

**SUBDIVISION RESTRICTION, RESERVATIONS,
HOME OWNERS ASSOCIATION, AND EASEMENTS**

HEARTWOOD SUBDIVISION

DECLARATION OF RESTRICTIONS, HOMEOWNER'S ASSOCIATION EASEMENT on land embraced in Heartwood Subdivision, a Subdivision in Carter County, Tennessee, as shown on and by Plats recorded in Plat Cabinet B, Slides 256 and _____, in the Office of the Register of Deeds for Carter County, Tennessee (hereinafter referred to collectively as "Plat").

The undersigned, owner of all the land embraced in Heartwood Subdivision (as well as access easements thereto and there from), by virtue of: Deeds of record in Deed Book No. 446, Pages 151 and 154; Agreement of record in Misc. Book No. 79, Page 780; and, Easement/Right-of-Way Deed of record in Misc. Book No. 82, Page 587, said Registry, does hereby declare that the reservations, easements, homeowners association, and restrictions hereinafter set out shall be, and the same hereby are, made applicable to said property and established as covenants running with the land, under a general plan or scheme of improvement for the mutual and reciprocal benefit (in contract and otherwise of all the land and Lots in said Subdivision and all future owners thereof, to-wit: Now, therefore, the undersigned Owner, herein also referred to as Developer, declares in furtherance thereof that all of the property described above is held and shall be held, conveyed, hypothecated or encumbered, leased rented, used, occupied and improved subject to the following limitations, restrictions, and reservations, conditions, easements, homeowners association, agreements and covenants, all of which are declared and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision lands and every part thereof, and all of which shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described lands or any part thereof, whether or not expressly incorporated by the respective deed or document of conveyance.

I PREAMBLE

1. If the owners of such lots or any of them, or their heirs, or assigns, shall violate any of the covenants hereinafter set out, it shall be lawful for any other person owning real property situated in such subdivision, the Developers, or the Association, to prosecute any proceedings at law or in equity against the person or person violating any of such covenants, and either to prevent them from so doing or to recover damages for such violation, or both.

2. Invalidation of any of these covenants by judgment or Court Order shall in no way affect any of the other provisions, which shall remain in full force and effect.

3. The Developers or Association may make other restrictions applicable to each lot by appropriate provision in the contract or deed.

4. The Developers or Association reserve the right to modify the restrictions contained herein with the consent of a majority of the individual lot owners, but such modification must be in writing.
5. Violation of any restriction, condition or covenant herein shall give the Developers or Association the right to enter upon the property where the violation exists and summarily abate or remove the same at the expense of the owner and such entry and abatement or removal shall not be deemed a trespass, but failure to do so will not constitute a waiver.
6. These reservations and covenants shall be binding upon and inure to the benefit of the Developers, the Association, and each lot owner, their respective heirs, assigns, successors in interest and personal representatives.
7. At such time as the Developers shall, in their sole discretion, determine that it be in the best interest of the Developers to transfer to the Association any of the powers, authority, decision making powers and responsibilities or obligations reserved to and/or imposed upon the Developers within this Reservation, it may do so, however, the Developers shall not be obligated to, in any manner, transfer said power, authority, decision making powers, responsibilities or obligations, it being expressly agreed and understood that until the Developers do so, said Developers shall retain any and all powers, authority, decision making powers and any responsibilities or obligations given to or reserved unto them under this Reservation. Developers may also choose to convey any common area, field line area or other property or interest therein to the Association and the Association shall accept said property, or interest therein, and be responsible therefore.

II HOMEOWNERS ASSOCIATION

1. Every person acquiring title, legal or equitable, to any lot in Heartwood Subdivision, shall become a member of the Homeowner's Association, to be incorporated as such, hereinabove and hereinafter referred to as the "Association", and so long as said person is the owner of such lot, said person shall remain a member of the Association.
2. Such membership is not intended to apply to those persons who hold an interest in any lot or unit merely as a security for the performance of an obligation to pay money, for example a mortgage or deed of trust. However, if such person should realize upon their security and become the real owner of a lot, they will then be subject to all the requirements and limitations imposed in those restrictions and agreements on owners of lots within the subdivision and on members of the Association, including those provisions with respect to payment of annual charges.

