insurers of mortgages secured upon portions of the properties. Such agreements may condition specified action, relevant to this instrument, of the activities of the Association upon approval by a specified group or number of mortgage holders or insurers. Actions and activities which may be so conditioned by such agreement may include, but shall not be limited to the following: (i) any act or omission which seeks to abandon, partition, subdivide, encumber, sell or transfer the Common Areas or any other real estate or improvements owned, directly or indirectly, by the Association for the benefit of any lots; (ii) any change in the method of determining the

obligations, assessments, dues or other charges which may be levied against the owners of lots; (iii) any act or omission which may change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design, exterior appearance or exterior maintenance and improvements erected upon the Properties, driveways, or the upkeep of lawns or plantings located upon the Properties; (iv) failure to maintain specified fire and extended coverage insurance on insurable portions of the Common Areas; (v) use of hazard insurance proceeds for losses to any improvement erected upon the Common Areas for other than the repair, replacement or reconstruction of such improvements; (vi) the failure to maintain kinds of insurance and amounts, from and covering risks as specified by such mortgage holders or insurers; (vii) permitting holders of specified mortgages on lots to jointly or singly, pay taxes or other charges which are in default which may have become a charge against the Common Area, to pay overdue premiums on hazard insurance lapse of any such policy for such property and permitting mortgagees making any such payments to recover the amount thereof from the Association.

(f) Right of Entry. Without liability to any Owner of a lot, to cause its agents, independent contractors, and employees after reasonable notice, or without notice in the event of an emergency, to enter upon any lot for the purpose of enforcing any of the rights and powers granted to the Association in the Instruments, Articles and By-Laws, and for the purpose of maintaining or repairing any portion of the Properties if for any reason whatsoever the Owner thereof fails to maintain it in good condition and repair and so as to present an attractive exterior or appearance as required by the documents, or as reasonably required to promote or protect the general health, safety and welfare of the residents and users of the Properties.

(g) Maintenance and Repair Contracts. To contract and pay for or otherwise provide for the maintenance, restoration and repair of all improvements of whatsoever kind and for whatsoever purpose from time to time located upon or within the Common Areas or as required for exterior maintenance, sidewalks or lot clean-up in the event owner fails to maintain as required.

(h) Insurance. To obtain, maintain and pay for such insurance policies or bonds, whether or not required by any provision of this Instrument or any By-Laws, as the Association shall deem to be appropriate for the protection or benefit of the Association, the members of the Board, the members of any standing committee, their tenants or guests, including, but without limitation, fire and extended insurance coverage covering the Common Areas, liability insurance, worker's compensation insurance and performance of fidelity bonds.

(i) Utility Service. To contract and pay for, or otherwise provide for, utility services, including, but without limitation, water, sewer, garbage, electrical, telephone and gas services.

(j) Professional Services. To contract and pay for, or otherwise provide for the construction, reconstruction, repair, replacement or refinishing of any roads, paths, drives or other paved areas upon any portion of the Properties not dedicated to any governmental unit and on the lots in the event the owners fail to keep such paved area maintained and repaired.

(k) Protective Services. To contract and pay for, or otherwise provide for, fire, security and such other protective services as the Association shall from time to time deem appropriate for the benefit of the Properties, the Owners and their guests.

(l) General Contracts. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary.

(m) Liens. To pay and discharge any and all liens from time to time placed or imposed upon any Common Areas on account of any work done or performed by the Association and the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration.

(n) Condemnation. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority or acquisition of any of the Common Areas or any part thereof. In the event of a taking or acquisition of part or all of the common areas by any condemning authority, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the lot owners and their mortgagees as their interests may appear. All Owners, by the acceptance of a Deed conveying a lot, irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with any condemning authority in any condemnation proceeding. Title to the lots is declared and expressly made subject to such irrevocable appointment of the power of attorney. Any distribution of funds in connection with the condemnation of any part of the Common Area shall be made on a reasonable and equitable basis by the Board or by a special committee appointed by the Board for that purpose.

ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENT

1. Creation of the Lien and Personal Obligation of Assessments.

(a) Each Owner for any lot, by said acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay: (1) the initial assessment, (2) annual assessments or charges, and (3) special assessments for capital improvements or losses, or for failure to maintain and repair, such assessments to be established and collected as hereinafter provided.

(b) All assessments, together with interest, costs and reasonable attorney's fees shall be a charge on the lot and shall be a continuing lien upon the lot against which each such assessment is made. Each such assessment together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such lot at the time when the assessment fell due. The personal obligation for the delinquent assessment shall not pass to his successors in title unless expressly assumed by them, but no such assumption shall relieve any Owner personally obligated from his personal liability.

2. Annual Assessments.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the lots; the improvement, operation and maintenance of the Common Area; the duties and exercise of the powers of the Association; the payment of the proper expenses of the Association and all costs incurred in the performance by the Association of its duties, and the establishment of reasonable reserves for the maintenance repair and replacement of paths and paved areas within the Common Areas, landscaping and other improvements upon the Common Area.

