

EXHIBIT 1.**PROTECTIVE COVENANTS FOR ROYAL OAKS Subdivision****PHASE ONE; SECTION ONE, TWO AND THREE**

KNOW ALL MEN BY THESE PRESENTS, that whereas, the undersigned Royal Oaks Development Company is the owner in fee simple of all the lots situated in District 19 of Blount County, Tennessee, in what is known and designated as Royal Oaks Subdivision, Phase One, Section One as shown by map of record in Map File 1041B and Royal Oaks Subdivision Phase One, Section Two as shown by map of record in Map File 1042A, and Royal Oaks Subdivision Phase One, Section Three as shown by map of record in Map File 1042B all in the Register's Office for Blount County, Tennessee and

WHEREAS, the undersigned own other property which will in the future be a part of this same development and reserve the right to designate any portion of the remaining property for use, as multi-family housing and these restrictions shall not apply to any property so designated by the undersigned and

WHEREAS, the undersigned are desirous of enhancing the value and desirability of said lots in said subdivision as residential sites by imposing certain restrictive or protective covenants and certain easements on said lots.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, the undersigned have fixed and do hereby impose the following uniform set of restrictions regulating the use and ownership of all the lots in said Royal Oaks Subdivision as hereinabove set forth, to-wit:

1. **LAND USE AND BUILDING TYPE.** The term "lots" as used herein shall refer to the numbered lots in the numbered blocks as shown on said plat. The 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 detached single family residence. Without the prior approval of the Developer, the height of the residence on each building plot shall be not more than two full stories above the normal surface of the ground. No building at anytime situated on any lot or building plot shall be used for any business, commercial amusement, hospital, sanitarium, school, clubhouse, religious, charitable, philanthropic or manufacturing purposes or as a professional office, and no billboards. or advertising signs of any kind shall be erected or displayed thereon, except such signs as are permitted elsewhere in these covenants and restrictions. No building situated on any lot or building plot shall be rented or leased separately from the rental or lease of the entire property and no part of any such building shall be used for the purpose of renting rooms therein or as a boarding house, hotel, motel, tourist or motor court. No duplex residence, garage apartment or apartment house shall be erected or allowed to remain on any lot or building plot and no building on any lot or building plot at any time shall be converted into a duplex residence, garage apartment or apartment house a private attached garage for not

more than three cars, but not less than two cars shall be required. The driveway shall provide a minimum of two additional off street parking spaces. On street parking shall be prohibited.

2. DWELLING QUALITY AND SIZE The intention and purpose of the covenant herein is to assure that all dwellings shall be of the quality of workmanship and materials substantially the same or better than that which can be produced on the date these covenants are recorded. The heated living area for dwellings constructed on all Lots in Phase I, Sect. 3 as shown on map of record in Map file 1042B Register's Office for Blount County, Tennessee and all Lots Phase I, Sect 2 in the Register's Office for Blount County, Tennessee except Lots 91, 92, 93, 94, 95, 96, 97, 98, 198, 210 and 211 are as follows: (a) a one story dwellings shall be not less than 1,600 square feet; (b) a split level dwelling shall be not less than 2,000 square feet of floor area; (c) a one and a half or two story dwelling shall be not less than 1,750 square feet of floor area. The heated living area for dwellings constructed on all Lots in section I, Phase I as shown by map of record in Map File 1041B and Lots 91, 92, 93, 94, 95, 96, 97, 98, 198, 210 and 211 in Phase I, Section 2 as shown by map of record in Map File 1042A in the Register's Office for Blount County, Tennessee are as follows: (a) one story dwellings shall be not less than 2,000 square feet; (b) a split level dwelling shall be not less than 2,400 square feet of floor area; (c) a one and a half or two story dwelling shall be not less than 2,150 square feet of floor area.