3. The Association shall be responsible for the maintenance, repair and upkeep of the private streets within the Subdivision, including easements. The Association shall also promulgate and enforce all regulations necessary for the use and enjoyment of such streets. The Association shall have all the powers that are set out in its articles of incorporation and all other powers that belong to it by operation of law, including, but not limited to, the power to levy against every member of the Association a uniform annual charge per single family residential lot within the Subdivision, the amount of said charge to be determined by the board of directors of the Association, but never to be less than \$100.00 per year payable on January 2nd of each year, after consideration of current maintenance and/or improvement needs and future needs of the Association, for the purpose set forth in its articles of incorporation. No such charges shall ever be made against, or payable by, the Developers or the Association itself. Every such charge so made shall be paid by the member to the Association, or its designee, on or before the due date established by the Association. The board of directors of the Association shall fix the amount of the annual charge per lot at least thirty (30) days before the due date and written notice of the charge so fixed shall be sent to each member. If any such charge shall not be paid when due, it shall bear interest from the date of delinquency at the rate of 10% per annum. The annual charge shall, if unpaid within thirty (30) days of its due date, become a lien or encumbrance upon the land and acceptance of each deed, not including acceptance by mortgagee, shall be construed to be a covenant to pay the charge. The Association may publish the names of the delinquent members, and may record a lien to secure payment of the unpaid charge plus cost and a reasonable attorney's fee. Each such lien may be foreclosed at anytime. In addition to the remedy of lien foreclosure, the Association shall have the right to sue for such unpaid charges, interest cost, and reasonable attorney's fees, in any court of competent jurisdiction as for a debt owned by any delinquent member to the Association. Every person who shall become the owner of the title, legal or equitable, to any lot in the subdivision by any means shall be conclusively held to have covenanted to pay the Association, or its designee, all charges that the Association shall make pursuant to any paragraph or subparagraph of these restrictions. Any lot acquired is taken subject to the lien for any prior or unpaid charges. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association certifying that the charges on a specified lot have been paid or that certain charges against said lot remain unpaid, as the case may be.
4. The fund accumulated as the result of the charges levied by the Association shall be used exclusively, except for payment of the Association operating expenses, for the improvement and maintenance of the streets within the Subdivision, including easements, which shall have been conveyed to or acquired by or subject to use by the Association, as well as any other improvements which may from time to time be made to the Subdivision by the Association.

5. The Board of Directors of the Association have the right to suspend the voting rights, if any, of any member, for any period during which any Association charge, including the charges and the interest and reasonable attorney's fees, if any, hereinabove set forth, owed by the member to the Association remains unpaid and/or during the period of any continuing violation of the restrictive covenants of the Subdivision, after the existence of the violation shall have been declared by the board of directors of the Association.
6. The grantee of any lot subject to the coverage of this declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from the Developers or any subsequent owners of such lot, shall accept such deed or contract upon and subject to each and all of these restrictions and the agreements therein contained, and also the jurisdiction, rights and powers of the Developers, and by such acceptance shall for himself or herself, his or her heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Developers or the Association, and to with the grantees and subsequent owners of each of the lots within the Subdivision, to keep, observe, comply with and perform said restrictions and agreements. Each such grantee also agrees, by such acceptance, to assume as against the Developers and the Association, their successors, heirs and assigns, all of the risk and hazards of ownership of occupancy attendant to such lot.

III EASEMENTS

1. The Developers are not conveying to any lot owner any of the land within any platted street and have and hereby reserve all easements for utilities or drainage, whether or not shown on the recorded plat and full rights of ingress and egress for themselves, their heirs and assigns, over any part of the property for the purpose of installing, and servicing the utilities and drains for which the easements are reserved.
2. Developers hereby reserve an easement for installation and maintenance of all utilities or drainage, which easement shall be 10 feet wide and shall be 10 feet on both sides of all lot lines shown on the recorded subdivision plat. Upon mutual agreement with the Developers or the Association and the lot owner said easement may be modified in writing to work around the established trees.
3. The Developers reserve an easement for natural drainage as natural drainage courses now exist and no owner shall obstruct any natural drainage course.
4. All lots are subject to State and Federal law relative to proper waster water disposal, including, but not limited to the requirements of the State of Tennessee Department of Environment and Conservation. Prior to

construction of any structure, which requires waste water removal, the specific lot owner shall make application to appropriate State officials to obtain approval for a septic system to be located within the boundaries of each such lot.