(b) Annual Assessments levied by the Association for each year shall be adequate to finance the operation and activities of the Association, to satisfactorily maintain the Common Area, and maintain adequate repair and replacement reserves.

3. Working Capital Fee. In addition to the above Annual Assessments, each purchaser of a Lot shall be subject to the payment of a Working Capital Fee, which shall be due and payable at the closing of such Lot. The Working Capital Fee shall be \$500.00 per Lot. The Working Capital fee shall be due and payable immediately at the closing of a Lot. The fees as set forth herein shall be modifiable by the Board at any time. Each prospective purchaser shall be under a duty to have inquired about the amount of such fees prior to closing, which if not paid shall be a lien on the Lot.

4. Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only for the purpose of defraying 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 related thereto, provided that any such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

5. Notice and Quorum for any Action Authorized under Section 2 and 4. Written notice for any meeting called for the purpose of taking any action authorized under Section 2 and/or 4 shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting and shall state the purpose of such meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of such class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the Association has not been organized and the Developer is acting in lieu of such Association, the above notice requirement is waived.

6. Rate of Annual Assessment. Annual assessments must be fixed at a uniform rate for all lots and may be collected on a monthly, quarterly, or yearly basis or otherwise at the discretion of the Board.

7. Date and Commencement of Annual Assessments.

(a) The annual assessments provided for herein shall commence as to each lot on the first day of the month following the Developer's conveyance of such lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the Board of Managers shall fix the amount of the annual assessment of every Owner subject thereto. Written notice of such assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of each annual assessment, but failure to fix or to notify shall not constitute a waiver of this right or of owner's obligation to pay. The due date shall be established by the Board of Managers.

(b) The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth when the assessment on a specified lot has been paid. A properly executed certificate of the Association as to the status of the assessments on a lot is binding upon the Association as of the date of its issuance.

8. Effect of Non-payment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of

eighteen percent (18%) per occurrence or highest rate allowed by state law, whichever rate is less, and shall be a lien against the lot, and shall further be the personal obligation of the person owning the lot at the time the assessment comes due. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, cost and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the lot.

(a) And now, for the purpose of better and more effectually securing the payment of said lien indebtedness, rendering unnecessary court proceedings for the enforcement of said lien in the event of the non-payment of said indebtedness and payments thereof, as they become due, and for the consideration of One Dollar paid in cash, receipt of which is acknowledged, the said Lot Owners, their heirs, administrators, successors and assigns, hereinafter referred to as trustors, hereby transfer and convey unto J.D. Kious, Trustee of Rutherford County, Tennessee, his successors and assigns, the real estate hereinbefore described and specifically the property owned by the owner subject to this Declaration, with the appurtenances, estate, title and interest thereto belonging upon the following uses and trusts:

Trustors agree to pay their prorata share of Common Expenses when due and further agree to pay all taxes and assessments thereon, annual, initial, or special, and to pay them when due, and, upon demand of said trustee or the lawful owner and holder of said indebtedness, to pay, discharge, or remove, any and all liens (except a First Mortgage or Deed of Trust) which may be hereafter placed against said property and which shall adversely affect the lien of this instrument or enforcement of the terms and provisions hereof; to keep the improvements on said property in good repair and preservation pursuant to the requirements of this Declaration and the rules and regulations adopted by the Association, and in case the trustee or his successors or the lawful owner and holder of said indebtedness shall hereafter be required to appear in any court or tribunal to enforce, or defend the title to, or possession of, said property, or the lien of this instrument, or appear in any court to prove the above indebtedness, all the costs and expenses of such appearance or proceedings, together with a reasonable attorney's fee, shall be allowed, and be payable by trustors upon demand of the trustee or lawful owner or holder of said indebtedness, and, upon failure to do any of these things, then said trustee, or the lawful owner and holder of said indebtedness may do any or all of these things and the amounts so paid shall bear interest at the rate of 18% per annum, or at the then highest contract rate of interest then legally collectible in Tennessee from the date of payment and shall be and become a part of the indebtedness secured hereby.

Now, if trustors shall pay their prorata share of Common Expenses aforesaid when due, and pay any and all sums when due, as aforesaid, then this trust conveyance shall be of no further force or effect. But if said indebtedness, or any payment thereof, or interest thereon, is not paid promptly when due, or if, failing to pay said other sums when due, as herein provided, trustors fail to reimburse the Trustee, or lawful owner and holder of said indebtedness for all sums, with interest, so expended by said Trustee, or lawful owner and holder of said indebtedness, within thirty days from date of such payment, this trust conveyance shall remain in full force and effect, and the said Trustee, or its successor or assigns in trust, is hereby authorized and empowered, upon giving twenty days notice by three publications in any newspaper, daily or weekly, published in Rutherford County, Tennessee, to sell said property at the east door of the Courthouse in said County to the highest bidder for cash, at public outcry, free from the equity or right (statutory or otherwise) of redemption, homestead, dower, spouse's elective share and all other rights and exemptions of every kind, which are hereby expressly waived; and the said Trustee, or its successor or assigns in trust, is authorized and empowered to execute and deliver a deed to the purchaser.