Heated living area on all lots excludes unfinished basements and garages. No split foyer dwelling shall be allowed. All dwellings shall have a shaker type roof, of a steep pitched asphalt shingle type roof (minimum 6/12 pitch). All fireplaces shall be masonry construction unless otherwise approved by the Architectural Review Committee. No exposed cinder or concrete blocks shall be permitted above ground level in the construction of any dwelling building or walls. In the event the dwelling calls for a garage door facing the front of the street the door and/or doors shall be kept closed at all times except when leaving or entering. Concrete driveways and walkways are required where necessary. All above ground exterior foundation walls shall be veneered with brick or stone. All residential construction shall be completed twelve (12) months from commencement.

3. ARCHITECTURAL REVIEW APPROVAL. Any proposed construction of any dwelling shall be prohibited unless the plans of said proposed dwelling shall be submitted to an Architectural Review Committee for review and approval. Said building plans and specifications shall be prepared by a qualified, registered architect or such other persons as may be approved by the Architectural Review Committee for the specific use of the property owner submitting the same and shall consist of not less than the following: Foundation plans, floor plans of all floors, section details, elevation drawings of all exterior walls, roof plan and plot plan showing location and orientation of all buildings and other structures and improvements proposed to be constructed on the building plot, with all building restriction lines shown. Such plans and specifications shall also show the location of all trees on the building plot having a diameter of ten inches or more,

breast high. In addition, there shall be submitted to the Architectural Review Committee for approval such samples of building materials proposed to be used as the Architectural Review Committee shall specify and require. A review fee will be charged and is payable upon submission of plans. The Amount of the fee shall be set by the Architectural Review Committee And may be changed from time to time at their discretion. This committee, hereinafter defined, shall be directed by the overall purposes, specifications and restrictions imposed herein, applicable State and local agencies, and take into consideration the topography of each lot and the adaptability of the proposed structure for said lot. Approval shall be given or denied, in writing, within thirty (30) days of the date said plans and specifications are submitted. All plans and specifications are to be submitted in writing, via registered , or certified mail and said plans shall be deemed submitted upon receipt by the Architectural Review Committee. Failure of the committee to respond, in writing, to those who submit such plans and specifications, shall be deemed as an approval of said proposed structure. A complete set of plans and specifications of the house to be built shall be left with said Architectural Review Committee during the time of construction.

4 . ARCHITECTURAL REVIEW COMMITTEE The Architectural Review Committee shall be composed of three or more persons who shall be appointed by the Developer. The Developer shall serve as the initial members of said committee until such time as the Developer appoints other individuals to comprise said committee. Approval for variance from the terms of the covenants stated herein will not be unreasonably withheld, however, the Architectural Review Committee shall have full power and authority to deny permission for construction of any dwelling that in its opinion does not meet the requirements and/or accomplish the purposes which were intended by these restrictions, including, but not limited to aesthetic appeal and uniformity of construction in the surrounding lots in the subdivision.

5. OUTSIDE WIRING. Outside wiring for dwellings, building, and any other structures shall be placed underground. No overhead wiring of any type shall be permitted. No outside television antenna shall be permitted on any lots.

6. HEATING/AIR CONDITIONING UNITS. No window air conditioning units shall be installed in any residence or building so as to be visible from public street. No equipment for central air conditioning or heating shall be installed so as to be visible from any public street, unless such equipment is shielded from view either structurally or by plantings.

7. BUILDING LOCATION. No building shall be located on any lot nearer to the front lot line or nearer to the side or back street line than the minimum building set back provided for herein. In any event, no building shall be located on any lot nearer than 30 feet to the front line or 20 feet to any side or back street line. However, corner lots shall have a front line building set back of 20 feet. No building shall be located nearer than 10 feet to any interior lot line. Rear set backs shall be 20 feet on all lots except that the Architectural Review Committee may agree to no rear set back on golf frontage lots and the Architectural Review Committee may agree to a 10 foot rear setback on all of the off golf

lots in the development. For the purpose of this covenant, eaves, steps, and terraces shall not be considered as a part of a building, provided, however, that this shall not be construed to permit any portion of a building on one lot to encroach upon another lot, or upon on other adjoining property. The Architectural Review Committee may vary the building set backs if they deem it in the best interest of the development.

