

ORIGINAL

This instrument prepared by: Richard A. Sedgley, Attorney
320 Cheshire Drive
Knoxville, TN 37919

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

**DECLARATION OF COVENANTS AND RESTRICTIONS OF
SPRING HILL VILLAS SUBDIVISION, PHASE II**

WITNESSETH

WHEREAS, the Declarant/Owner, Metro Properties, Inc., a Tennessee corporation,
placed of record a Declaration of Covenants, Conditions and Restrictions for Spring Hill Villas
Subdivision of record in the Knox County Register of Deeds Office under Instrument No.
200102010049954 which was recorded on February 1, 2001, and

WHEREAS, under said Declaration the property subject to said Covenants and
Restrictions were those that were described in said Instrument, **as well as any other real
properties that may be brought within the jurisdiction of the Association,** and

WHEREAS, the Declarant/Owner, Metro Properties, Inc., has completed Spring Hill
Villas Subdivision, Phase II and has recorded the plat of same in the Register's Office for Knox
County, Tennessee, under that plat described as Spring Hill Villas, Phase II, dated November 18,
2002 by Ronnie Keener, and

WHEREAS, said plat was recorded on January 16, 2003, said plat being Instrument
No. 200201160062223, and

WHEREAS, the Declarant/Owner wishes said Phase II to be subject to the same
Declarations of Covenants, Conditions and Restrictions;



NOW, THEREFORE, for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration, and under the provisions of the original Declaration of Covenants and Restrictions of Spring Hill Villas Subdivision, the undersigned Declarant/Owner does hereby subject all of the property known as Spring Hill Villas, Phase I, as described in the original Declaration of Covenants and Restrictions of Spring Hill Villas Subdivision, as well as all of the properties in Spring Hill Villas, Phase II, as shown on the plat of record in Instrument No. 200201160062223 are bound and subject to the terms and conditions of the Declaration of Covenants and Restrictions of Spring Hill Villas Subdivision, of record in Instrument No. 200102010049954 in the Register's Office for Knox County, Tennessee.

IN WITNESS WHEREOF, this Declaration has been executed this 29 day of APRIL, 2004.

DECLARANT/OWNER:

METRO PROPERTIES, INC.

By: [Signature]
Frank Jenkins
Its: President

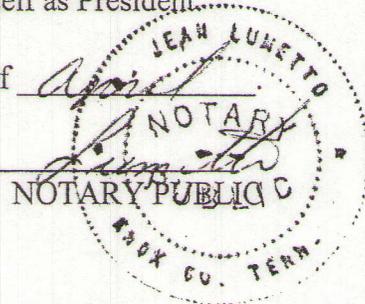
STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public for the state and county aforesaid, personally appeared FRANK JENKINS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the President of METRO PROPERTIES, INC., a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal, at office in Knoxville, this 29 day of April, 2004.

My Comm. Expires: 2-04-08

[Signature]



Instr: 200404290099670
PAGE: 2 OF 2

ORIGINAL

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Knoxville, TN 37919

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

DECLARATION OF COVENANTS AND RESTRICTIONS OF
SPRING HILL VILLAS SUBDIVISION

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants and Restrictions made and entered into this 18th day of January, 2001, by METRO PROPERTIES, INC., a Tennessee corporation, with its principal place of business being located in Knox County, Tennessee, hereinafter referred to as Declarant.

WITNESSETH

WHEREAS, Declarant is the owner of the real property described herein of this Declaration and declares that all of the properties described below shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are 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 in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

