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**AMENDED AND RESTATED LAND USE RESTRICTIONS,
PROTECTIVE COVENANTS, AND BUILDING STANDARDS
FOR SHAGBARK**

Whereas, Mountain States Development Corporation, a Tennessee Corporation, placed original Land Use Restrictions, Protective Covenants and Building Standards on property located in Shagbark as set forth in Misc. Book 30, Page 349 in the Register of Deeds Office for Sevier County, Tennessee (“Original Restrictions”); and

Whereas, such Original Restrictions were amended by judicial order entered on January 30, 1998, of record in Misc. Book 331, Page 39 in the Register of Deed’s Office for Sevier County, Tennessee; and

Whereas, Amendments and Additions to Land Use Restrictions., Protective Covenants and Building Standards for Shagbark were adopted and recorded in Misc. Book 331 Page 45, in the Register of Deeds Office for Sevier County, Tennessee, providing in pertinent part, a new Section D, Paragraph 2, which allows that amendment of the Land Use Restrictions, Protective Covenants and Building Standards for Shagbark may be accomplished by the affirmative vote of 75% of the voting owners (provided a quorum is present) at the annual or special meeting of the Shagbark Property Owners’ Association (“Association”) wherein the amendment is considered; and

Whereas, a Second Amendment to Land Use Restrictions, Protective Covenants and Building Standards for Shagbark was then recorded in Book 1014, Page 173 in the Register of Deeds Office for Sevier County, Tennessee on January 20, 2000; and

Whereas, Amended and Restated Land Use Restrictions, Protective Covenants. and Building Standards (“Amended and Restated Restrictions”) were recorded in Book_5023, Page 714 in the Register’s Office for Sevier County Tennessee on November 3, 2017; and

Whereas an Amendment to the Amended and Restated Restrictions was recorded in Book 6423, Page 127 in the Register’s Office for Sevier County Tennessee on November 20, 2023; and

Whereas, an Amendment was recorded in Book 6618 Page 461 in the Register’s Office for Sevier County, Tennessee on November 20, 2024; and

Whereas, it has been determined that changes again need to be made to the Amended and Restated Restrictions, as amended and that this additional restatement is the best vehicle to adopt such changes.

Therefore, the following are adopted as the current Amended and Restated Land Use Restrictions, Protective Covenants and Building standards for Shagbark (“Amendment and Restatement”), with all prior restrictive covenants for Shagbark as stated above or otherwise recorded hereby repealed and replaced as set forth below. All properties subject to the Amended and Restated

Restrictions shall be subject to this Amendment and Restatement which shall run with the land. The grantee of any deed conveying any lot or lots, parcels or tracts shown on any Shagbark plat or any parts or portions thereof shall be deemed by the acceptance of such deed to have agreed to all such covenanted to observe, comply with and be bound by all covenants and restrictions, as follows:

SECTION A:

1. The term “lots” as used herein shall refer to the numbered lots in the numbered blocks on a recorded subdivision plat for Shagbark. These lots shown on said plat shall be used for residential purposes only. Except as herein otherwise specifically provided, no structure shall be erected or permitted to remain on any lot or building plot on said land other than one single family residence. The Association shall have the authority to designate certain areas on a plat as commercial or recreation areas. In such areas, construction other than single-family residences will be permitted. No trade or commercial activity shall be carried on upon any residential lots.
2. The building height in Shagbark shall be the same as allowed by applicable Sevier County codes.
3. No building, fence, sidewalk, wall or structure, driveway or roadway shall be built, constructed, placed, enlarged or altered on any lot unless and until the detailed plans and specifications and the proposed type of construction and the proposed location of such building or structures, driveways, and automobile parking areas upon the said lot shall have been submitted to the Association at their offices and approved of by it in writing. The Association shall within thirty (30) days of receipt of such plans, return said plans to the Purchaser indicating thereon its approval or disapproval.
4. No temporary building of any kind including tent, trailer, barn, or treehouse shall be built or placed on any lot at any time, but temporary buildings that enhance the community such small well-constructed buildings to be used by home owners and that may be moved by homeowners if/when they move may be accepted on a case-by-case basis upon recommendation of the Architectural Committee and approval by the Board of Directors.
5. No boats, trailers, RV’s, camper or unwheeled vehicles of any kind shall be kept on any lot without written approval of the Board of Directors. The intent of this section is to preclude unsightly items on properties. The Board may provide an exemption to this section if the items can be kept in a manner that prohibits them from being unsightly and out of public view such as being kept in a carport or garage. A limited number of parking spaces are available at the Community Center for a fee.
6. All rubbish, trash, garbage, abandoned, inoperative, “junk” vehicles or equipment, trees felled for construction or trees encroaching upon roads or right of ways, building materials or remnants or other waste matter shall be properly disposed of and not allowed to remain on any lot. Garbage and other waste materials shall be stored and disposed of in sanitary containers, which shall be properly maintained and cleaned. No incinerator or outdoor burning shall be permitted. Additionally, all lot owners of improved lots shall reasonably maintain the improved grounds of the premises, including prevention of unsightly overgrowth.