The Association may bid at any sale under this trust conveyance. The Trustee may, at any time after default in the payment of any of said indebtedness, enter and take possession of said property, and shall only account for the net rents actually received. It is further agreed that, in the event the Trustee fails, before selling said property, as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for said property. In case of sale hereunder, the proceeds will be applied by the Trustee as follows:

1st. To the full and complete satisfaction of the interest of the first mortgage holder, unless arrangements have been made for the assumption of the first mortgage by the subsequent purchaser.

2nd. To the payment of all costs, charges and expenses of executing this conveyance and enforcing said lien as herein provided; also reasonable attorney's fees for advice in the premises, or for instituting or defending any litigation which may arise on account of the execution of this conveyance, or the enforcement of said lien; also the expenses of any such litigation.

3rd. To the payment of all taxes which may be unpaid on said premises.

4th. To the payment of all unpaid indebtedness herein secured, and any and all sums expended in the protection of said property, as herein authorized.

5th. The residue, if any, will be paid to trustor(s) legally entitled thereto, their order, representatives or assigns.

In case of the death, absence, inability, or refusal to act of said Trustee at any time when action under the foregoing power and trusts may be required or for any other reason, the lawful owner and holder of said lien is hereby authorized and empowered to name and appoint a successor to execute this trust by an instrument in writing to be recorded in the Register's Office of Rutherford County, Tennessee, and the title herein conveyed to the above named Trustee shall be vested in said successor.

The word "Trustors" when used herein shall apply to parties both singular and plural.

9. Subordination of the Lien to Mortgages.

(a) This transfer and conveyance, and the lien for common expenses payable by a Lot Owner which is secured by the transfer and conveyance shall both be subordinate to the lien of a recorded First Mortgage or Deed of Trust on the interest of such Lot Owner, regardless of whether the First Mortgage or Deed of Trust was recorded before or after this instrument, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee or Beneficiary accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage or Deed of Trust. While the lien for assessments may be extinguished, the personal indebtedness therefor shall remain and be the personal obligation of the Lot Owner who owned the lot when the assessment came due. Any delinquent assessments (after lien extinguishment) may be reallocated and assessed among all Lots as a Common Expense. This subparagraph shall not be amended, changed, modified or rescinded except for the appointment of a substitute Trustee without the prior written consent of all First Mortgagees and Beneficiaries of record.

(b) For purposes of this section a sale or transfer of a lot shall occur on the date of recordation of an instrument of title evidencing the conveyance of record title.

10. Exempt Property. All property dedicated to, and adopted and accepted by a local public authority shall be exempt from the assessments created herein.

11. Mortgage Protection Clause. No breach of the covenants, conditions, or restrictions herein contained for the enforcement of any lien provisions herein shall defeat or render invalid the lien of any prior mortgage given in good faith and for value, but said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or other judicial sale or in lieu of such of any prior mortgage.

12. Owners Shall Indemnify. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from any liability arising from the claim of any lien claimant or judgment debtor against the lot of any other Owner or of the Common Area. The Association or any affected owner may enforce this obligation which includes reasonable costs and attorney fees in the manner of a special assessment or by action at law including all rights granted to the Association under Article II.

13. Developer and Licensed Builder Exemptions. Notwithstanding the prior provisions of this Article III, the Developer shall be exempt from all assessments, including the Working Capital and Transfer Fees. Licensed builders who have received title from Developer for the purpose of constructing a residence for resale shall also be exempt from all annual and special assessments and the Working Capital and Transfer Fees until such time as the property is sold, leased, or otherwise occupied. Transfer of title from the builder shall not relieve the new owner from liability for assessments and fees from date of the new owner's deed forward.

ARTICLE IV ARCHITECTURAL CONTROL

The Declarant hereby affirmatively states and affirms the exclusivity and esthetic beauty, charm and uniqueness of Walnut Downs Subdivision, Rutherford County, Tennessee because of the exclusivity of the subdivision and the critical importance to all owners in the subdivision of purchasing property and building homes or purchasing existing homes in the subdivision based upon strict architectural controls, the Declarant reaffirms the necessity of an Architectural Control Committee and specific rules, restrictions and guidelines for the construction of any improvement on any lot in Walnut Downs Subdivision.

Any lot owner, by their purchase of said lot specifically agrees that the lot owner has read and fully understands the provisions contained herein pertaining to the Architectural Control Committee and the rules, restrictions and guidelines pertaining to architectural review and agrees to be bound by all decisions of the Architectural Control Committee which are in the sole discretion of the committee and in all cases shall be final and binding upon any lot owner.