8. **UNIFORMITY.** In order to promote uniformity and make a more desirable neighborhood, all residential lighting, supports for newspaper boxes or mailboxes, or any other posts at the front of a dwelling shall in general conform with others.

9. **MAIL BOXES.** All mailboxes must be supported on a four inch square post with a cantilever of the same material to support the box. All street numbers shall be displayed on a wooden plate suspended from the support under the box, and all dwellings shall display a street number at the front of each lot where it can be observed from the street.

10. **LIGHTPOSTS.** All dwellings shall have at the front lot line a light post installed and operated in accordance with guidelines set forth by or set out by the Architectural Review Committee.

11. **UTILITY YARDS.** Each residence may have attached thereto one or more utility yards. Each utility yard shall be walled or fenced, and the entrance thereto shall be screened, using materials and with a height and design approved by the Architectural Review Committee, in such manner that structures and objects located therein shall present, from the outside of such utility yard, a broken and obscured view to the height of such wall or fence. The following building, structures and objects may be erected and maintained and allowed to remain on the building plot only if the same are located wholly within the main residence or wholly within a utility yard: Pens, yards and houses for pets, aboveground storage of construction materials, wood, coal, oil and other fuels, clothes racks and clotheslines, clothes washing and drying equipment, laundry rooms, tool shops and workshops, servants' quarters, garbage and trash cans and receptacles (other than underground receptacles referred to in Paragraph 20 hereof), detached garages and carports, and above-ground exterior air conditioning and heating equipment and other mechanical equipment and any other structures or objects determined by the Architectural Review Committee to be of an unsightly nature or appearance. Hot tubs, swimming pools and satellite dishes must be approved by the Architectural Review Committee and the Architectural Review Committee may require that they be within a utility yard.

12. **STORAGE BUILDINGS.** Any and all storage facilities, fences or outside buildings of any kind are required to have the approval of the Architectural Review Committee. No fences of any kind shall be permitted in front of the rear plane of any house. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, partially completed dwelling, or outer buildings shall be used on any of said lots at any time as a residence, either temporarily or permanently. All trailers, boats, trucks, motor homes, etc., shall be kept, maintained or stored in a garage, basement, or utility yard.

13. **SIGNS.** No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five square feet advertising the property for sale or during the construction and sales period .

14. **SEWAGE DISPOSAL.** No individual sewage disposal systems shall be permitted on any lot unless such system, is designed, located, and constructed in accordance with the requirements, standards, and recommendations of both state and local public health authorities. Sewage disposal shall be through a private system operated by the Royal Oaks Property Owners Association and will require the lot owner to install a grinder pump device as designated by the developer and or the Royal Oaks Property Owners Association.

15. **SIGHT DISTANCE AT INTERSECTIONS.** No fence, wall, hedge, or shrub planting which obstructs sight lines at two (2) and seven (7) feet above the roadways shall be placed or permitted on any corner lot within the triangular area formed by the street property line connecting them at points twenty-five (25) feet from the Intersection of the street property lines extended. The, same sight line limitations shall apply on any lot , within ten (10) feet from the intersection of street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

16. **EASEMENTS.** Easements to each individual lot for installation and maintenance of utilities, drainage facilities and security fencing are reserved on the front rear and interior lot lines of said lots as shown on the recorded plats. The granting of this easement or right of access shall not prevent the use of the area by the owner for any permitted purpose except for building. A right of pedestrian access by way of a driveway or open lawn area shall also be granted on each lot, from the front line to the rear lot line, to any party or parties having an installation in the easement areas. A five (5) foot drainage, utility and security fencing easement is reserved on all interior lot lines where not otherwise provided, ten (10) foot easement at front and rear lot line, except as may be varied by the Architectural Review Committee.

17. **NUISANCES.** No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No trash, garbage, rubbish, debris, waste material, junk cars, or other refuse shall be deposited or allowed to accumulate or remain on any part of said lot, not upon any land or lands contiguous thereto. No fires for burning of trash, leaves, clippings, or other debris or refuse shall be permitted on any part of said lot.