7. Except as otherwise stated herein, no lot in Shagbark delineated on a plat shall be divided or subdivided into smaller lots. Tracts of land of five (5) acres or more may be subdivided into lots accordance with applicable Sevier County land development regulations.
8. No one will be allowed to strip topsoil from any lot, waste away the natural beauty of the lot or to remove any trees greater than 6 inches, without approval of the Architectural Committee. The purpose of this item is to protect the natural beauty of the Shagbark community. It does not disallow necessary construction or any other activities calculated to increase the beauty of the lot or increase its value.
9. No sign of any character shall be displayed or placed upon any building plot or structure including "For Sale" or "For Rent" signs without the prior approval of the Association. Political or campaign signs are allowed 60 day in advance of an election and must be removed within one day after the election. No political or campaign signs are allowed on common area. Political or campaign signs may not exceed 4 ft x 4 ft in area. With the advent of 911 addresses throughout Sevier County, this Association has approved the erection of address signs to be located at road/driveway intersections. Such address signs are not to be moved, removed or otherwise tampered with and if damaged must be replaced "in kind" such that the integrity of this infrastructure remains visible at all times.
10. Intentionally deleted.
11. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood.
12. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot except that dogs, cats, and other domestic pets may be kept provided they are not kept, bred, or maintained for any commercial purposes.
13. Until sewage disposal facilities are available, every residence shall have a septic tank, which shall be installed in such manner as to comply with all laws and health regulations.
14. Nothing shall be done on any lot whereby the natural flow of surface water shall be increased or altered in such manner as to cause a nuisance to any adjoining or neighboring property.
15. Each lot owner shall provide space for parking a car for each bedroom with a minimum of two automobiles off the street prior to the occupancy of any dwelling constructed on said lot. Overnight parking on the street is not allowed. (Revised 2023)
16. Exterior of all houses must be completed within one year after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergencies, or natural calamities.
17. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and a five-foot easement is reserved along all lot lines for said purposes.

18. . No home, residence or living quarters shall be erected, placed, altered in Shagbark, having a floor area of less square footage than as set forth below except as otherwise provided herein. In computing such floor area, measurements will be made from the exterior walls and shall include only finished and heated living area. Basement area, either partially or fully below ground, whether finished or unfinished, shall not be included in computing floor area. Porches or garages shall not be included. The Association reserves the right to grant hardship variances to these minimum square footage requirements in certain situations where, for example, the Owner can show that variance is necessary due to the lot size or shape or the grade of the land. Except where a variance is granted by the Association, floor area are defined herein on all lots shall be as follows:

TYPE DWELLING FLOOR	MINIMUM AREA	MINIMUM AREA GROUND
One Story	1,000 Sq. Ft.	1,000 Sq. Ft.
Two Story	1,250 Sq. Ft	900 Sq. Ft

19. No Shagbark property shall be permitted to be accessed through any means other than via a Shagbark road, with entrance gained only through the limited and controlled access point of the official Shagbark entrance. Likewise, no Shagbark lot shall be used as a point of exit from within Shagbark onto a property outside but adjacent to Shagbark; however, the Board of Directors may authorize and maintain one or more secondary exit(s) from Shagbark for emergency evacuation purposes. It is recognized that such arrangements would compromise the security and controlled access nature of the development and would be an imposition on the rights of other property owners who value this feature and/or bought their property because of the limited access nature of the development. (Revised 2023)

20. “Quiet Hours” in Shagbark are defined as 8PM until 7AM the next day. Construction and maintenance activities are allowed from 7 AM to 7 PM daily. Only emergency work is allowed after 7 PM.