LEGAL DESCRIPTION: SPRING HILL VILLAS PHASE I

BEGINNING on a Concrete Monument in the intersection of the western boundary line of Interstate 640 and the southwestern right-of-way of McIntyre Road, said monument located 650 feet northwest of the centerline of Loves Creek Road; thence with the right-of-way of Interstate 640 3 calls as follows: South 07 deg. 05 min. 37 sec. West 256.39 feet to an existing iron pin; South 06 deg. 24 min. 31 sec. East 43.40 feet to an existing iron pin; South 07 deg. 57 min. 49 sec. West 64.01 feet to an iron pin set; thence leaving the right-of-way of Interstate 640 with the common line of Lot 17 of Phase 1 and the line of Phase 2, North 82 deg. 07 min. 50 sec. West 113.95 feet to the eastern right-of-way of Spring Park Road; thence across Spring Park Road South 32 deg. 14 min. 13 sec. West 121.19 feet to an existing iron pin a common corner to the property of Bean Warranty Deed Book 2075, Page 484 and Phase 2 of Spring Hill Villas; thence with the line of Bean North 16 deg. 42 min. 56 sec. West 680.57 feet to an existing iron pin on the southwestern right-of-way of McIntyre Road; thence with the right-of-way of McIntyre Road South 75 deg. 01 min. 15 sec. East 95.48 feet to a set concrete monument; thence South 60 deg. 28 min. 43 sec. East 364.01 feet to the point of BEGINNING and containing 3.239 acres total, all according to the survey of Ronnie Keener R1.S#841 dated April. 20, 2000 and recorded at the Knox County Register of Deeds as Instrument Number 200007140002828.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Spring Hill Villas Subdivision, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be bought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean and refer to all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the

Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is as follows:

COMMON AREA SPRING HILL VILLAS PHASE 1.

To find the point of BEGINNING begin at the point of BEGINNING in the previous description; thence South 07 deg. 05 min. 37 sec. West 256.93 feet to an existing iron pin in the right-of-way of Interstate 640; thence South 06 deg. 24 min. 31 sec. East 43.40 feet to an existing iron pin in the right-of-way of Interstate 640; thence South 07 deg. 57 min. 49 sec. West 64.01 feet to an iron pin set in the right-of-way of interstate 640, a common corner to Lot 17 and Phase 2 of Spring Hill Villas; thence with the line of Lot 17 North 82 deg. 07 min. 50 sec. West 113.95 feet to an iron pin set in the eastern boundary of Spring Park Road; thence across Spring Park Road South 32 deg. 14 min. 13 sec. West 121.19 feet to an existing iron pin, the point of BEGINNING of the Common Area, said iron pin being on the western right-of-way of Spring Park Road and a common corner of Bean Warranty Deed Book 2075, Page 484 and Phase 2 of Spring Hill Villas Phase 2; thence from the point of BEGINNING with the line of Bean North 16 deg. 42 min. 56 sec. West 189.96 feet to an iron pin set, common corner to Lot 8 of Phase 1 in the line of Bean; thence with Lot 8 North 73 deg. 14 min. 05 sec. East 84.91 feet to an iron pin set on the western line of Spring Park Road; thence with the western line of Spring Park Road, 2 calls as follows: with the curve to the right radius 575.01 feet arc distance 46.14 feet chord South 05 deg. 34 min. 07 sec. West 46.13 feet to an iron pin set; South 07 deg. 52 min. 10 sec. West 162.04 feet to the point of BEGINNING, containing 8229.2 square feet or 0.189 acres according to the aforementioned survey.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat or map of The Properties with the exception of Common Area and any dedicated street.

Section 6. "Declarant" shall mean and refer to Metro Properties, Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purposes of development. Declarant and developer are synonymous for the purposes of this declaration.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE II PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remain unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) The right and obligation of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded. However, no consent shall be required for dedication of utility and service easements so long as there is the existence of Class B membership in accordance

with Article III, Section 2, herein;

(d) The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

Section 2. Delegation of use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and purchasers who reside on the property.

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

Section 1. Every owner of a lot which is subject to assessment 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.