1. Approval of Plans and Architectural Control Committee

(a) No construction, reconstruction, remodeling, alteration or addition to any structure, building, fence, wall, driveway, path or other improvement of any nature on any lot shall be

constructed or undertaking without obtaining the written approval of the Architectural Control Committee. The Architectural Control Committee shall be initially composed of Brian Morris and Terry Haynes who shall serve on said Committee until such time as their successors are appointed. All subsequent persons appointed to the Architectural Control Committee shall serve a term of three (3) years. All future Committee members must either own, in their name or jointly with their spouse or corporate or other business entity a lot (whether improved or unimproved) in the Walnut Downs Subdivision. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor to fill the unexpired term. The members of the Committee shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Control Committee for all existing platted sections of the Walnut Downs Subdivision shall be the same Architectural Control Committee specifically referred to herein. For this purpose, the property specifically referred to in paragraph one hereinabove and which property is specifically designated and contemplated herein shall be subject to all rules and regulations of an Architectural Control Committee which shall consist of two (2) or more representatives appointed by the Board, which shall have full authority to review and act upon requests for approval of such requests. The existing Architectural Control Committee for all existing platted section of Walnut Downs Subdivision shall be the same Architectural Control Committee specifically referred to herein. The Architectural Review shall have full authority to review and act upon requests for approval of construction referred to hereinabove. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, the applicant must submit a set of plans and specifications with a written request for their approval. The Architectural Control Committee shall be the sole arbiter of same and may withhold approval for any reason including purely esthetic consideration in the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. Each owner acknowledges that the decor, color, scheme and design of the property has been selected in such a manner as to be consistent and harmonious with other units in the subdivision and agrees to maintain and perpetuate the visual harmony of the properties.

(b) Should any lot owner deviate in any manner or respect whatsoever from the specific and detailed plans and specifications submitted to the Architectural Control Committee during construction without the express written consent of the review committee, the Association is empowered to obtain a temporary restraining order or injunction immediately halting the construction of said improvements and shall further be empowered to require said lot owner to remove, change or modify any deviations from the plans and specifications. Should the Association be required to take said legal action, the low owner shall be responsible for all court costs and attorney's fees of said legal action which shall be a charge on the land and shall be a lien on the property against which said legal action is taken by the Association. Each said cost and/or attorney's fee shall also be the personal obligation of the person who was the owner of said property at the time of the action and against whom the action was taken by the Association. Should a lien be required to be filed by the Association as contemplated herein, the Association may fully exercise all rights given to it in the other sections of this document including requesting that the lot and any improvements thereon be sold by the Court to satisfy all attorney's fees and court costs required as a result of the action to enforce the rules, regulations, restrictions, and conditions imposed on the lot by the Architectural Control Committee.

ARTICLE V INSURANCE

1. Casualty Insurance. The Association shall keep all insurable improvements and fixtures

on the Common Area insured against loss and damage by fire for the full insurable replacement cost thereof, and shall obtain insurance against such other hazards and casualties as the Association may deem desirable as well as a general liability insurance policy covering all Common Areas with coverage for bodily injury or property damage for any single occurrence as well as coverage for any legal liability that results from lawsuits related to employment contracts in which the Association is a party. All policies shall provide that they may not be cancelled or substantially modified without ten (10) days written notice to all insureds including the mortgagees if any. The Association shall also insure any other property whether real or personal, owned by the Association, against loss or damage by fire or casualty and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. All casualty, liability and fidelity bond coverage shall be in such manner and in such amount as required by the Federal National Mortgage Association (FNMA), and their requirements thereto as set forth in Sections 501-504, FNMA Lending Guide or as thereafter amended, are adopted herein by reference. Any insurance coverage with respect to the Common Area or otherwise shall be written in the name of, and the proceeds thereof, shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all such insurance carried by the Association are Common Expenses included in the common assessments made by the Association.

2. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such lot Owner.

3. Other Insurance. The Association may also maintain and pay for insurance policies or bonds that are appropriate for the protection and benefit of the Association, members of the Board and any standing committee, tenants or guests, including, but without limitation, workers compensation, malicious mischief, and performance of fidelity bonds.

4. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Managers in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of property which may be damaged or destroyed.

5. Hazard, Flood, Homeowners, and Fire Insurance. Each Owner shall obtain and maintain in effect fire and appropriate damage and physical loss insurance, all in an amount equal to the then current full replacement value of each residence and improvement owned by such owner, which may be established from time to time by the Board or the Association by resolution. Such additional insurance requirements may be set forth in agreements or other undertakings which the Board of Association may enter into with or for the benefit of holders or insurers of mortgages secured upon portions of the Property.