18. **UTILITY METERS.** Utility meters are to be located so they are not visible from any public street, and in no instance shall meters be located at the front of dwelling. Meters located at the side or rear of dwelling shall be concealed by a structural or planted shield so as not to be visible from any public street.

19. NO picnic areas and no detached outbuildings, campers, trailers or mobile homes shall be erected or permitted to remain on any building plot prior to the start of construction of a permanent residence thereon. All fences, tree plantings and removal must be approved by the Architectural Review Committee.

20. THE DEVELOPER, its successors or grantees, retains the absolute right to establish from time to time rules and regulations relative to use and enjoyment of the areas outside of each residential lot.

21. NO garbage or trash incinerator shall be placed or permitted to remain on a building plot or any part thereof. Garbage, trash and rubbish shall be removed from the building plots in said subdivision only by services or agencies approved in writing by the Developer. After the erection of any building on any building plot, the owner shall keep and maintain on said plot covered garbage containers in which all garbage shall be kept until removed from the building plot. Such garbage containers shall be kept at all times at the option of the building plot owner, either within a utility yard or within underground garbage receptacles located on the building plot or on the access way at such location as shall be approved by the Developer. Any such underground receptacles shall be constructed so that garbage containers will not be visible. Garbage receptacles may be placed at roadways for removal on the day said removal is to occur.

22. THE platted lots shall not be re-subdivided or re-platted except as provided in this paragraph. Any lot or lots shown on said plat may be re-subdivided or re-platted (by deed or otherwise) only with the prior approval of the Developer and with such approval may be re-subdivided or re-platted in any manner which produces one or more building plots. The several covenants, restrictions, easements and reservations herein set forth, in case any of said lots shall be re-subdivided or re-platted as aforesaid, shall thereafter apply to the lots as re-subdivided or re-platted instead of applying to the lots as originally platted except that such re-subdivision or re-platting may affect easements shown on said plat with approval from the Developer.

23. NO crops of any kind may be grown on any lot. Garden plans must be submitted to the Architectural Review Committee for approval.

24. NO vehicle over ten tons shall be permitted on the roadways of the development, except moving vans, or with the prior approval. of the Developer. No overnight parking of commercial vehicles will be permitted.

25. All owners of lots in Royal Oaks Subdivision own said lots with the knowledge of the inherent risk of owning property adjacent to or in close proximity with a golf course and are aware of the dangers, including, but not limited to flying golf balls, open lakes and stream, golf cart accidents, and other risks commonly associated with property ownership near a golf course. Purchasers therefore, with full knowledge of said potential risks, agree to assume all such risks and to hold Seller, Developer and the owner/operator of Royal Oaks Subdivision, Royal Oaks Golf and Country Club their heirs, successors and assigns,

harmless from any loss or damage to persons or property arising or resulting from any such risks.

26. FOR the purpose of further insuring the development of said land as a residential area of highest quality and standards, each lot owner whose lot lies adjacent to a golf fairway or rough shall be required to use the same seed in planting his yard as used on the adjoining fairway or rough. The Developer reserves the exclusive power and discretion to approve the type of seed mixture to be used. It further reserves the right to waive in any case the mixture contents as used on the golf course if, in its opinion, a substitute mixture will more fully create the harmonious effect intended to be created by this restriction.

27. THE landscaping plan for the areas of any lot or block of future lots within twenty (20) feet of the boundary of the lot or block line adjacent to golf fairway or rough property shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect, and all individual lot or block landscaping plans must be approved by the Developer, its agent, successors, and assigns. .

28. THERE is reserved to the Developer, its agents, successors or assigns, a "Golf Course Maintenance Easement Area" on each lot adjacent to the fairways, rough, or greens of the Golf Course. This reserved easement shall permit the Developer, its agents, successors or assigns at its election, to go on to any fairway lot at any reasonable hour and maintain or landscape the Golf Course Maintenance basement area. Such maintenance and landscaping shall include regular removal of underbrush, trees less than six (6) inches in diameter, stumps, trash or debris, planting of grass, watering application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such lots within twenty (20) feet on the lot line bordering the golf course, provided, however, that the above described maintenance and landscaping rights shall apply to the entire lot until there has been filed with the Developer a landscaping plan for such lot by the owner thereof, or alternative, a residence constructed on the lot. This section may be waived or varied by the Developer and the Golf Course Operator.

