

Apple View River Resort™ Home Owners Association

Welcome to the Apple View River Resort™. This Resort is composed of two neighborhoods located on Lonesome Valley Road in Sevierville, Tennessee. The first neighborhood is composed of townhouses and villas located on the East side of the Road. The second neighborhood is composed of condominiums which are located in two two story buildings and three high rise buildings located on the West side of the Road.

The townhouse villa neighborhood is managed by a five person Board of Directors elected by the owners of property in that neighborhood and they oversee the operations of the Appleview Orchards/Villas Homeowners Association, Inc. All owners of property in this neighborhood automatically become members of this Association. This home owner's association is responsible for the roads, landscaping, utilities and exterior of all of the townhouses. One way to look at it is that by becoming a member of the Association each owner owns 1/55th of these assets e.g. the roads, roofs and utilities of the townhouses.

The Condominium neighborhood is managed by a seven person Board of Directors elected by the owners of property in that neighborhood and they oversee the operations of the Riverplace Condominiums Owner's Association, Inc. All owners of condominiums in this neighborhood automatically become members of this Association. This Association is responsible for the exteriors of all the buildings, the parking lots, the landscaping and the major utilities which feed the condominiums. As above one way to look at it is that by becoming a member of this Association each owner owns 1/94th of the buildings, utilities, parking lots etc.

Both neighborhood Associations fall under the Covenants and Restrictions established by the overarching Home Owners Association which is incorporated as Apple View Farms Community Association, Inc. Owners of property within the boundaries of the Apple View River Resort™ automatically become a member of this overarching Association. This Association is governed by a seven person Board which includes the President of the Appleview Orchard/Villas Homeowners Association, Inc. and the President of the Riverplace Condominiums Owner's Association, Inc. and five other property owners elected at large from property owners in either neighborhood. This Association controls the operation of the swimming pool, the Clubhouse, the River Walk, and designates the single rental agent. In this case all members of the Association own 1/149th share of the amenities i.e. the swimming pool, Club house and River Walk etc.

Apple View River Resort™ Home Owners Association

All owners are automatically members of the Apple View Farms Community Association Inc. and are then automatically members of one of the neighborhood Home Owners Associations. This management structure is shown in the diagram below,

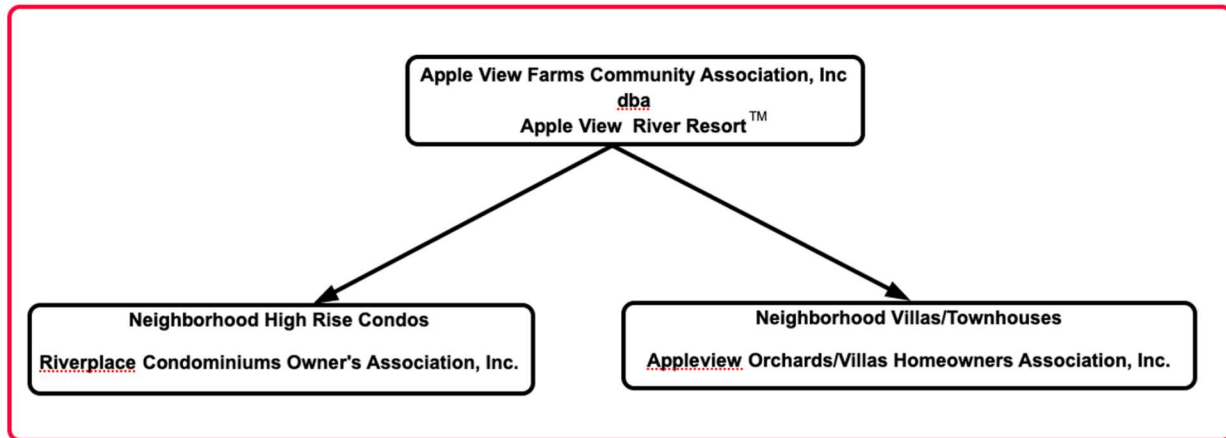


Figure 1 Homeowners Associations

Each of the three Board of Directors are governed by their own set of Bylaws. As a property owner within the Resort, you have agreed to comply with the Declaration of Covenants, Conditions, and Restrictions for Apple View Farms, the Master Deed of your Home Owners Association, and the Policies and Procedures established by your neighborhood Board of Directors. An index to the Covenants which all must abide by is shown below.

Section Number	Area Covered	Section Number	Area Covered
1	Display of Signs	14	Drainage & Septic Systems
2a	Parking	15	Tree Removal & Landscaping
2b	Prohibited Vehicles	16	Sight Distance at Intersections
3	Unit Occupants Bound	17	Lighting, Including Christmas Lights
4	Pets	18	Energy Conservation Equipment
5	Quiet Enjoyment	19	Wetlands, Lakes and Water Bodies
6	Unsanitary Conditions	20	Playground
7	Antennas	21	Fences
8	Clotheslines, Garbage Cans, Tanks etc.	22	Business Use
9	Subdivision of Unit/Time sharing	23	On-Site Fuel Storage
10	Firearms, Discharge	24	Occupancy Limits
11	Pools	25	Leasing/Rental of Units
12	Irrigation	26	Laws and Ordinances
13	Tents, Trailers/Temporary Structures		