6. Obligation to Repair and Restore.

(a) Subject only to the rights of an institutional holder of the first mortgage lien on the damaged lot, insurance proceeds from any insurance policy covering a lot shall be first applied to the repair, restoration, or replacement of such residence. Each Owner shall be responsible for the repair, restoration, or replacement of each residence owned by such owner pursuant to the terms hereof. Any

such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and in currently generally accepted design criteria) be generally harmonious with the other Walnut Downs residences, and reconstruction must be consistent with plans approved by the Architectural Committee. Such repair and restoration will be commenced as soon as possible.

(b) If the proceeds of insurance are insufficient to pay for the cost of repair, restoration, or replacement of a residence or improvement, the Owner of such residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration or replacement.

7. Association Rights. If any Owner fails to obtain the insurance required in this article, or fails to pay the premiums therefore when and as required or fails to otherwise perform the obligations of an owner under this article the Association may (but shall not be obligated to in any manner) obtain such insurance, make such payments for any such Owner, and/or perform such obligations, and add the cost of such payments or performance, as a special assessment, to the assessments of such Owner and enforce the payment of the assessment in a like manner as an annual assessment.

8. Proof of Insurance. At the discretion and at the request of the Association, each Owner shall provide the Association with a copy of an appropriate insurance policy and a paid receipt thereof, showing that the Owner has proper hazard, fire, flood and homeowners insurance coverage. Failure to so provide such insurance proof on an annual basis or at such other times as the Association may reasonable require will be construed as a default of the obligations under this article, and the Association may take whatever reasonable steps it deems necessary, including the procurement of insurance on said residence, with the Owner to be liable for such procurement as set forth above. All such insurance shall contain a provision for the notification of the Walnut Downs Homeowners' Association, Inc., and each mortgage holder named in the mortgage clause, at least ten (10) days prior to the cancellation, or substantial change, of coverage. Nothing herein shall be construed so as to require the Association to procure, insure or be a guarantor that insurance is procured or in force on any lot.

9. Notice to First Mortgagees. In the event of substantial damage to or destruction of any part of the Common Elements, the institutional holder of any first deed of trust or mortgage on a lot will be entitled to timely written notice of any such damage or destruction and no provision of any document will entitle the owner of a lot or other party to priority over such institutional holder with respect to the distribution to such Lot Owner of any insurance proceeds.

ARTICLE VI EXTERIOR MAINTENANCE

1. Maintenance of Common Elements. Maintenance of, repairs to and replacements to the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements to the Common Elements shall be part of the Common Expenses, subject to the By-Laws, rules and regulations of the Association. If, due to the act or neglect of a Lot Owner, or of his agent, servant, tenant, family member, invitee, licenses or household pet, damage shall be caused to the Common Elements, or to a Lot owned by others, or maintenance, repair or replacement are required which would otherwise be a Common Expense, then such Lot Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the

insurance carrier or to the extent any such claim raises insurance premiums.

In addition to the utility and maintenance easements as may appear on the Plat, the authorized representatives of the Association, Board or of the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual lots as may be required in connection with the preservation of any individual lot in the event of an emergency, or in connection with maintenance of, repairs or replacements of the Common Elements or any equipment, facilities or fixtures affecting or serving other lots and the Common Elements or to make any alteration required by any governmental authority.

2. Additional Requirements. Each Lot Owner is responsible for all exterior maintenance on his own lot. Each Owner shall repair, maintain or replace all exteriors on any building in a good and husbandlike manner. Additionally, all landscaping, plants, shrubs, driveways, walks, yards, sidewalk adjacent to the street, etc. shall be maintained in a neat, orderly condition and in a good state of repair and maintenance. All exterior maintenance, including painting, shall be done in the color, method and design that is suitable and approved by the Architectural Committee. The Architectural Committee can base its decision solely on esthetic considerations.

ARTICLE VII USE AND BUILDING RESTRICTIONS

The following restrictions are in addition to the restrictions and conditions on lot usages aforementioned:

1. Residential Structures Only. No lot may be used for any purpose except for the construction and maintenance of a residential building, and no such residential structure on any such lot shall be designed, constructed or used for more than one family. Provided, however, lots adjacent to a homeowner's lot may be purchased by the homeowner for the purpose of increasing the size of such homeowner's yard. No lot or any portion thereof shall be used for a roadway to adjoining lands unless specifically allowed by Developer.

2. No Resubdivision. No lot shall be resubdivided, but shall remain as shown on the recorded plat. A slight variance in the property lines may be made by adjacent Owners, but not for the purpose of subdividing into more lots.

3. Noxious or Offensive Conduct. No noxious or offensive operations shall be conducted or maintained on any lot and nothing shall be constructed, reconstructed or kept on any lot which may constitute an annoyance or nuisance to the neighborhood. The Association is empowered to determine what does or does not constitute "noxious or offensive operations".

4. Animals. No animals or livestock of any kind shall be allowed or maintained on any lot, except that two (2) dogs, domestic cats, or other household domestic pets may be kept, provided that they are not kept for commercial purposes. No poultry of any kind or description shall be allowed or maintained on any lot at any time for any purpose.