29. UNTIL such time as a residence is constructed on a lot, the Developer, its agents, successors or assigns, reserves an easement to permit and authorize golf course players and their caddies to enter upon a lot to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a residence is constructed such easement shall be limited to that portion of the lot included in the Golf Course Maintenance Easement Area, and recovery of balls only, not play, shall be permitted in such Easement area. Players or their caddies shall not be entitled to enter on any such lot with a golf cart or other vehicle, nor spend unreasonable time on such lot, or in any way commit a nuisance while on such lot. After construction of a residence on a Golf Fairway area lot, "Out of Bounds" markers shall be placed on said lot at the expense of the Developer.

30. OWNERS of golf fairway lots shall be obligated to refrain from any actions which would detract from the playing qualities of the Golf Course or the development of an

attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as burning trash on a lot when the smoke would cross on to the fairway, and the maintenance of fenced or unfenced dogs or other pets on the lot under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

31. ANIMALS. No animals, livestock, or poultry of any kind shall be kept, used or bred on any of said lots either from commercial or private purposes, except the usual domestic pets, provided that the same are not allowed to run at large and do not otherwise constitute a nuisance to the neighborhood: Dogs will be allowed but no more than two dogs shall be kept on a single building lot for the pleasure and use of the occupants only, not for any commercial breeding use or purposes, except that if dog(s), or other type pets should become dangerous or any annoyance or nuisance in the neighborhood or nearby property, or destructive, they may not thereafter be kept on the building lot. No pet shall be allowed out of an enclosed utility yard, except on a leash, or otherwise appropriately restrained and accompanied by their owners.

32. NOTHING contained in these covenants and restrictions shall prevent the Developer or any person designated by the Developer from erecting or maintaining such commercial and display signs and such temporary dwellings, model houses and other structures as the Developer may deem advisable for development purposes.

33. THE OWNER of each building plot, whether such plot be improved or unimproved, shall keep such plot free of tall grass, undergrowth, dead trees, dangerous dead tree limbs, weeds, trash and rubbish, and shall keep such plot at all times in a neat and attractive condition. In the event the owner of any building plot fails to comply with the preceding sentence of this paragraph 33, the Developer shall have the right, but no obligation, to go upon such building plot and cut and remove tall grass, undergrowth and weeds and to remove rubbish and any unsightly or undesirable things and object therefrom, and to do any other things and perform and furnish any labor necessary or desirable in its judgment to maintain the property in a neat and attractive condition, all at the expense of the owner of such building plot, which expense shall be payable by such owner to the Developer on demand. If charges are not paid within ten days, a lien for said charges shall be placed on the property.

34. THE DEVELOPER shall have the sole and exclusive right to any time and from time to time to transfer and assign to, and to withdraw from, such person, firm or corporation as it shall select, any or all rights, powers, privileges, authorities and reservations given to or reserved by the Developer by any part or paragraph of these covenants and restrictions.

35. EACH lot owner shall be required to participate in the Royal Oaks Property Owners Association. Residential lot owners are subject to the By-Laws etc., of such association. All roads, retentions, security, sewage disposal system, etc. provided and owner by Royal Oaks Property Owners Association and a fee for such shall be assessed by said Association to each lot owner.

36. TERM. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date the covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

37. ENFORCEMENT. The Developer, Architectural Review Committee, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, imposed by the provision of these restrictions. Failure by the Developer, Architectural Review Committee or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Any violator will be held fully responsible for all legal expenses encountered by the Developer, Architectural Review Committee, or any Owner, to restrict such violation.

38. SEVERABILITY. Invalidation of anyone of these covenants by judgment of court order, shall in no wise affect any of the other provisions which shall remain in full force and effect.