5. The Developer hereby grants, to each lot owner in Heartwood Subdivision, without further or specific reference, a right-of-way/easement for the purpose of ingress to said lot, and egress from said lot to Heaton Branch Road, across and along that certain perpetual, non-exclusive 45 foot driveway, as more particularly set forth on plat of record in Plat Cabinet B, Slide 256, and referenced in instruments of record in Misc. Book No. 79, Page 780, and Misc. Book No. 82, Page 587, all in the Register's Office for Carter County, Tennessee.

IV APPROVAL OF PLANS

1. All plans for the construction of private roads and driveways and all building plans for any building, fence, wall or other structure to be erected on any lot, or portion thereof, and the proposed location thereof upon any lot, and any changes after approval thereof, any remodeling, reconstruction, alteration, or addition to any building, road, driveway or other structure upon any lot in such premises shall require the approval in writing of the Developers or Association. All building plans for any building, fence, wall or other structure to be erected on any lot shall specifically specify the type of material or exterior finish which shall be visible on the exterior or face of the building, fence, wall or other structure, which material or exterior finish shall be consistent with a rustic and/or natural setting type setting such as, but not limited to, cedar siding, natural stone, dark fired brick, log and/or log siding, or other such material as would be consistent with development in a rustic and/or natural setting. Before beginning the construction of any road, driveway, building, fence, wall or other structure whatsoever, or remodeling, reconstruction, or altering such, the person or persons desiring to erect, construct or modify the same shall submit to the Developers or Association two complete sets of road or driveway plans, showing the location, course and width of same or two complete sets of building plans and specifications for the building, fence, wall or other structure, as is applicable, so desired to be erected, constructed or modified. No structure of any kind, the plans, elevations and specifications that have not received the written approval from the Developers or Association, and which does not comply fully with such approved plans and specifications, shall be erected, constructed, placed or maintained upon any lot. Approval of such plans and specifications shall be evidenced by written enforcement on such plans and specifications, a copy of which shall be delivered to the owner or owners of the lot upon which the prospective building, road, driveway or other structure is contemplated prior to the beginning of such construction. No changes or deviations in or from such plans and specifications as approved shall be made without the prior

written consent of the Developers or Association. The Developers or Association shall not be responsible for any structural defects in such plans or specifications or in any building or structure erected according to such plans and specifications. The Developers or Association and the lot owner and adjoining lot owner affected thereby.

V GENERAL RESTRICTIONS

1. No lot shall be used except for residential purposes and no residential dwelling shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling. Only one residence shall be constructed on each lot, however, this shall not prohibit the construction of a residence on two or more lots, as shown by said plats.
2. No house or residence containing less than twelve hundred (1,200) square feet of living area shall be constructed on any home site or lot in this Subdivision without written approval from the Developers or Association. "Living Area" shall be construed to mean floor space, exclusive of galleries, porches, porte cocheres, garages, overhanging roofs, steps, basements and attics.
3. There is a 30-foot building set back from all road rights-of-way. There shall be a fifteen (15) foot building set back from all other lot lines. As stated in Section IV above, no variance from setback will be granted without approval of the Developers or Association and adjoining lot owner affected thereby.
4. No outbuildings shall be erected on any lot with roof or outside walls of material or color different from those used in the house or residential dwelling erected on such lots.
5. No trash, garbage or other refuse may be thrown or dumped on any vacant lot, street or right-of-way in this Subdivision.
6. No lot may be used as a street or right-of-way to any adjoining property except with written consent of Developers or Association.
7. No fuel tanks or similar storage receptacles may be exposed to view. A satellite dish shall be hidden from view of the adjacent property owners by adequate fencing or planting.
8. Where a driveway entrance crosses a ditch line to adjoin an existing public roadway, a corrugated metal culvert with a minimum diameter of eighteen (18) inches must be installed.
9. No live trees measuring in excess of six (6) inches in diameter at ground level may be cut down without approval of the Developer or Association, including those trees to be cut prior to the construction of any buildings.