Section 2. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners with the exception of the Declarant 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 among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event the Declarant, its successors and assigns, has a lot leased or rented, the Declarant shall be entitled to one vote for each such Lot or Dwelling Unit and one vote for each Lot retained by it upon the termination of Class B membership.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) January 30, 2004.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it or its successor within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

(1) Annual assessments or charges; and

(2) Special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments together with such interest thereon and costs of collection thereof, including attorneys fees, as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with such interest thereon and cost of collection, and reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, welfare of the residents of the properties, and in particular for the improvement, maintenance and beautification of the Common Area and maintenance of the drainage easement as shown on the plat of record, Instrument Number 200007140002828, in the Register's Office for Knox County, Tennessee, and the exterior of homes situated upon the properties, including, but not limited to, costs of repairs, maintenance, replacements, additions, management, taxes assessed against the Common Area and insurance maintained in accordance with the By-Laws and employment of attorneys and accountants to represent the Association when necessary or when the need arises.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$336.00 per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year, without a vote of the Members, if such increase is not in excess of the increase in the consumer price index as established by the Department of Labor and published

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year above that established by the consumer price index by the vote of the Members, by a two-thirds vote of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose as provided in Section 5 herein.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum subject to the provisions of Section 6 and 7 herein.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, or for required maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected monthly.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, 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.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at the uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments. The first annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors 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 Owner subject thereto. The due dates shall be established by the Board of Directors. 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.

Section 8. Effect on Non-Payment of Assessment. The Personal Obligation of the Owner; the Lien; Remedies of Association. Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 10% percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No 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 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. 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 became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All property dedicated to, and accepted by a local public authority and all properties owned by charitable and nonprofit organizations exempt from taxation by the laws of the State of Tennessee shall be exempt from assessments herein. However, in any event, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties nor shall any improvement on a Lot or any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. 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 is, approval will not be required and this Article will be deemed to have been fully complied with. Provided, that nothing herein contained shall be construed to permit interference with development of the properties by Declarant so long as said development follows the general plan of development previously approved by the FHA.

ARTICLE VI PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence, or wilful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or wilful act causes the party wall to be exposed to the element shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE VII EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: exterior paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, original trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the wilful or negligent acts of its owner, or through the wilful or negligent acts of the family, guests or invitees of the Owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

ARTICLE VIII RESTRICTIONS ON USAGE

Section 1. Land use and building types. No Lot shall be used except for residential purposes. In the event that in future annexation or development, certain plots of land are designated as "commercial areas" on recorded plats, then such plots may be used for any commercial purposes permitted by applicable municipal and zoning ordinances.

Section 2. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or become annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and provided further that the Association may regulate the keeping and maintaining of household pets.

Section 4. Outside Antennas. No outside radio or television antennas shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 5. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other out-building shall be used on any Lot at any time.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

Section 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 incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 8. Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of the Common Area or Lots and Living units, any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 9. Commercial Business. No commercial businesses may be maintained on the Common Area or in the Living Units.

Section 10. Alterations. Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Association. No screened porches are to be enclosed without prior approval of the Board of Directors of the Association.

Section 11. Rules for Common Area. The Association is authorized to adopt rules for the use of Common Areas and such rules shall be furnished in writing to the owners. The voting rights and right to use of the recreational facilities by an Owner may be suspended for a period of up to sixty (60) days for violation of such rules.

Section 12. Sports Apparatus and Equipment. No basketball standards or fixed sports apparatus shall be attached to any Living Unit or garage or be erected on the Lot of any Unit.

Section 13. Vehicles and Parking. No vehicles of any type shall be permanently or semi-permanently parked on the Properties or in the vicinity of any Living Unit or in the Common Area for the purpose of accomplishing repairs thereto, or the reconstruction thereof, except as permitted by the Rules of the Association. This restriction shall also apply to all vehicles not in operation condition regardless of whether or not such vehicles are being operated.

Section 14. Garages. Each Owner shall keep his garage area in a neat and orderly condition with all storage areas completely enclosed.

Section 15. Recreation Vehicles. There shall be no parking of recreational vehicles, including, but not limited to, camping trailers, boats, motor homes, and the like except in areas specifically designated for the purpose by the Association.

Section 16. Commercial Vehicles. The Association shall have the power to adopt Rules and Regulations concerning the parking of all commercial vehicles on the Properties Common Area, or individual Lots.

Section 17. Residential Leases. No Owner of any Lot in the Properties shall lease the Lot or improvements thereon for a term of less than nine (9) months.