5. Trailers. No trailer, basement house, tent, garage, barn, or other outbuilding shall be erected or used as either a temporary or permanent residence.

6. Signage. Any signage placed on the lot shall be non-illuminated and of not more than four square feet advertising the property for sale or rent.

7. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All such containers for the storage of such material shall be kept in a neat, clean and sanitary condition.

8. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the lots nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

9. Commercial Businesses. No commercial business may be maintained on the lots.

10. Driveway. Driveways must be constructed of concrete, and all driveways must be completed prior to occupancy. All driveway entrances from the street to each lot shall conform to the following standards. The entrances from the street to each lot shall be sixteen (16) feet in width tapering back to no less than twelve (12) feet in width. The sixteen (16) foot apron shall extend to the inside edge of the sidewalk and said apron is to be of broom finish concrete only.

11. Minimum Building Requirements. No structure shall be erected upon any lot having 3,500 square feet of heated and cooled living area; provided, however, that multi-level residences must have a minimum of 1,500 square feet of heated and cooled living area on the first floor. Living space is measured on the exterior of the foundation walls and such space will NOT include any garages, patios, porches or storage space to meet these requirements. All main dwellings must be constructed on crawl space or basement. No slab construction will be allowed. Each dwelling must contain a garage capable of containing at least two cars.

12. Facade Material. Dwellings of masonry exterior finish with said masonry extending to grade level are encouraged, however, the Architectural Committee may allow other exterior finish as they may determine in their sole and absolute discretion. All dwellings or other buildings constructed on any lot shall have full masonry foundation which must be brick, stone, or veneer, or faced with brick or stone in such a manner that no concrete block is visible above the grade. The exterior construction of all dwellings or other buildings shall be brick, stone, cementboard siding or LP Smart Side, or any combination thereof. Notwithstanding the foregoing, vinyl siding may be used on dormers above roof lines.

13. Roof Pitch. Single story residences shall have a minimum roof pitch of 8 and 12.

14. Garages. All garage doors shall remain closed, except for actual ingress or egress therein. There may be detached garages but a detached garage can only be located to the rear of the main residence. All attached garages must be of at least double car garage size and detached garages may be of single car garage size. Attached garages must have a side entry and detached garages may have a front entry. Carriage style attached garages may have front entry provided residence also has a two (2) car side entry garage.

15. Prefabricated Homes. Preassembled structures for residential purposes shall not be permitted even though said structure may meet all minimum square footage and other requirements.

16. Building Encroachments. Clean Construction Site. No building shall be constructed or maintained on any lot (i) in any reserved drainage utility or landscape easement area; or (ii) closer to the street than the setback line as shown on the recorded plat (actual setbacks to be determined by the Architectural Committee); 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. Once construction has commenced, it shall proceed diligently. Owner and/or its builder shall be responsible for maintaining a neat and orderly construction site; otherwise, the Board may determine in its discretion to hire third parties to clean the site and charge the expense of same to the Owner.

17. Fences. Fences shall be constructed of vinyl or black aluminum; provided, however, that vinyl privacy fences shall be no more than six (6) feet in height. No fence shall be permitted between the rear corner of the building and the street; provided, however, that on corner lots, no fence shall be permitted between the rear corner of the building and the street running parallel to the front of the building, and any fence facing the street running parallel to side of the building shall be erected behind the side set back line. All fences must be maintained in good repair, and Owners agree to abide by reasonable requests for repairs and maintenance as may be made by the Architectural Committee. The use of hedges, shrubbery or evergreens as a fence, or in lieu of a fence, and extending to the front or sides of any lot is permitted, PROVIDED such hedges, shrubbery or evergreens shall not be permitted to be in excess of forty-two (42) inches in height. In the event an owner incorporates any utility, landscape or drainage easement shown on the plat within the boundaries of a fence, the inclusion of this area shall be done in such a manner so as not to interfere with any drainage or other use of said easement. The placement and materials used in the construction of any fence must abide by all governmental regulations, including setback requirements.

18. Unauthorized Structures. No Lot Owner may construct or place any outbuilding on the Lot Owner's property without the prior written approval of the Architectural Committee. Any outbuildings approved by the Architectural Committee that are not constructed on a concrete foundation must have floor to grade lattice or other material covering the open space beneath the building. The Architectural Committee shall have the power to grant conditional authorization to this restriction, including but not limited to specifying the exact location in which such structure can be erected.

19. Repair of vehicles. No vehicles of any type shall be parked upon the properties or in the vicinity of any residence or in the common area for purposes of accomplishing repairs thereto. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being repaired.