21. All new construction must be inspected from the exterior of the home or any structures thereon by the Association upon completion for final approval confirming that the construction was done according to approved plans and that the property complies with the applicable governing documents, including but not limited to the requirements that all construction debris, including fallen trees and brush have been removed. Roads, drainage facilities (including drainpipes and culverts) and ditches shall be left in the same or better condition as when construction was started. The Association and its representatives or agents will have a right of entry upon each lot for the purpose of such final inspection, and such entry will not be considered a trespass. It is the Owner’s responsibility to notify the Association and request a final inspection. No occupancy in any home or use of any structure will be permitted until the Association has performed the final inspection and given its final approval in writing.

22. All living spaces (heated & cooled spaces) shall be erected/placed on a solid foundation of cinder block or solid poured concrete. Exposed beams and piers, including but not limited to exposed steel beams, will not be allowed to be seen on the exterior of any such living spaces. Any exposed cinder block that can be seen from any road must be covered. Stucco will suffice as a covering for exposed cinder block, though other coverings will also be permitted in the discretion of the Association. The requirement to cover exposed cinder block does not apply

to supports for porches or decks that are not heated or cooled. Porches and decks can have posts or pillars so long as the construction meets the requirements of Sevier County building codes.

23. Exposed steel beams may be used in some cases for foundation supports of heated and cooled living spaces but must be approved by the Association.
24. The maximum gross vehicle weight (GVW) allowed on Shagbark roads is 50,000 pounds.

Section B:

1. Enforcement. If any person bound by this Amendment and Restatement violates or attempts to violate any of the Declarations herein, it shall be lawful for any other Owner or the Association to prosecute any proceedings at law or in equity against a person or persons violating or attempting to violate such Amendment and Restatement and enjoin the violation or recover of damages for the same or seek other relief as appropriate. Where an Owner or the Association seeks to legally enforce this Amendment and Restatement, such Owner or the Association shall be entitled to recover reasonable attorney's fees and costs in doing so from the violating Owner or Owners. Failure of the Owners or the Association to enforce any covenant herein contained for any period of time shall not be deemed a waiver or estoppel of the right to thereafter enforce the same.

In addition to the above enforcement method, the Association may assess fines to Owners for violation of this Amendment and Restatement pursuant to a reasonable fine schedule. The fine schedule shall be adopted by the Resolution of the Directors and/or Officers of the Association. Any Owner, who is in violation, will first receive written warning of the violation and an opportunity to cure for at least ten (10) days from the date of the mailing of the letter. If the violation is not cured, the Owner will then receive a notice of the fine assessed by the Board for the violation. Fines may be collected in the same manner as assessments hereunder. The Owner receiving the notice of the fine then has ten (10) days after the date of the mailing of the notice of the fine in which to request in writing a hearing before the Board and/or Officers relating to the fine. Such hearing shall be scheduled in the reasonable convenience of the Board and/or Officers. Collection of the fine will be stayed until the hearing is held.

SECTION C:

1. The annual fee levied by the Property Owners Association shall be used for the purposes of promoting the health, safety, pleasure and welfare of the property owners, including the maintenance and improvement of roadways, the security of the development, the administration of the Association, the maintenance and improvement of recreation and common areas and for such other purposes reasonably necessary and incidental to the operation and administration of the facilities and services of the community.
2. The amount of the annual fee shall be fixed by majority vote of the owners at the annual meeting of the Association in person or by proxy, said annual fee to meet the budgetary requirements of Shagbark. A statement of income and expense and a budget shall be provided by the Board of Directors and made available at or preceding the annual meeting of the Association. In no event shall the owners increase fees from one year to the next by an amount

exceeding the then current prime rate plus 8%, unless a greater increase is approved by a vote of 75% of the owners at the annual meeting of the Association.