10. No person shall dig and haul away any substantial amount of soil, dirt and/or rock, or substantially disturb in some other manner the natural layout of the land without approval of the Developers or Association.
11. No lot shall be used in whole or in part for the storage of rubbish of any character, whatsoever, nor for the storage of any property or thing that will cause such lot to appear an unclear or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any lot that will emit foul or obnoxious odors, or that will cause any noise that will might disturb the peace, quiet, comfort, or serenity of the occupants of the surrounding property. No cattle, hogs, horses, rabbits, poultry or other livestock may be kept on any part of this property nor shall there be any kennels for harboring, raising or training any nature of animals nor shall such activity be carried on, on or form any house which may be constructed on said pretty; and for this purpose any family or person occupying a house located upon any said lots and owning and controlling more than three (3) animals kept or harbored upon the premises of said lots shall be considered to be operated a kennel and shall be deemed in violation of these restrictive covenants. No television, radio, or telephone towers may be erected.
12. No independent water supply system shall be maintained on any lot in said subdivision unless prior public health department approval is attained and must be approved by the Developers or Association.
13. No junk, stored or inoperable vehicles, or machinery shall be placed or stored upon any of said lot or lots in or around any structure located thereon unless the same be housed and stored inside a properly constructed structure as defined in these restrictive covenants, or the same shall be kept from the view of adjacent property owners and out of the new from right-of-way in said subdivision. Any vehicle abandoned on the streets or right-of-way of this subdivision for more than three (3) days shall be towed at the owner's expense. Boats, motor homes or campers may be stored temporarily only for a period, not to exceed ten (10) days, unless the same be house and stored inside a properly constructed structure as defined in these restrictive covenants.
14. No lot shall be subdivided.
15. All equipment, garbage cans, wood, storage piles and other such similar items shall be screened by adequate fencing, planting, or housing from adjacent property owners. Chain link, metal or wood fences must be approved by the Developers or Association. On approval, fences must not extend forward past the farthest back corner of residence on any lot.

16. No noxious, offensive, or illegal activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
17. No structure of a temporary character, trailer, camper, motor home, basement, tent, shack, garage, barn or other outbuildings shall be used on any lot anytime as a residence temporarily or permanently without prior written consent from the Developers or Association.
18. Once construction of improvements is started on any lot, the improvements must be substantially completed in accordance with plans and specifications, as approved, within twelve (12) months from the commencement date.
19. No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications.
20. Any dwelling which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the lot restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain long than six (6) months.
21. Each lot owner shall provide space for parking of two (2) automobiles off the street prior to the occupancy of any dwelling constructed on said lot. In no event shall any vehicle be allowed to park on the street on a regular basis or for periods in excess of 24 hours.
22. Prior to commencement of construction of any building, fence, wall or other structure to be erected on any lot or portion thereof, a gravel driveway, sufficient in length and width to prevent mud or other debris from being deposited onto the streets and rights-of-way of this subdivision, shall be put in place on the subject lot.

HEARTWOOD HOLDING CO LLC

Declaration of Modifications to the original Restrictions, Homeowner's Association, and Easements on land embraced in Heartwood Subdivision, a subdivision in Carter County, Tennessee, as found of record in Miscellaneous Book 79, Page 780 and Miscellaneous Book 83, Page 710 in the Register's Office for Carter County, Tennessee.

Modification #1 – Section V – General Restrictions – Paragraph 1: No lot shall be used except for residential purposes. Guest quarters, utility/storage building or detached garage shall be permitted, but limited to one structure per lot, be serviced from the residential single-family dwelling and be no larger than 600 sq. ft. This structure must be constructed with similar materials, design, and quality as to compliment the main residence. This structure can be built before the main single-family residential dwelling, but once the footings are poured, it must be completed within six (6) months. Construction of the main house must begin within eighteen (18) months of this start date.

Modification #2 – Section V – General Restrictions – Paragraph 8: Where a driveway entrance crosses a ditch line to adjoin an existing public roadway, a corrugated metal culver with a minimum of twelve (12) inches must be installed.

Modification # 3 – Section V – General Restrictions – Paragraph 9: No live trees measuring in excess of ten (10) inches in diameter at ground level may be cut down without approval of the Developers or Association, including those trees to be cut prior to the construction of any building.

Modification # 4 – Section V – General Restrictions – Paragraph 17: Structures of a temporary character such as trailers, campers, motor home, tent shall be permitted on owner's lot and used as a temporary residence but restricted to remain for only a period of two (2) weeks after which it must be removed.

Modification # 5 – Section V – General Restrictions – Paragraph 18: Once construction of improvements is started on any lot, the improvements must be substantially completed in accordance with plans and specifications, as approved, within eighteen (18) months from the commencement date.

Modification # 6 – Section V – General Restrictions – Paragraph 19: No main residential dwelling shall be occupied until same has been substantially completed in accordance with its plans and specifications.