20. Prolonged Parking and Commercial and Recreational Vehicles. There shall be no prolonged outside parking of commercial or recreational vehicles, including, but not limited to trucks (other than pick-up trucks not exceeding 3/4 ton), camping trailers, boats, and motor homes on any lot, street or common area. Prolonged outside parking of any type of vehicle as well as utility trailers is prohibited on any lot, street or common area when such interferes with the esthetic quality of the subdivision. All such vehicles must be placed in the owner's garage or stored at an off-site location or stored on a concrete pad behind a fenced privacy area that prevents the vehicle from being seen from the street. The Association shall have absolute discretion, power and authority to determine if this restriction is being violated, to allow variances and to require conditions on such permitted use.

21. Landscaping. Front yards must be sodded with fescue grass, and all side and rear yard areas shall be seeded and strawed. Landscaping is required on every lot, but owners will not be required to submit landscaping plans to the Architectural Committee for approval. Initial landscaping shall be the responsibility of the Builder/Owner of each lot.

22. Lighting. All exterior lighting shall be consistent with the character established in the subdivision and shall be limited to the minimum necessary for safety, identification and decoration. Exterior lighting of buildings for security and/or decoration shall be limited to uplighting or downlighting and the style and type of lighting shall be compatible with the building design and materials. No color lens or lamps are allowed.

23. Alterations to the land. No drainage ditches, cuts, swales, streams, impoundments, ponds; no mounds, knolls, dams or hills, and no other physical improvements or elements of the landscape or terrain of the lot are allowed to be done without the prior written consent of the Association.

24. Roof Pitch. Residences shall have a minimum roof pitch of 3' 6" on the main portion of the residential structure unless otherwise permitted by the Architectural Committee.

25. Satellite Dishes. No large satellite dishes will be permitted unless approved by the Architectural Committee and all the neighbors within the site line of the satellite dish. Mini dishes will be allowed if not visible from the street and are contained within the fenced area in the rear portion of the lot.

26. Swimming Pools. All swimming pools must be in-ground and located to the rear, side or enclosed within the main dwelling. No above ground pools shall be permitted on lots.

27. Sidewalk Construction. Sidewalk construction and maintenance shall be the responsibility of the Builder/Owner of each lot. Each lot shall construct a 48 inch wide sidewalk which shall extend the length of the lot along any roadway which borders said lot. Sidewalks shall be located exactly two (2) feet from the curb to allow for a two (2) foot strip of grass between the curb and the sidewalk which shall also be maintained by the Owner.

28. Additional Requirements. Each Lot Owner is responsible for all exterior maintenance on his own lot. Each Owner shall repair, maintain or replace all exteriors on any building in a good and husbandlike manner. Additionally all landscaping, plants, shrubs, driveways, walks, yards, sidewalk adjacent to the street, etc. shall be maintained in a neat, orderly condition and in a good state of repair and maintenance. All exterior maintenance, including painting, shall be done in the color, method and design that is suitable and approved by the Architectural Committee. The Architectural Committee can base its decision solely on esthetic considerations.

ARTICLE VIII EASEMENTS, ENCROACHMENTS, COMMON AREA

1. General Easement. An easement on all lots is hereby reserved for installation and maintenance of utilities and for drainage within the areas as shown on the Plat.

2. Sidewalks. There shall be an easement for sidewalks running generally 60 inches in width parallel, and two feet (2') from the front lot line of each lot and side lot line fronting the street of each corner lot. The area from the edge of the street curb shall be maintained by the Lot Owner. Thus, all

grass area within the aforesaid two foot (2') area shall be neatly maintained, the sidewalk shall be kept clean and unobstructed and the Lot Owner shall make all repairs and pay for the maintenance of the sidewalk regardless of fault or damage caused by others. Additionally, any sidewalk or curb damaged shall be repaired without delay, and should the necessary repair or maintenance of the sidewalk or grass area not be completed, then the Developer and/or Association may make said repair or maintenance and charge the cost of same to the Lot Owner. This easement is for the use and benefit of all Owners of the subdivision.

3. Entrance Sign. The Common Areas or easement areas at the entrance to the subdivision shall be restricted for the purpose of constructing and maintaining any necessary subdivision entrance signs and for the construction of a fence and landscaping. The Association shall be responsible for the cost of maintaining and/or replacing said sign or signs, fencing, and landscaping located at the entrance to the subdivision.

4. Easements for Utilities and Stormwater Drainage and Retention Facilities. Easements for installation of utilities and stormwater drainage and retention facilities are reserved as shown on the recorded plat and as set forth herein or as required by later amendments. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels and easements.

5. Common Areas. The Common Areas, if any, as shown on the Plat shall be conveyed to the Association in fee simple for the use, enjoyment and convenience of all Owners. Each lot and residence is hereby declared to have, subject to the provisions of this Declaration, a non-exclusive easement over all the Common Areas for the benefit of such lot or residence, the Owners of such lot and each of them, and for their respective families, guests, invitees and contract purchasers, for appropriate intended purposes and uses, subject to the right of the Association to adopt reasonable rules and regulations for such use. In furtherance of the establishment of this easement, the individual grant deeds and mortgages to each lot may, but shall not be required to, set forth the foregoing easement. Except as otherwise provided for by this Declaration, the Common Area may be alienated, released, transferred, or otherwise encumbered only with the written approval of all Owners and each holder of a first mortgage on any lot.