3. Each lot owner, whether or not expressed in his/her deed, instrument of conveyance or otherwise, by having accepted title and ownership, shall be deemed to have consented to pay the annual fee. If the annual fee is not paid on the due date then the fee shall be deemed delinquent automatically and shall, together with interest thereon at the rate of 10% per annum from the due date, administrative costs, and cost of collection, thereupon become a continuing lien upon the property against which it is levied, which lien shall bind such property in the hands of the then owner (s), his heirs, successors and assigns. The fee may be enforced and collected by the Association by the institution of an action at law against the owner or owners personally obligated to pay the same or by an action to foreclose the lien against the property, and there shall be added to the amount of such assessment and interest the cost and reasonable legal fees incurred in enforcement and in collection. All common areas, property, and lots owned by Association shall be exempt from the assessments, charges, and liens created herein. The lien provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust against the lot held by or on behalf of a financial or lending bank or institution.
4. The roads and streets of the development as shown on the maps of record in the Register's Office of Sevier County, Tennessee, are not to be dedicated to the public but are to remain private roadways. The Association may maintain at appropriate entrances to the development, gates, and security personnel for the protection of the residence and the property of the development. The owners of the various lots or their successors in title are granted a perpetual easement over said roadways and streets. The Association shall have the right to regulate and enforce motor vehicle traffic and parking in the development.
5. These covenants are to take effect immediately and shall be binding on all parties and all persons claiming under them.
6. Invalidation of any one of these covenants by judgment of Court order shall not in any way affect any of the other provisions, which shall remain in full force and effect.

SECTION D:

1. Every owner of real property within the geographic boundaries of Shagbark and subject to this Amendment and Restatement shall automatically be a member of the Shagbark Property Owners Association, Inc. Membership shall be appurtenant to and may not be separated from ownership of any lot or tract. Such owner and member shall abide by the Association's By-Laws, Charter, and rules and regulations. Any entity or person, who holds title or interest in a lot merely as a security for the performance of an obligation, including mortgages, deeds of trust or liens, shall not be a member of the Association.

SECTION E:

The rights of the Association set forth in the original Land Use Restrictions, Protective Covenants, and Building Standards for Shagbark are hereby assigned and transferred to the Property Owners Association.

1. These Land Use Restrictions, Protective Covenants, and Building Standards for Shagbark may be amended by the affirmative vote of a simple majority of 50% plus 1 of the voting owners (provided a quorum is present) at the annual or special meeting of the Association wherein the amendment is to be considered. Notice of the proposed amendment (s) shall be mailed or sent electronically at least forty-five (45) days prior to the meeting at which the proposal is to be considered. Electronic notices shall be sent to an email on file with the Association for the lot owner. An owner providing the Association his or her email address will be considered consent for receiving email notices at such address unless the owner advises the Association otherwise in writing. Ballot forms, voting rights and procedures for amendments shall be as provided in the By-laws. If the amendment is adopted, the officers of the Association shall be empowered to record a copy of the amendment in the Register's Office for Sevier County, Tennessee, with a certificate stating that it has been duly adopted.

SECTION F:

There is a subordinate Homeowner's Association located within Shagbark known as "The Village". Each lot owner in the Village, whether or not expressed in his/her deed, instrument of conveyance or otherwise, by having accepted title and ownership, shall be deemed to have consented to pay Shagbark's annual fee and are considered members of Shagbark in addition to being members of The Village.

1. As members of Shagbark, residents of the Village enjoy the same benefits and obligations as other members of Shagbark except as delineated here. Residents of the Village may serve on the Shagbark Board of Directors, if they are in good standing.
2. Residents of the Village have full access to Shagbark amenities including but not limited to the Guard Gate, Roads, Pool and Tennis Courts, operated and maintained by Shagbark.
3. Roads, roads maintenance, and general maintenance in the Village is the responsibility of the Village Homeowner's Association. Shagbark is not responsible for the roads or maintenance in The Village.
4. Properties in the Village are required to meet the Village architectural standards and not Shagbark's architectural standards.
5. By agreement, vacant lots owned by the developer in the Village are exempt from paying Shagbark association fees. Shagbark fees are assessed when a lot is sold to a third party and/or upon completion of construction of a structure on the property.
6. New construction in the Village is subject to a road use fee for non-owners set by the Shagbark Board of Directors. This fee is paid when construction commences. This fee is applied equally for all Shagbark members and is not specific to the Village

This Amendment and Restatement shall be effective immediately upon their recording with the Register's Office for Sevier County, Tennessee.