Modification # 7 – Section V – General Restrictions – Add Paragraph 23: Homeowners shall be permitted to rent their personal residential dwellings and must have a signed rental maintenance agreement with a commercial realtor if they choose to rent to the general public. This shall not be necessary if the rentals are to friends and family.

Modification # 8 – Section V – General Restrictions – Add Paragraph 24: Any damage done to subdivision's private roads during the course of construction shall be the responsibility of the individual homeowner to have repairs done.



This AMENDED AND MODIFIED DECLARATION OF GENERAL RESTRICTIONS is made this 14th day of December, 2007 by resolution of the requisite majority percentage of owners of all lots in Heartwood Mountaintop Subdivision, Carter County, Tennessee. Declaration of Modifications to the original Restrictions, Reservations, Homeowner's Association, and Easements on land embraced in Heartwood Subdivision, a subdivision in Carter County, Tennessee, as found of record in Miscellaneous Book 79, Page 780 and Miscellaneous Book 83, Page 710 in the Register's Office for Carter County, Tennessee.

Second set of the Declaration of Modifications to the original Restrictions, Reservations, Homeowner's Association and Easements recorded as above stated. Also a Declaration of Clarification to the First set of Modifications recorded as stated above.

Clarification #1 to Modification #1-Section V. General Restrictions – Paragraph # 1:

No lot shall be used except for residential purposes. Guest Quarters, Utility Storage Building, or detached garage shall be permitted, but limited to one structure per lot, be serviced from the residential single family dwelling and contain no more than 700 sq. ft. of "Living Area" as described in Section V-General Restrictions, Paragraph #2 "Living Area" shall be construed to mean floor space, exclusive of galleries, porches, decks, Porte cocheres, garages, overhanging roofs, steps, basements and attics. This structure must be constructed with similar materials, design and quality as to compliment the main residence. This structure can be built before the main single family residential dwelling, but once footings are poured, it must be completed within six (6) months. Construction of the main house must begin within eighteen (18) months of the start date. Plans and specifications must be submitted and approved by the Developer or Association before construction begins.

Clarification #2 to Modification #5-Section V General Restrictions-Paragraph # 18:

Once commencement of improvements or construction is started on any lot, all work must be pursued diligently to completion in accordance with plans and specifications, as approved, within eighteen (18) months from the start of excavation and pouring footings with the exception of acts of God which may delay this process. In the event construction has ceased for a period of 30 days or more the Developer or Association shall notify the owner, heirs or assigns in writing by certified mail of their non-compliance. Upon receipt of such notification the owner shall be given a 14 day period to respond and to submit a plan of action for approval. Upon receipt of an agreed plan of action the owner shall be given 14 days from the approval date to continue work to correct the noncompliance issue. In the event, the owner does not commence to

continue construction within this timeframe in a diligent manner, the Developer or Association shall have the right to begin the demolition work, proper disposal of debris and restoration of the building site to a “near original condition” as possible. This shall be done at the owners’ expense, plus any and all attorneys’ fees, interest and late fees. If the invoice for all work completed, attorney fees, interest, late fees, any fines levied, etc. is not satisfied in full within 30 days of receipt by the owner, heirs or assigns, the Developer or Association shall have the right to enforce by civil suit an action to perfect a claim of lien. Any monies collected shall be placed in the HOA Maintenance and Repair Fund Account for use as deemed by the Developer or Association.

Clarification #3 to Modification #8-General Restrictions:

There shall be a non-refundable construction “impact” fee paid to the Homeowner’s Association Maintenance and Repair Fund Account in the amount of \$2,000.00 for new construction. This impact fee shall be paid in full upon approval of homeowner’s building plans and specifications prior to beginning any and all construction. Owner shall also submit, along with their construction application, evidence of a monetary means to complete construction of their planned residence. The “impact fee” for improvements, i.e., decks, garages, landscaping, etc. shall be based upon a rate of 5% of the total cost of the project and not to exceed \$2000.00.

Clarification #4 to Modification #9-Section V-General Restrictions-Paragraph #16:

No noxious, offensive, illegal activity or hunting shall be carried on upon any lot or common area in the subdivision, nor shall anything be done therein which may be or may become an annoyance or nuisance to the neighborhood.