Section 18. On Site Sales Office. So long as the Declarant shall own any Lot in the Properties described herein or which may be annexed to the Properties in the future, it shall have the right to maintain an on site sales office for the conduct of its business.

Section 19. Fences. No chain link type fences shall be allowed.

ARTICLE IX EASEMENTS

Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. 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 of flow of drainage channels in the easements, or which may obstruct, alter, or retard the flow of water through drainage channels in

the easements. Easements to each individual lot for ingress and egress shall be provided to the rear of each property over the Common Area or by access easements as shown on the recorded plat.

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement. The association, or any 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 Owner to enforce any covenant or restriction herein. No building shall be erected, placed, altered, or permitted to remain on any building lot in the Subdivision until the building plans and specifications and a plan showing the location of a dwelling have been approved in writing by the Board of Directors of the Association.

Section 2. Severability. Invalidation of any one (1) of these covenants or restrictions by judgment or court order shall not in any way affect any other provision, and all other provisions shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owner(s), and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot Owner(s). Any amendment will not be effective until it is recorded in the Register's Office of Knox County, Tennessee.

Section 4. Annexation.

a) Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members.

b) Additional land within the area described in Exhibit "A" attached hereto, may be annexed by the Declarant without the consent of members within five (5) years of the date of this instrument provided that the FHA and VA determine that the annexation is in accord with the general plan approved by them. Said property is described in Instrument # 200001250005060 in the Register's Office for Knox County, Tennessee. See Exhibit A attached hereto.

c) Additional residential property and Common Area shall be considered annexed to the properties upon the recording of a plat in the Register of Deeds Office for Knox County, Tennessee. At said time the owners of Lots in the annexed properties shall acquire all rights and privileges as Owners of Lots in the initial phase of the development of the properties.

d) All improvements intended for future use in the future phases shall be substantially completed prior to annexation to the original properties subject to this Declaration of Covenants, Conditions and Restrictions.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration; Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

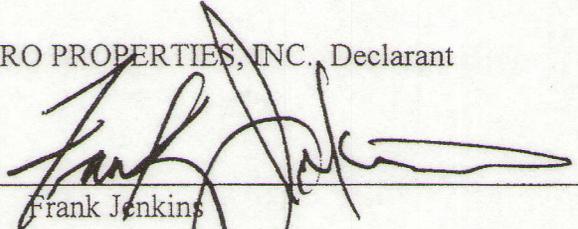
Section 6. Encroachments. It is understood that the residential units which adjoin each other and have a party wall built as a part of the original construction of the said units, which is placed upon the dividing line between adjoining Lots, may encroach on such adjoining lots or Common Areas due to construction or other reasons. Accordingly, an easement is reserved for such encroachments as are contained in the buildings, whether the same now exist or may be caused or created by construction, settlement, or movement of the building(s), or by permissible repairs, construction or alteration. With regard to any differences which may exist on the plat entitled SPRING HILL VILLAS SUBDIVISION PHASE 1 as shown of record in Instrument

Number #200007140002828, in the Register's Office for Knox County, Tennessee, or in any other lands which may hereafter be platted or annexed thereto, and the actual party walls and Lot lines which exist on the Properties, the Lot lines and party walls which actually exist shall control over discrepancies in such plats.

IN WITNESS WHEREOF, METRO PROPERTIES, INC., the undersigned, being the Declarant herein, has caused this instrument to be executed on this the 1st day of FEB, 2001.

METRO PROPERTIES, INC. Declarant

By:


Frank Jenkins

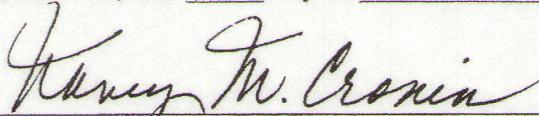
Its:

PRESIDENT

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public for the state and county aforesaid, personally appeared FRANK JENKINS, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the President of METRO PROPERTIES, INC., a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal, at office in Knoxville, this 1st day of February 2001.


NOTARY PUBLIC

My Commission Expires:

July 5, 2004