6. Association Functions. There is hereby reserved to Developer, any successor to Developer, and the Association, or the duly authorized agents, representatives and managers of the Association, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this Declaration.

7. Ingress and Egress. In addition, there is reserved to Developer, its successors and assigns for the use and benefit of any adjoining property of Developer a right of ingress and egress over the streets, a right to attach to and use sewer and utility easements and such other easements as may be necessary to develop said property.

8. Covenants Running with Land. Each of the easements provided for in this Declaration shall be deemed to have been established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the lots and Common Areas as the case may be, superior to all other encumbrances applied against or in favor of any portion of the

Properties which is the subject of this Declaration.

9. Subject to Prior Utility Easements. Notwithstanding anything herein expressed or implied to the contrary, this Declaration shall be subject to all easement heretofore or hereafter granted by Developer for ingress or egress and for the installation and maintenance of utilities, sewers, television cables, drainage, and similar facilities that are necessary or appropriate for the development of the Properties.

10. Utility Easements, Duties and Rights. The rights and duties of the Owners of lots with respect to sanitary sewers and water, electricity, television cables, gas and telephone, shall be governed by the following:

(a) Whenever sanitary sewer house connections and/or water house connections or electricity, television, gas or telephone lines are installed within the Properties, which connections or any portion thereof lie in or upon lots owned by others, then the Owners of the lot served by said connections, shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon said lots or to have the utility company enter upon the lots within the Properties in or upon which said connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

(b) When sanitary sewer house connections and/or water house connections or electricity, television cables, gas or telephone lines are installed within the Properties, which connections serve more than one (1) lot, the Owner of each lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his lot.

11. Community Mailbox Station. A community mailbox station containing a separate post office box type receptacle for each Lot shall be located on the Property at a location of Developer's choice for the delivery and receipt of mail for the residents of Walnut Downs, and no mail receptacle shall be located on any Lot. The location and design of said community mailbox station may be changed in the sole and absolute discretion of the Developer, from time to time. It shall be the responsibility of the Association to maintain said community mailbox station in good working condition. If the community mailbox receptacle is discontinued as a result of a change in United States Post Office regulations, then the Architectural Control Committee shall have the right to approve the location, color, size, design, lettering and all other particulars of receptacles for the receipt of mail or similarly delivered materials.

ARTICLE IX GENERAL PROVISIONS

1. Enforcement. The Association, Developer, or any Owner shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. The expense of enforcement, including but not limited to damages, attorney fees, and costs, shall be chargeable to the Owner of the lot violating the provisions hereof and shall constitute a lien on the lot collectable in the same manner as an assessment. Failure by the Association, the Developer or any Owner to enforce any covenant or restriction herein contained shall in no event constitute a waiver of the right to do so thereafter.

2. Severability. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

3. 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 10 years. The Declaration may be amended by an instrument signed by not less than fifty-one percent (51%) of the Lot Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or effect any lien for the payment thereof established herein. Any amendment must be properly recorded to be valid. Notwithstanding the preceding amendment requirements, the Developer shall have the sole authority to amend the covenants and restrictions of this Declaration during the ten (10) years following recordation of this Declaration or until all of the lots in the subdivision have been deeded from Developer, whichever first occurs.

4. Annexation. Developer or his successors and assigns, shall be allowed to annex additional property by way of section to Walnut Downs without the consent of the Association or its members over any mortgages or other lien holders; by the recordation of a supplementary Declaration as provided herein. Upon such annexation, the Association shall take whatever measures are necessary to add such annexed property and lots into the regime on an equal basis with the original property included hereunder.

Upon the recording of any supplementary Declaration, those lots owners contained therein shall become members of the Association obtaining all rights due members of the Association and becoming liable for all assessments and fees as set forth herein and/or in the supplemental Declaration.

All common areas in any annexed property will be deeded to the Association in fee simple to be held in accordance with this Declaration.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, we have hereunto executed this instrument on this the 9th day of December, 2019.

SALEM CREEK PARTNERSHIP

By: [Signature]
Brian Morris, Authorized Partner

State of Tennessee)
)
County of Rutherford)

Before me, the undersigned, of the state and county mentioned, personally appeared Brian Morris, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be an Authorized Partner of Salem Creek Partnership (the "Partnership") and as such Authorized Partner acknowledged that he is authorized to execute the foregoing instrument on behalf of the Partnership and that he as such Authorized Partner, executed the foregoing instrument for the purpose therein contained, by signing the name of the Partnership by himself as Partner.

WITNESS MY HAND and official seal at office in Murfreesboro, Tennessee, on this the 9th day of December, 2019.

[Signature]
Notary Public
My commission expires: 4-17-23