Clarification #5 to Modification #10-Section V-General Restrictions-Paragraph #21:

Each lot owner shall provide space for parking of two (2) vehicles off the subdivisions roads, or shared driveway, prior to the occupancy of any dwelling constructed on said lot. In no event shall any vehicle be allowed to park on the subdivision roads, shared driveway, easements, and cul-de-sacs or turn rounds. In the event this occurs the Developer or Association has the right to have the vehicles towed at owner’s expense.

Modification #11-Section V-General Restrictions- New Paragraph #25:

There shall be posted speed limit signs of 25 mph within the subdivision. Anyone consistently exceeding the posted speed limits within the subdivision will receive a written warning notice for the first offense. Thereafter, \$25.00 shall be charged for each successive offense noted. These monies shall be placed in the HOA Maintenance and Repairs Fund Account for use as deemed by the Developer or Association.

Modification #12-Section V-General Restrictions- New Paragraph #26:

ATV’s shall be allowed in the subdivision but the use of ATV’s is limited only to owners and/or their guests. Any person under the age of 12 must have a responsible licensed driver on the ATV at all times. Renters and Construction Workers are *prohibited* from operating ATV’s within the subdivision. The use of ATV’s is limited to subdivision roads, between hours of 7:00am and 9:00pm and is not allowed on private lots or common areas. In the event this restriction is violated, the Developer or Association has the right to fine the homeowner’s responsible the sum of \$50.00 for each offense. After

three (3) repeated offenses the responsible homeowner shall be required to remove the ATV from the subdivision.

Modification #13-Section V-General Restrictions-New Paragraph #27:

Signage – One sign per property and of approved size and design may be displayed on any property advertising it, together with any improvements located thereon for sale. All other signs, billboards, or advertising structures of any kind are prohibited except upon application to and with written permission from the Developer or Association.

Modification #14-Section V – General Restrictions – New Paragraph # 28:

Maintenance of Lots and Structures: All lots and any improvements placed thereon, whether occupied or unoccupied, shall at all times be maintained in such a manner as to prevent them from becoming unsightly, unsanitary or a hazard to public health or safety. If not so maintained, Developer or Association thru its agents and employees shall have the right to remedy the matter at the owner's expense. The Developer or Association, its agents or contractors shall not be liable for any damages which may result from any remedy or maintenance work performed to correct the grievance.

Modification # 15-Section V-General Restrictions-New Paragraph # 29:

All outdoor lighting shall be such that it does not create light trespass onto neighboring properties and shall provide a means of either manual or automated shut off when not needed.

Modification # 16-Section V-General Restrictions-New Paragraph # 30:

Special Assessments for funding of special projects or purchase of equipment not covered by the Annual HOA dues, which are necessary to protect and or promote the health, safety, welfare or property values shall be submitted in writing to all homeowners. Notice of the special assessment shall be given to property owners in a timely manner to allow for payment thereof at least 30 days prior to the time such assessment or installment shall become due and payable. The assessment levied against each property may be enforced by civil suit by the Developer or Association as an action on account or as an action to perfect a claim of lien. The Developer or Association shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges of membership unless or until all assessments and charges to which the same are subject have been paid in full. Monies collected shall be placed in the HOA Maintenance and Repair Fund Account for use as so deemed.

Modification # 17-Section V-General Restrictions-New Paragraph #31:

All landscape plans and drawings are to be submitted to Developer or Association prior to completion of any construction on the property. Approved plans must be implemented by the property owner on or before the receipt of an "Occupancy Permit". In connection with its approval or disapproval of a proposed landscape improvement, the Developer or Association shall evaluate each application for the total effect. This evaluation relates to matters of judgment and taste, which cannot be reduced to a simple list of measurable

criteria. The approval for one proposed plan shall not be construed as creating any obligation on the part of the Developer or Association to approve applications involving similar designs pertaining to different lots.

Modification #18-Section V-General Restrictions-New Paragraph #32:

Prior to any transfer or change of ownership of property, a full disclosure of all Heartwood's Restrictive Covenants and Modifications shall be made to prospective buyers. Any non-compliance prior to completion of the change in ownership shall be corrected by the homeowners at their expense. The Developer or Association may fine the owner an appropriate monetary amount for any unresolved non-compliance involving aesthetic, construction, environmental, public health, and safety and security issues. The fine shall become part of the annual assessment for the property until paid in full.

Every provision of these Modifications/Clarifications is hereby declared to be independent of and severable from every other provision hereof. If any provision hereof, shall be held by a court of competent jurisdiction, to be invalid or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

This revision supersedes all previous versions of and revisions to the Declaration.